



Council of Ministers

Report on the implementation of the Regional Government Supplier Payment Plan and extension of deadlines for local authorities

- Today is the last day for autonomous regions to provide the Ministry of Finance and Public Administrations with definitive figures on the number of suppliers signing up to the plan and the number of invoices included.
- At the end of June, 28,230 suppliers will receive a total of 16.981 billion euros for the 3.7 million outstanding invoices pending payment by regional governments.
- On 30 and 31 May this year, payments were made to suppliers who had outstanding invoices pending payment by local authorities.
- Local authorities that were not awarded a loan now have until 15 June to correct their adjustment plans.

08 June 2012. The Council of Ministers has received a report from the Minister of Finance and Public Administrations on the implementation of the regional government supplier payment plan and the extended deadline for local authorities.

As at yesterday, 14 autonomous regions had signed up to the supplier payment mechanism. The figures on this date, taking into account the figures for suppliers who have signed up to the mechanism, are as follows:

- Payments are to be made to suppliers for a total of at least 16,980,864,260.46 euros.
- The number of invoices stands at 3,774,681.
- 28,230 suppliers will benefit from the payments

Today is the last day for regional governments to provide the Ministry with definitive figures on the number of suppliers and invoices included, although no significant increases are expected in relation to the figures reported to date.

Once the Council of Ministers and the competent bodies from the regional governments authorise the loan agreements with the Fund for Financing Supplier Payments, the sums will be paid directly to suppliers by the Fund, through the collaborating credit institutions, into the current accounts indicated by the suppliers at the end of June.

LOCAL AUTHORITIES

On 30 and 31 May this year, payments were made to suppliers who had outstanding invoices pending payment by local authorities. Altogether, a total of 106,283 suppliers received payments for 1,715,121 outstanding invoices, for a total of 9,263,151,895 euros.

The operation has achieved its objective of injecting cash into Spain's small-scale industry sector, as two out of every three invoices pending payment were for SMEs and 93 percent of the invoices were for a sum of less than ten thousand euros.

Furthermore, the Ministry of Finance and Public Administrations has granted an extension to a maximum of 1,478 local authorities that were excluded from the Supplier Payment Plan, from whom a share of the State revenues worth 1.296 billion euros was to be withheld.

Requirements for local authorities

Local authorities eligible to sign up to the plan must meet one of the following four requirements:

1. Local authorities that voted on an adjustment plan at a full council meeting, which was approved by the full council, but was not favourably assessed by the Ministry.

2. Local authorities that voted on an adjustment plan at a full council meeting before 31 March, which was not approved by the full council.
3. Local authorities with an adjustment plan that was approved and favourably assessed by the Ministry, but the loan agreement was not approved by the competent body of the local authority (usually because there was not a large enough majority, in accordance with applicable regulations).
4. Local authorities for which the body responsible for adopting agreements on credit operations approved the loans for a sum or repayment term that were different from those that had to be approved and these agreements were not amended.

To enable authorities to amend any errors, these municipalities have until 15 June to send the documentation that proves that they now meet the requirements, by electronic means and with an electronic signature, to the Virtual Office for Financial Coordination with Local Authorities, on the website of the Ministry of Finance and Public Administrations.

Once this information has been provided, and before 5 July, a list will be compiled of the local authorities that were able to formalise loan agreements and this will be sent to the ICO (Official Credit Institute). Over the course of July the collaborating credit entities will contact the local authorities to formalise the credit operations.

Local authorities affected by this measure can find more information on the Virtual Office for Financial Coordination with Local Authorities on the website of the Ministry of Finance and Public Administrations:

<http://www.minhap.gob.es/es-ES/Administracion%20Electronica/OVEELL/Paginas/OVEntidadesLocales.aspx>