


### Do you have deficit in cash flows...?

If yes, we suggest you look at the stimulus package announced by Kuwait Government, sixth and seventh item of the package has a scheme for SME's and Non-SME's (i.e., individuals and companies), snapshot summarized below:

 **Scheme** : Funding for local small and medium enterprises (SMEs) and non-SME's in private sector, who are affected by COVID-19 crisis, with following repayment model

Loan from	For	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
Normal Banks & Industrial Bank of Kuwait	SMEs*	Grace period	Only Principal	Principal + 50% of Interest on 20% of Loan
Normal Banks	Non-SME's	Grace period	Principal + 50% of interest amount	Principal + Interest amount


**\*Note** : For SME's 80 percent of loan is funded by National Fund for SME's and only 20 percent of the loan is funded by bank. Hence, the interest is applied only on 20 percent funding from bank

- First year : The state budget bears the interest fully for SME's and Non-SME's
- Second year : The state budget bears the interest fully for SMEs and partly for Non-SME's
- Third year : The state budget bears the interest partly for SMEs

 **Key aspects and considerations:**

Projects/ Enterprise	Employees	Assets	Revenue
small projects*	≤ 50	≤ 250,000 KWD	≤ 750,000 KWD
medium enterprises*	> 50 and ≤ 150	≤ 500,000 KWD	≤ 1,500,000 KWD
affected entities	entities which were operating efficiently, being partially or fully affected due to COVID-19 and unable to cover the basic periodic contractual expense		
financing limit	amount equal to the deficit in net cash flows until the end of December 2020, not more than 400,000 KWD		
use of financing	limited to periodical contractual expense and cannot be used for paying installments or credit facilities provided by banks		
interest	maximum 2.5 percent annually		
Charges	banks shall not charge any additional commission or fees		

**\*Note:** subject to being an independent enterprise, not affiliated with another legal entity and not linked to another commercial legal entity

 **How can we help** : [a] Conceptualizing : Analyse and quantify the damage due to COVID-19; [b] Support in preparing cash flow and damage report; [c] Assist in liaising with banks (if necessary)

**Source** : Council of Ministers Decision No. (455) as on March 31, 2020 – [announced by CBK](#)