

## Measures of the Serbian Government

to support Serbian economy  
during COVID-19 pandemic -  
FINANCIAL SUPPORT FOR  
LIQUIDITY AND CURRENT  
ASSETS

April 2020



## Entities which can use the funds

*The total amount of funds intended for this support is around 200 million EUR and will be implemented by the Development Fund of the Republic of Serbia.*

Regulation on financial support to entities for liquidity and current assets during economic hardship caused by Covid-19 pandemic has the following goals:

- Support to business entities for the procurement of fixed assets
- Support business entities to maintain current liquidity and payment of their dues to suppliers, employees, and the Government.
- The table below provides an overview of the entities that can apply:

No.	Business entities that can be users	Ownership	Industry
1.	Sole proprietorships, cooperatives, micro, small and medium-sized legal entities	Majority private or cooperative ownership	Production, service, trade, and agriculture

**NOTE:** Funds may not be used to organize games on chance, lotteries and similar activities; trade in petroleum and petroleum products; production and marketing of products or activities that are considered prohibited under domestic regulations and international conventions.

## Conditions for using the funds

No.	Who can use the funds?	Formal conditions	Financial state
1.	Sole proprietorships, micro, small and medium-sized legal entities	<ul style="list-style-type: none"> <li>Classification in accordance with the Law on Accounting (Official Gazette of the RS No.73/19) based on the most recently submitted financial statements</li> <li>Submit official statutory financial statements for the previous two years to the Development Fund of the Republic of Serbia</li> </ul>	<ul style="list-style-type: none"> <li>They are not in difficulty</li> <li>Bankruptcy proceedings were not instituted against them</li> <li>They are not subject to voluntary restructuring (UPPR)</li> </ul>
2.	Cooperatives	<ul style="list-style-type: none"> <li>Registered in business register agency (APR) or other relevant registry</li> <li>Submits to the Development Fund an official statutory financial statements for the previous two years</li> <li>Harmonized acts, bodies and operations with the Law on Cooperatives (Official Gazette of the RS No.112/15)</li> <li>Performed a cooperative audit in the last two years</li> </ul>	<ul style="list-style-type: none"> <li>They are not subject to forced restructuring</li> <li>They are not subject to financial restructuring or liquidation proceedings</li> </ul>

**NOTE:** A loan may also be granted if (based on the official financial statements) entity recorded net loss for one of the last two years, but also recorded positive operating profit in the same year. The requirement relating to the financial statements does not apply to sole proprietorships which do not submit financial statements (tax-lump-sum sole proprietorships).

## Loan granting conditions

No.	Description	Sole proprietorships	Micro legal entities	Small legal entities	Medium-sized legal entities	Cooperatives
1.	Term	36 months (12 months grace period + 24 months repayment)				
2.	Interest rate	1% per year				
3.	Payment method	Payment in RSD; repayment in equal monthly annuities; interest is calculated and added to principal during the grace period				
4.	Minimum amount	200,000 RSD	1,000,000 RSD	1,000,000 RSD	1,000,000 RSD	200,000 RSD
5.	Maximum amount	10,000,000 RSD		40,000,000 RSD	120,000,000 RSD	120,000,000 RSD

### NOTE:

- The basic condition for loan grant is that the entity does not reduce the number of employees by more than **10%** in the period from **15.03.2020** until the expiration of the period of three months after the loan is granted (the number of employees does not include employees who concluded part-time employment contracts before **15.03.2020** whose contract expires during the aforementioned period)
- Minimum and maximum amounts of loan refer to one individual beneficiary, including its related legal entities (if any)

## Collateral/Security

*Nexia star Ltd. Belgrade can offer its clients a complete assistance in the process of loan application at the Development Fund.*

No.	Amount of loan	Means of security
1.	Up to 1,000,000 RSD	Loan beneficiary promissory note; Personal promissory notes of the owners (all owners)
2.	Up to 2,000,000 RSD	Loan beneficiary promissory note; Personal promissory notes of the owners (all owners); Personal guarantee from a permanent employee
3.	Up to 10,000,000 RSD	Loan beneficiary promissory note; Personal promissory notes of the owners (all owners); Corporate guarantee from a related legal entity
4.	Up to 25,000,000 RSD	Loan beneficiary promissory note; Personal promissory notes of the owners (all owners); Corporate guarantee from a solvent non-related legal entity
5.	Over 25,000,000 RSD	Loan beneficiary promissory note; Pledge on equipment owned by the beneficiary and / or first-lien mortgage

- For entities which already use loans from the Development Fund and have already established real collateral rights, they must provide the higher-lien collateral
- Real estate and equipment serving as loan collateral do not need to be insured and the insurance policy do not need to be vinctuated in favor of the Development Fund
- If owners of the loan beneficiary are persons who are foreign nationals or companies registered abroad, in this case, the personal promissory notes of the owners are not required
- Entities may apply for loans as long as there are funds provided for this purpose, but not later than 10 December 2020.
- The Managing Board of the Development Fund will decide on all received requests by 31 December 2020 at the latest, while the deadline for payment of approved loans is 31 March 2021.
- Entities using loans in line with this regulation cannot pay dividends until the end of 2020.



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