

Loans For Incentive and Development of Entrepreneurship in the Least developed Municipalities in the Republic of Serbia

LOANS FOR THE ENCOURAGEMENT AND DEVELOPMENT OF ENTREPRENEURSHIP OF THE LEAST DEVELOPED MUNICIPALITIES IN THE REPUBLIC OF

Conditions for use of resources

The right of use of these funds have entrepreneurs registered with the Agency for Business Registers, to expand existing activities, especially where the need to potentiate the opening of new jobs. Criteria for loans to entrepreneurs is the evaluation of business ideas and plans of potential users.

Loans will be approved in the amount of 500,000.00 to 3,000,000.00 RSD. The advantage will be given to users who have their own participation and to ensure the employment of persons registered with the National Employment Service in the municipality where the program is implemented.

The obligation of the borrower is not to reduce the number of employees during the period of the loan.

The right to use these resources have the economic entities that have not operated at a loss in the last two years and who invest in the following least developed municipalities: Babušnica, Bela Palanka, Blace, Bojnik, Bosilegrad, Bujanovac, Vladicin Han, Vlasotince, Gadžin Han, Golubac, Doljevac, Zitiste, Žitorađa, Zabari, Žagubica, Knić, Knjaževac Krupanj, Kučevo, Kursumlija, Lebane, Majdanpek, Mali Zvornik, Little Crniće, Medvedja Merošina, Mionica, Nova Gradiska, Plandište, Presevo, Prijepolje, Razanj, Raca, Rekovac, Svrlijig, Sjenica, Surdulica, Targoviste, Tutin, Crna Trava.

Loans are granted under the following conditions:

- Interest rate is 1% per annum, with the use of foreign currency clause
- Repayment period is from 3 to 7 years and deferred repayment term of one year,
- Three-month loan.

Funds under this program can not be used for:

- Lending to the newly entrepreneurial activities
- Lending to primary agricultural production;
- Trade credit;
- Loans for passenger vehicles to perform tax services
- Lending to games of chance, betting and similar activities.

Instruments of securing the orderly repayment are:

- First line mortgage on real estate whose market value is given to ensure recovery of funds plus associated interest. Mortgage on one property can be used to obtain more loans with the Fund, if the mortgage market value of real estate at the time of loan approval allows it. Or
- Guarantee contract (or accessing long) legal persons for the borrower, with the appropriate instruments of security
- Guarantee of a commercial bank.

In addition to these instruments, the obligation of businesses to deliver the appropriate number of blank bills.