

## **\*The Official Credit Institute issues an ICO liquidity line for Small and Medium Enterprises**

Given the increasing difficulties small and medium-sized enterprises are experiencing in order to access credit, the Government has established several programmes in order to improve the current conditions so that companies may be able to carry out the necessary productive investments to overcome the current situation. Among such programmes, the Government has set forth the new ICO liquidity line, the so-called ICO-Liquidez, which is a specific line aimed at financing small and medium-sized enterprises' working assets. This is an exceptional measure, since, so far, the ICO had only financed investments. This new action line has been endowed 10,000 million Euros, 5,000 million Euros have been supplied by the ICO and the rest by the financial entities.

### **Beneficiaries**

Solvent, viable small and medium-sized enterprises affected by credit restriction.

### **Development**

Companies may submit their applications to the corresponding entities after 23 December 2008.

### **Further information**

<http://www.ico.es/web/contenidos/6/0/5451/index>

## **\*Monthly VAT return**

VAT payers may apply for their corresponding monthly return since January 2009, thus, it is not necessary for them to wait until the end of the year. This means tax payers will be paid nearly 6,000 million Euros in advanced in 2009. This measure will improve the liquidity of companies.

### **Beneficiaries**

Interested VAT payers regardless of the volume of operations.

### **Development**

It is currently in force. It is contemplated in Law 4/2008 dated 23 December.

### **Further information**

<http://www.agenciatributaria.es>

## **\*Asset redemption leeway in the case of new assets in the Corporate Tax**

Investments in new assets having to do with economic activities and acquired during a chargeable period starting in 2009 and 2010 may be paid at will provided the company maintains staff. This will contribute to encourage companies to carry out new investments.

### **Beneficiaries**

Corporate Tax payers, that is to say, 1,350,000 companies, more than one million of them being small and medium-sized enterprises.

### **Development**

Approved of by virtue of Law 4/2008, dated 23 December, only for the period 2009-2010.

### **Further information**

<http://www.boe.es/boe/dias/2008/12/25/pdfs/A51998-52024.pdf>

Telephone no.: 901 33 55 33

## **\*2009 ICO Action Lines to support companies**

Given the increasing difficulties small and medium-sized enterprises are experiencing in order to access credit, the Government has established several programmes in order to improve the current conditions so that companies may be able to carry out the necessary productive investments to overcome the current situation. Thus, in 2009 the traditional ICO action lines intended to support companies are extended and improved; this includes the so-called ICO-PYME line (10,000 million Euros) for small and medium enterprises, the ICO-Internacionalización (200 million Euros) to promote internationalisation, the ICO-Emprendedores (100 million Euros) to promote entrepreneurship, and the ICO-Crecimiento Empresarial (600 million Euros) to promote business development. These programmes have been endowed with 10,900 million Euros for 2009.

### **ICO-PYME action for small and medium-sized enterprises**

It will be endowed with 3,000 million Euros more and, thus, in 2009; its funds will amount to 10,000 million Euros, the most important amount in the last 15 years. For the first time, the possibility to use up to 40% of the credit obtained to finance working

capital is contemplated, even though, this possibility is subject to the investment of at least 60% of the total financing funding in fixed productive assets.

**Beneficiaries.** Self-employed workers and small and medium-sized companies. Applications must be submitted to the financial entities.

### **ICO-Emprendedores action for entrepreneurs**

It makes it possible to finance self-employed workers and entrepreneurs engaged in creating new companies or new professional activities under preferential conditions. This year, the funding for this action increases up to 100 million Euros. This action is intended to finance up to 90% of the investments in new productive assets.

**Beneficiaries.** Self-employed workers and new small companies with less than ten employees. Applications must be submitted to the financial entities.

### **ICO-Internacionalización action to promote business internationalisation**

It is intended to promote the presence of Spanish companies abroad by financing their investments under preferential conditions. It will be endowed with 200 million Euros in 2009.

**Beneficiaries.** All companies. Applications must be submitted to the financial entities.

### **ICO-Crecimiento Empresarial action to promote business growth**

It is endowed with 600 million Euros and it is intended to provide Spanish companies interested in developing more ambitious investment projects with an adequate financing. The assets financed will have to be new fixed productive assets and financing will cover up to 80% of the net investment project.

