



Provisional Review of the Supplier Payment Plan

A total of 177,070 suppliers throughout Spain are to receive payment for outstanding invoices pending payment by local authorities

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17 March 2012. A total of 177,070 suppliers throughout Spain are to benefit from the extraordinary mechanism to pay suppliers with whom local councils have outstanding debts, according to the provisional figures announced today in Cadiz by the Minister of Finance and Public Administrations, Cristóbal Montoro.

Of these 177,070 suppliers, two thirds are SMEs and self-employed. Specifically 63,543 are SMEs and 50,259 are self-employed.

A total of 4,622 local authorities, who, up to last Thursday, signed up to the extraordinary mechanism for the payment of outstanding debts, submitted a total of 1,931,976 invoices pending payment, for a total value of €9,584 million.

Montoro stated that this is an unprecedented measure to inject liquidity into companies so that the country can swiftly get back on the road to growth and job creation.

Provisional figures

From now, suppliers should go to the local authorities that owe them money to find out if they are included in the list of invoices sent by the local authorities, who are obliged to answer them.

Suppliers who are not included on the list may ask the local authority that owes the money to issue an individual certificate. The individual certificate will be issued within a maximum of 15 days. If the deadline expires, they have not received a reply, the right to payment will be recognised by tacit consent.

In the first five days of April and May, the local councils will have to present a list of certificates which were either rejected or unanswered. This means that these figures will be reviewed twice, in April and May, and for now they are just provisional.

This measure will have a direct impact on employment, as it will help to create and maintain up to 100,000 jobs. The Government also plans to change the legislation so that suppliers who enter into contracts with the administration are the first group who do not have to pay VAT until their invoice has been paid.