

Barcelona City Council, with the ICF and AVALIS, boosts a line of loans of 12 million Euros for micro-SMEs and the self-employed

- » Small and medium-sized companies and the self-employed will be able to apply for microloans, amounting to 12,500 Euros, from 5th October, online through the Barcelona Activa Business Support Office

The Catalan Institute of Finance (ICF), Avalis de Catalunya and Barcelona City Council, through Barcelona Activa, are launching a line of funding, called **B•Loans**, of 12 million euros for the city's economic fabric, in order to cover the lack of specific cash-flow arising from the emergency of COVID19.

By means of an agreement between the three organisations, these loans will be aimed primarily at the sectors of commerce, hospitality, tourism, creative industries, care, education and sport, and self-employed women and women entrepreneurs, who have suffered the effects of the COVID-19 crisis. The main aim of these microloans is to contribute to the recovery of business.

This line of microloans, which can be applied for from the Barcelona Activa Business Support Office (OAE), is part of the economic recovery plan promoted by Barcelona City Council's Economic Response Centre (CECORE), created since the beginning of the pandemic to revive the city's economy in the short, medium and long term. Barcelona City Council, as part of its priority of preserving jobs and supporting companies and the self-employed, aims to give a greater boost to local businesses through these loans with guarantees and good conditions.

Jaume Collboni, the First Deputy Mayor for Economy, Work, Competitiveness and the Tax Office of Barcelona City Council, stated: "Together we have all designed a financial product that, in addition to being 100% guaranteed thanks to the City Council, allows the self-employed and micro-enterprises to maintain their businesses and continue to create and innovate, while they are unable to recover their revenue. The key to this loan product is that they have a one-year period of grace, which means that companies do not have to repay the loan during this period. This provides them with leverage for economic reactivation with the support, in this case, of leading institutions to guarantee and make these loans possible."

This line of funding is in addition to the many solutions that the ICF and Avalis de Catalunya have launched to cover the liquidity needs of the business fabric arising from the COVID-19

crisis and to ensure the maintenance of jobs. In total, the ICF has made more than 1.1 billion Euros available to the self-employed, SMEs, companies and organisations. Of these, 300 million Euros correspond to a line of loans that has the 100% of the guarantee of Avalis de Catalunya.

Conditions of the loans

The amount of the loan is 12,500 Euros and will have a duration of 5 years, with a grace period included. The microloans will be 100% guaranteed by the Sociedad de Garantía Recíproca de Catalunya, Avalis de Catalunya, SGR, which will count on a contribution of €2M from Barcelona City Council. The beneficiaries of the guarantees must become members of Avalis by subscribing to a share of 200 Euros.

These conditions will be valid until 31st December, 2020, and will be reviewed as of 2021 in order to apply the market conditions that Avalis and ICF will be applying to this type of operation in that moment.

Amortització del microcrèdit de 12.500€

Pagament inicial: **624,35€** Mutuallitat: 200€
Comissió de risc: 424,35€

Interès: **1,85%**

	PRINCIPAL	INTERESSOS	QUOTA	PENDENT
1r any	0,00€	231,24€	19,27€/mes	12.500,00€
2n any	3.038,88€	205,57€	270,37€/mes	9.461,11€
3r any	3.095,60€	148,87€	270,37€/mes	6.365,52€
4t any	3.153,34€	91,11€	270,37€/mes	3.212,18€
5è any	3.212,18€	32,28€	270,37€/mes	0,00€
	12.500,00€	709,07€	13.209,07€	

Total operació: **13.833,42€** 13.209,07€ amortització i interessos + 624,35€ inicials

* The simulation data is indicative and may vary according to the interest rate applied

Management of the loans and how to apply for them

Microloans can be applied for from 5th October, 2020 through Barcelona Activa, on the website www.barcelonactiva.cat/bcredits, which will include all the required information and documentation. Avalis de Catalunya will analyse and, if it is the case, approve the loan; Barcelona Activa will manage the digital signature of the operations and the ICF will make the payment of the amount of the loan.

About the ICF

The ICF – the Catalan Institute of Finance - is the public financial institution of Catalonia. Its main mission is to promote the financing of the business community in Catalonia in order to contribute to the growth, innovation and sustainability of the Catalan economy. The ICF acts as a complement to the private sector by offering a wide range of financing solutions focused on loans, guarantees and venture capital investment. Since 2014 it has been a member of the European Association of Public Banks (EAPB), which brings together a large number of banks and public financial institutions operating in Europe.

About Avalis de Catalunya

The mission of Avalis de Catalunya SGR, a non-profit organisation, is to enable access to loans for SMEs and the self-employed with activity in Catalonia, in addition to favouring financing conditions by providing guarantees to financial entities and of the ICF. Furthermore, it also facilitates the tendering process and execution of public bids.

About Barcelona Activa

Barcelona Activa is a municipal company intensive in knowledge and talent. The agency's mission is to promote economic policy and local development to foster the improvement of the quality of life of the citizens of Barcelona through the promotion of employment, boosting entrepreneurship and supporting companies, responding to the different needs of people in their territory and from the perspective of the plural economy, which includes the Social and Solidarity Economy.