**Beneficiaries.** Companies with 50 or more workers by 31 December 2008, regardless of their total sales revenue or their balance sheet. Applications must be submitted to the financial entities.

### **Development**

Available from 7 January.

### **Further information**

<http://www.ico.es/web/contenidos/5384/index?abre=5385>

Telephone no.: 900 121121

## **\*New deferment for small and medium enterprises with the ICO-Moratoria PYMEs**

The new ICO action line makes it possible for companies to defer, during 2009, the payment of the loans obtained through the so-called ICO-PYME action line for small and medium-sized enterprises. This means that companies will have the chance to defer the payment of 5,000 million Euros. The amounts deferred will have to be returned to the ICO in one single payment in one, two or three years counting from January 2010, at preferential interest rates.

### **Beneficiaries**

Self-employed workers and small and medium-sized enterprises having been granted loans by the Official Credit Institute ICO between 2006, 2007 and 2008; in 2009, these companies will only have to pay the interests. The deferment will be applied to the amounts that do not exceed the payable capital fees per loan for 2009.

### **Development**

Available on January 2009.

### **Further information**

<http://www.ico.es/web/contenidos/6/0/5472/index.html>

Telephone no.: 900 121121

## **\*ICO-PROINMED action line**

The so-called ICO-PROINMED action line is an intermediation action line promoted by the ICO in order to finance the investment projects carried out by medium-sized companies. This programme is intended to provide credit entities with funds so that they may finance medium-sized companies' investments in new productive assets or the acquisition of company assets abroad by medium-sized companies, according to market conditions. The budget established initially has increased by 1,000 million Euros, reaching 3,000 million Euros in 2009.

### **Beneficiaries**

Medium-sized companies whose annual balance falls between 43 and 300 million Euros, and whose annual sales revenue falls between 50 and 300 million Euros. Applications must be submitted to the financial entities.

### **Development**

The ICO-PROINMED 2009 action will be set forth by March 2009.

## **Further information**

<http://www.ico.es/web/contenidos/6/0/5486/index>

Telephone no.: 900 121121

## **\*Extension of the Treasury FTPYME action line (asset-backed security fund for small and medium enterprises)**

The so-called FTPYME action line, implemented in 2008, will also be in force in 2009 and 2010. Through this action line, the Government will be able to furnish guarantees to endorse the fixed interest securities of asset-backed security funds. It will serve to guarantee part of the fixed interest securities of Asset-backed security funds including the loans granted by credit entities to non-financial companies, provided that a specific percentage of such companies are small and medium-sized companies. This encourages credit entities to grant loan to small and medium enterprises as it facilitates fund mobilisation through the asset-backed security system. In 2009 and 2010 the funds mobilised will amount to 3,000 million Euros per year.

### **Beneficiaries**

It will improve the financing conditions of small and medium-sized companies as it will enhance the securitization of the credits granted to them. Applications must be submitted to the financial entities.

### **Development**

Applications may be submitted between 15 January and 15 February for the accounting year 2009.

## **Further information**

[http://www.tesoro.es/sp/legislacion/index\\_legislacion\\_ftpymes.asp](http://www.tesoro.es/sp/legislacion/index_legislacion_ftpymes.asp)

## **\*New progress payment regime in the Corporate Tax**

Tax payers had the chance to choose the method to calculate progress payments during 2008, so as to avoid penalties on companies due to the change in the accounting system.

This means that any capital gains resulting from the implementation of the assessment norms of the new General Accountancy Plan since 1 January 2008 have not been taken into consideration to calculate April, October and December's partial payments, at the expense of the benefits obtained in 2008. Thus, the amount deferred totals to 3,000 million Euros.

### **Beneficiaries**

Corporate Tax payers, that is to say, 1,350,000 companies, more than one million of them being small and medium-sized enterprises.

### **Development**

It was approved of by virtue of Royal Decree 2/2008, only for 2008.

### **Further information**

<http://www.agenciatributaria.es>

Telephone no.: 901 335533