



**μ Finance Romania Working Group's
Activity during the Health
Emergency period**

1. What is current situation in Romania and within MF sector

- State of emergency since March 16 until May 16th
- Travel outside the residence restricted allowed only for food shopping and medical supplies.
- Meetings, cultural events, religious events, sport events, etc. canceled
- Malls, restaurants, beauty salons, museums and dental offices closed
- Most of the production capacities closed, the business that can relocate part of the operations on line are still in function.
- Two towns with large number of Covid-19 infections quarantined
- Until May 4th there are 13,800 people infected, 12,700 in quarantine and 19,700 isolated, 827 lost lives.
- After May 16th a state of alert will replace the state of emergency, some relaxation of the restrictions with safety measures in place, e.g. business travel allowed, offices opened after social distance among the employees is ensured and regular disinfection of premises, medical masks are obligatory in close spaces and in the public transportation vehicles, etc.

2. Economic measures taken by the Romanian Government to cope with the pandemic and economic crisis that will follow; Support for SMEs.

- For all companies that closed the operations during the state of emergency the state will pay for the personnel sent in technical unemployment 75% from the monthly salary (Maximum 75% average monthly salary in Romania).
- For all SMEs including microenterprises affected by the crisis the Romanian Government launched the IMM Invest program with a budget of 15 billion Ron (Eur 3,125 Billion) :
 - The state can guarantee up to 90% of the value of the loans the SMEs will access from one of the partner banks.
 - 0% loan interest, guarantee fee or other granting costs
 - The financing costs are 100% subsidized from the state budget, until 31.12.2020, with the possibility of extension.
 - No early repayment commission
 - The maximum value of loans can be up to 10,000,000 lei(Eur 2,083 Million) for investments and up to 5,000,000 lei (Eur 1,04Million) for working capital

2. Economic measures taken by the Romanian Government to cope with the pandemic and economic crisis that will follow: measures that affect the financial sector including the MFIs.

- Individuals and legal entities directly or indirectly affected by the COVID-19 pandemic have the opportunity **to defer payment of loan installments (principal rates, interest and fees).**
- The request of the facility to suspend the obligation to pay the installments must be submitted by the debtor within an interval of up to 45 days from the entry into force of the provisions of GEO no. 37/2020 (until May 14, 2020 inclusive).
- The suspension of the **installments can be requested only once, and the postponement period can be from one month to 9 months** (until December 31, 2020);
- **The payment by the debtor of the debt representing the total interest related to the suspension period will be made in stages, starting with the month immediately following the end of the suspension period, in 60 equal monthly installments, without charging interest for this component of the loan/mortgage.**
- For mortgage loans, the interest related to the suspension period is calculated according to the provisions of the credit agreement and represents a distinct and independent receivable;

μ Romania WG's communication with members, regulators, Investors and Eu MF networks

- 4 newsletters consisting in news from Romanian Government, Romanian Central Bank, WG's members initiatives .
- 1 tele-conference and 3 zoom videoconferences for discussions of common actions, communication / messages for regulators and investors.
- Two documents/ proposals drafted and sent to Romanian Government and Investors endorsed by the WG members.
- Various exchange of documents, information, practices on the WhatsApp group.
- Contributions to the MFC/EMN communication with the EC and investors.