

Cyprus Entrepreneurship Fund

Summary

The Cyprus Entrepreneurship Fund (CYPEF) aims to facilitate access to finance for SMEs through the provision of Financial Risk-Sharing Products and more specifically, through the provision of loans with favorable financing terms.

Summary of Call Description

The Cyprus Entrepreneurship Fund (CYPEF) was established with a view to facilitate access to finance for SMEs. CYPEF is financed through a €100 million loan provided by the European Investment Bank to the Republic of Cyprus. The European Investment Fund (EIF) acts as manager of the CYPEF on behalf of the Republic of Cyprus.

CYPEF will be implemented in cooperation with financial institutions which will be selected through a call for expression of interest. The financial institutions will co-finance at least 50% of the loans, which means that the total sum of financing expected to be given to SMEs amounts to at least to €200 million.

The allocation of resources to SMEs will be realized through the provision of loans with particularly favorable financing terms with respect to the interest rate and repayment period. It is noted that loan beneficiaries include also primary sector SMEs and that beneficiaries of Structural Fund co-financed projects, shall also be eligible for financing through the CYPEF.

The banking interest-rate of loans that will be granted will oscillate between euribor 3M + 2.875% - 3.375%.

Reasons for which will be granted the loans are:

1. The buying, rebuilding and/or extension of tangible assets;
2. The investment in non- tangible assets, as:
 - Expenses of growth, planning and financing at the duration of phase of manufacture of a tangible asset;
 - Expenses of Research and Development (fees, systems development costs, personnel costs that involved in the growth, etc)?
 - Supporting expenses of distribution networks in the internal or other markets in the EU (consolidation and/or acquisition of commercial signals, running expenses and legal expenses).
3. Medium-term and long-term needs of capital.
4. Refinancing of loans that has not reached in legal maturity and until the 15% of total loans of enterprise.

The period of settlement of loan is fixed in 2 until 12 years and the sum that might receive each enterprise oscillates between €300.000 and €1.500.000.

Call Opening Date

20/03/2015