



The Malta Development Bank launches the MDB COVID-19 Guarantee Scheme

The Malta Development Bank (MDB) has just launched the MDB COVID-19 Guarantee Scheme (CGS). The CGS is a key component of the wider package of Government's COVID-19 Response Support Programme.

The Government has allocated a fund of €350 million for the MDB to develop the CGS, with the purpose of guaranteeing loans granted by commercial banks in Malta to meet new working capital requirements of businesses facing cashflow disruptions due to the effects of the COVID-19.

The Ministry for Finance entrusted the MDB as the implementing body of the CGS. The MDB is responsible for the development, management and implementation of the scheme. The CGS will enable the commercial banks accredited by the MDB to leverage the €350 million fund into €777.8 million in new working capital loans to support all types of businesses in Malta.

Eligible working capital costs under the CGS include salaries, rental costs, energy and water bills and fuel, unpaid invoices due to decrease in revenues, acquisition of material and stock for continuation of business, expenses directly related to contracts which were cancelled or postponed because of the present situation, and maintenance costs.

Businesses of any size and type can apply for loan amounts that can go up to €5 million, depending on the size, wage bill and turnover of the applicant.

Under the CGS, businesses can also benefit from improved access to liquidity, at lower interest rates and with a repayment period of up to six years.

In addition, the CGS will provide the much-needed breathing space for businesses by providing a six-month moratorium on both the interest payments as well as on capital repayments. The moratorium period can be extended by the commercial banks to one year on a case by case basis.

Prof. Josef Bonnici, Chairman of the MDB said: "All types of businesses are facing an unprecedented crisis with the COVID-19 pandemic. During these crucial times, the MDB is stepping in to help shield the Maltese economy, fulfilling its role as a counter-cyclical state instrument. The MDB has invested all its energy and resources in getting the CGS up and running as soon as possible since we understand that businesses are in urgent need of access to funding during these unprecedented times. As of today, the CGS is available for commercial banks to start mobilising the funds, ensuring that credit keeps flowing to where it is needed."

3 April 2020



Il-Bank Malti ta' Zvilupp ivara l-MDB COVID-19 Guarantee Scheme

Illum il-Bank Malti ta' Zvilupp (MDB) qed iniedi l-MDB COVID-19 Guarantee Scheme (CGS). Din l-iskema hija element importanti mill-pakkett wiesa ta' mizuri li l-Gvern ħabbar fil-ġranet li għaddew.

Il-Gvern ħoloq fond apposta ta' €350 miljun biex l-MDB jizviluppa il-CGS, bl-iskop li jiġi assikurat self bankarju għal kull tip ta' negozju għal-dak li huwa 'working capital', iġifieri likwidita' li tagħti in-nifs lin-negozji li qed jaffaċċjaw diffikulta' biex jiffinanzjaw l-operat tagħhom minħabba l-effetti ekonomiċi tal-COVID-19.

Il-Ministeru tal-Finanzi inkariga l-MDB bħala l-entita' responsabbli mit-tfassil, immannigġjar u implimentazzjoni ta' din l-iskema. Il-Bank Malti ta' Zvilupp se jkun qiegħed jimmobilizza l-fond ta' €350 miljun b'din l-iskema mal-banek kummerċjali biex jinħoloq portafoll ta' self lin-negozji ta' €777.8 miljun.

L-ispejjez koperti taħt din l-iskema jinkludu salarji, kirjiet, kontijiet tad-dawl, ilma u enerġija oħra, ħlas pendenti fuq fatturi, xiri ta' materjal u ħazna għall-kontinwita' tan-negozju, spejjez relatati ma' kuntratti li setgħu ġew sospizi minħabba iċ-ċirkustanzi prezenti, u spejjez ta' manutenzjoni.

Negozji ta' kull daqs u tip jistgħu japplikaw mal-banek kummerċjali għal ammont ta' self sa' €5 miljuni, skont id-daqs, il-pagi u l-bejgħ tal-applikant. B'din l-iskema in-negozji se jkunu qed jibbenfikaw minn aċċess aħjar għall-likwidita, b'rati tal-imgħax skontati u terminu ta' self sa' sitt snin.

Barra minn hekk, il-CGS tagħti in-nifs finanzjarju tant meħtieġ minn negozji f'dan il-mument billi toffri moratorju ta' sitt xhur, li jista ukoll jitla sa' sena, kemm fuq l-imgħaxijiet kif ukoll fuq il-kapital dovut.

Il-Professor Josef Bonnici, Chairperson tal-MDB stqarr: "Kull tip ta' negozju qed jaffaċċja krizi bla precedent kawza tal-COVID-19. F'dawn iz-zminijiet ta' diffikulta', l-MDB qiegħed ikun ta' protezzjoni għal-ekonomija Maltija billi jintensifika ir-rwol tiegħu bħala strument li jixpruna l-ekonomija fi zminijiet diffiċli. L-MDB investa l-enerġija u r-rizorsi kollha tiegħu biex ivara din l-iskema fl-iqsar zmien possibbli għax nifhmu l-urġenza tal-ħtieġa tal-aċċess għall-likwidita' tan-negozji. Mil-lum, il-CGS hija disponibbli għal-banek kummerċjali biex jibdeu jimmobilizzaw il-fondi, biex b'hekk nizguraw li il-kreditu jibqa' jasal fejn hu meħtieġ"

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