

FSECA / Russia

Outstanding guarantee volume at end-2020 is **mEUR 218.8**

842 SMEs are under the auspices of **FSECA** in H2 2020

The **average guarantee size** is **kEUR 213** in H1 2020

The **Moscow Small Business Credit Assistance Fund (FSECA)** rolled out substantial measures to support small and medium-sized companies in the Russian capital throughout the pandemic.

In March 2020, the Fund confirmed that applications for the restructuring of current loans secured by guarantees of the Fund will be considered as a matter of priority. Furthermore, it informed that the Department of Entrepreneurship and Innovative Development has opened a hotline for entrepreneurs of the city, including on lending issues. **FSECA** also introduced additional types of guarantees and special conditions for restructuring loans for SMEs. The fund offers entrepreneurs in crisis situations to restructure their debts and to extend its duration by 6 months without additional financial analysis. It will be possible to reconsider the term of the loan, the size of the payment or apply other options for restructuring the debt for the entire duration of the guarantee provided by the Fund. There are also additional types of guarantees for small and medium-sized businesses with 70% coverage and a maximum guarantee amount of mRUB 100 (mEUR 1.1).

To ensure the stable operation of the Fund, the Department will provide a subsidy to cover the costs of payments on defaults, as well as carry out a capitalisation, increasing its own funds.

In addition, the Moscow government subsidises up to 6% of the interest rate on guaranteed loans to SMEs received before April 15, 2020 and up to 8% on loans received after April 15, 2020 to finance current activities. The final rate would then be in the range of 3-7% p.a.

Among the beneficiaries of the promotional programme is a company that produces medical masks and other medical equipment.

FSECA moreover significantly simplified the application procedure by supporting pre-approved subsidised and guaranteed loans. The analysis of these applications takes up to 3 days. This significantly reduces the package of documents that will need to be provided to the entrepreneur.

In November, **FSECA** announced that restrictions on the type of activity of companies benefitting from the guarantee programme are lifted. This change allows to provide assistance to restaurants, cafés and other small businesses, which, due to the work with excisable goods, could not receive it before, despite the difficult situation due to the pandemic.

Most often, entrepreneurs applied for guarantee support to obtain loans to replenish working capital (75%), to execute commercial and government contracts (12%), to re-finance (7%) and investments (2%).

In total, in 2020, Moscow entrepreneurs received bRUB 23.2 (mEUR 254.9) of guaranteed loans. Between January and December 2020, **FSECA** issued guarantees to the capital's entrepreneurs in the amount of bRUB 10.7 (mEUR 117.5). The average guarantee amount is mRUB 19-20 (around kEUR 215). The sectoral structure of guarantees repeats the sectoral structure of small businesses in Moscow: about half of the issued volume of guarantees went wholesale and retail trade enterprises, up to a third was received by companies of priority sectors for the capital (among them - manufacturing, construction, transport, innovation, medicine, etc.) the remaining share went to a variety of services.

More information on **FSECA** measures can be found under the following link:
<https://www.mosgarantfund.ru/>

Latest update: 2nd February 2021