



## **COVID-19**

### **Legal Insights no. 70**

Treasury Support Line for Micro and Small  
Companies

Following the epidemiological situation of COVID-19, it was published on September 14<sup>th</sup>, 2021, in *Diário da República*, the Ordinance no. 192-A/2021, which regulates the Treasury Support Line for Micro and Small Companies, designated «MPE Support Line», approved by Decree-Law no. 64/2021, of July 28<sup>th</sup>. From the analysis of the diploma, we highlight the following:

The beneficiaries of the MPE Support Line are micro and small companies, from any sector of activity, in a situation of business crisis, which meet and demonstrate compliance with the following conditions:

- To have the electronic certification that proves the status of micro or small company;
- To have positive shareholders' equity on December 31<sup>st</sup>, 2019, except in the case of companies that have started their activity after January 1<sup>st</sup>, 2019 and until September 30<sup>th</sup>, 2020, or demonstrate evidence of capitalization, through new capital contributions that allow cancelling the negative value of the existing shareholders' equity on December 31<sup>st</sup>, 2019, if applicable;
- To have fulfilled all obligations related to taxes and social contributions before, respectively, the tax authorities and the social security, at the date of the application;
- To not be considered a company with tax domicile in a country, territory or region subject to a more favourable tax regime;
- To have fulfilled all obligations related to credit before IAPMEI, banking institutions, *Banco Português de Fomento, S. A. (BPF)*, and its subsidiaries within the banking system;
- To not have financing operations, approved or contracted, within the framework of a credit line or sub-line, with mutual guarantee created or supported by the Mutual Counter Guarantee Fund to support the normalisation of companies' activity in face of the pandemic outbreak of COVID-19, at the date of the application;
- To present a declaration of the beneficiary, stating the turnover obtained in 2019 and 2020, or only in 2020 for companies incorporated in that year, as well as the estimated turnover that the beneficiary foresees to obtain in 2021, 2022 and 2023, as per the draft to be provided by IAPMEI, being only eligible the beneficiaries that present estimated values for 2022 and 2023 higher, in each of these years, than the value in 2019, or in 2020, for companies incorporated in that year;
- Comply with the registration obligation in the Central Register of Beneficial Owner, if applicable.

The following operations are not eligible:

- Aimed at financial restructuring and/or operations which involve the consolidation of outstanding credit;
- Aimed at liquidating or replacing previously financing agreements;

- Aimed at purchase of land and buildings in a state of use, as well as buildings for general use which do not have, prior to the acquisition, specific characteristics suited to the technical requirements of the production process and/or operations of the company.

The financial support may be up to a maximum of EUR 25,000.00 for micro companies and EUR 75,000.00 for small companies. To this financial support a fixed interest rate of 150 base points is applicable, and must be repaid within a maximum period of four years.

In case of failure to comply with the purposes or contractual obligations, legal obligations, or if false information is provided about the situation or vitiation of the data provided in the submission of the application, IAPMEI, I.P., may unilaterally terminate the financing contracts.

The Ordinance no. 192-A/2021, of September 14<sup>th</sup> entered into force on September 15<sup>th</sup>, 2021.

To access the full text please click [here](#).

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