

BOGA & ASSOCIATES

LEGAL • TAX • ACCOUNTING

COVID-19 Publications

The outbreak of Coronavirus COVID-19 has wide-ranging implications for businesses, governments and institutions across markets and industries. This newsletter prepared by our Legal Team contains information on the potential impact this pandemic may have on your businesses.

BOGA & ASSOCIATES has established a dedicated *directline* service, available to our clients and business partners. You can contact our dedicated COVID-19 Legal Team at our *directline* by clicking [here](#).

The Council of Ministers has recently adopted Decision No. 277 dated 06.04.2020 (the “Decision”) regarding the state loan guarantee in the amount of ALL 11.000.000.000 (eleven billion Leke). This guarantee scheme provides lending to companies whose activity has been closed or their turnover is reduced because of measures taken due to COVID-19. Lending’s sole purpose is to cover employee’s salaries.

The Decision sets out the terms and conditions regarding State Loan Guarantee Agreement and the Memorandum of Understanding and it stipulates the allocated limits of the State Guarantee to the commercial banks, authorizing the Ministry of Finance and Economy to enter into such agreements and to perform any necessary actions in connection with the state loan guarantee.

The Decision designates two draft agreements, which will provide for the implementation of the State Loan Guarantee:

- Guarantee Agreement *"On the approval of the state loan guarantee with commercial banks for business salaries, whose activity is affected by government decisions in the context of managing the situation created by COVID-19"*,
- Memorandum of Understanding, the signing of which constitutes a condition for the qualification of the loan in the business guarantee scheme.

The Guarantee Agreement does not constitute a direct obligation to the state, but it is a possible obligation. The obligation will be direct in the event the businesses fail to pay in full or in part the guaranteed loan.

BOGA & ASSOCIATES

Regarding the guarantee, the Guarantee Agreement determines the amount to be allocated to the bank and in any event the maximum accumulated amount of loan's disbursements shall not exceed the amount specified in the agreement. The Ministry of Finance and Economy guarantees 100% of the loan principal, however it does not, undertake the guarantee of interest or penalties arising from the loan.

The companies that may benefit from the scheme are those whose activity is affected because of COVID-19 and do not benefit from the provisions of the Decision of Council of Ministers no. 254, dated 27.03.2020. The purpose of using the loan funds is only the payment of employee's salaries, based on February's payroll.

In any case, the granting of the loan shall be carried out according to the internal policies of each bank as to the credit risk, nevertheless simplified procedures shall be provided.

The amount of the loan for each participating business shall not exceed 3 (three) gross monthly salaries of employees declared in accordance with the applicable tax legislation. Salaries higher than the monthly gross amount of ALL 150.000 (one hundred fifty thousand Leke) are excluded from being covered under such guarantee. The loan term may not exceed 2 (two) years.



Banks shall not apply administrative costs and shall offer a preferential interest rate. The loan currency shall be in Albanian Leke.

Businesses shall submit the request regarding loan application with a bank no later than 30 days from the date of signature of the State Guarantee Agreement between the Council of Ministers and the respective bank.

BOGA & ASSOCIATES

If you wish to know more on issues highlighted in this edition, you may approach your usual contact at our firm or the following:

info@bogalaw.com

Tirana Office

40/3 Ibrahim Rugova Str.
1019 Tirana
Albania
Tel +355 4 225 1050
Fax +355 4 225 1055
www.bogalaw.com

Pristina Office

50/3 Sylejman Vokshi Str.
10000 Pristina
Kosovo
Tel +383 38 223 152
Fax +383 38 223 153
www.bogalaw.com

BOGA & ASSOCIATES TOP TIER ACHIEVEMENTS 2020

IFLR1000 2020: Ranked in Tier 1 in Financial and Corporate and Project Development

Chambers Global 2020: Ranked in Band 1 in General Business Law

Chambers Europe 2020: Top Ranked in 3 practice areas

The Legal 500 2020: Top Ranked in Legal Market Overview

Benchmark Litigation Europe 2020: Top Ranked in Dispute Resolution

WTR1000 2020: Top Ranked in Trademarks

The Newsletter is an electronic publication edited and provided by Boga & Associates to its clients and business partners. The information contained in this publication is of a general nature and is not intended to address the circumstances of any particular individual or entity. The Newsletter is not intended to be and should not be construed as providing legal advice. Therefore, no one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. You can also consult the Newsletter on the section “Library” of our website.

© 2020 Boga & Associates. All rights reserved.

This publication is copyrighted and is protected to the full extent of the law. Nevertheless, you are free to copy and redistribute it on the condition that full attribution is made to Boga & Associates. If you have not received this publication directly from us, you may obtain a copy of any past or future related publications from our marketing department (marketing@bogalaw.com) or consult them in our website (www.bogalaw.com). To unsubscribe from future publications of Newsletter, please send “Unsubscribe” by replying to our email accompanying this edition.

Boga & Associates

Boga & Associates, established in 1994, has emerged as one of the premier law firms in **Albania** and **Kosovo**, earning a reputation for providing the highest quality of legal, tax and accounting services to its clients. Until May 2007, the firm was a member firm of KPMG International and the Senior Partner/Managing Partner, Mr. Genc Boga, was also the Senior Partner/Managing Partner of KPMG Albania.

The firm’s particularity is linked to the multidisciplinary services it provides to its clients, through an uncompromising commitment to excellence. Apart from the widely consolidated legal practice, the firm offers the highest standards of expertise in tax and accounting services, with keen sensitivity to the rapid changes in the Albanian and Kosovo business environment. The firm delivers services to leading clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods.