EUROPEAN INVESTMENT FUND

EUROPEAN UNION European Regional Development Fund — ROMANIAN GOVERNMENT — Sectoral Operational Programme "Increase of Economic Competitiveness" 2007 – 2013

"Investing in your future"

Clarifications on the Call for Expression of Interest No. JER-002/3 ("the Call") to select Financial Intermediaries that will receive resources from the European Investment Fund acting through the JEREMIE Holding Fund for Romania to implement the First Loss Portfolio Guarantee Instrument (the "Financial Instrument")

The new Deadline for the submission of Expressions of Interest is 11 October 2010 (postponed from 6 October 2010)

Capitalised expressions utilised below shall have the meaning attributed to them in the Call, unless otherwise defined below or the context requires otherwise.

ELIGIBILITY

	QUESTION	ANSWER
1.	In the "Summary of Transaction Terms", under "Eligible SMEs/ Eligible Loans" definitions, by excluding the mentioned industries, we obtain a portfolio that is quite concentrated on trade and services, which is not necessarily representative for the SME market or supporting its development.	The sector restrictions are mainly related to the source of funding, namely the Sectoral Operational Programme "Increase of Economic Competitiveness", with which the EIF has to comply in implementing the JEREMIE initiative. Furthermore, a wide range of manufacturing and services activities have remained eligible for the Financial Instrument.
2.	What do you mean by NACE Rev.2 Division Level?	As Stipulated by the Regulation establishing NACE Rev.2[1], Article 2, Paragraph 1, "NACE Rev. 2 shall include: (a) a first level consisting of headings identified by an alphabetical code (sections); (b) a second level consisting of headings identified by a two-digit numerical code (divisions);" An example of division is: " 22 - Manufacture of rubber and plastic products"
3.	Is it possible that the maximum obligor concentration limit is changed to a higher value (e.g. 2%)?	The maximum loan amount to an individual Eligible SME shall be set by EIF in such a manner as to allow the Portfolio to be sufficiently diversified. The maximum obligor concentration will be established through the Operational Agreement on a case by case basis, typically at 1%, depending on the portfolio size, and will not exceed 2% of the Agreed Portfolio Volume. The maximum loan amount to be covered will in no case be greater than the "de minimis" amount (i.e. EUR 1.5 million divided by the Guarantee Rate).

[1] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains

4.	Eligible loans – please clarify whether not revolving rollovers/refinancing facilities are accepted.	The refinancing of loans is not allowed. However, it is possible to include in the Portfolio a new Eligible Loan entered into between the FI and the same SME, provided that the effective start date of the new loan falls after the former loan has been fully repaid at its scheduled maturity (i.e. in no case prepaid with the proceeds of the new loan), and that such loan satisfies the other Eligibility Criteria.
5.	Is the refinancing of existing loans for existing customers eligible under the Guarantee, or is it a requirement that the customer is completely new to the Financial Intermediary?	New loans to existing customers are eligible for cover under the Guarantee. As stated in the Call, the same SME can even benefit more than once from the Guarantee, so long as relevant state aid rules and other Eligibility Criteria are observed. Regarding refinancing, please see the answer above under Point 4.
6.	Could the Guarantee cover refinanced Eligible Loans?	See above under Point 4.
7.	Could the Financial Intermediary approve the restructuring/rescheduling of Eligible Loans covered by the Guarantee, considering that such restructuring does not exceed the maximum maturity of 72 months?	The Maximum maturity of 72 months is one of the Continuing Eligibility Criteria for loans included in the Portfolio. The rescheduling of an Eligible Loan is allowed, however the Financial Instrument shall not exceed 72 months of the cumulative maturity of such rescheduled loan. In case the restructuring/rescheduling of Eligible Loan is due to recovery, then such a loan would be considered in default and would follow the recovery process.
8.	Can EIF extend the eligible products to SME working capital needs and not only restrict it to investment needs?	Working capital loans shall be ancillary (and linked) to investment projects towards which a Financial Intermediary grants an investment loan. Any increase in the demand for working capital should be evident from the business plan. The amount of the loan should be corresponding to such a demonstration.
9.	In the "Summary of Transaction Terms", under the "Eligible Loans" definition, it is stated that the purpose of the financing must be "working capital linked to development or expansion activities". How do you assess the development and expansion of activities and what are the conditions that must be met so as to consider working capital financing as an eligible loan?	See above under Point 8. The purpose of financing which could form Eligible Loans could be: - purchase of tangible assets, including raw materials and stocks; - investments in intangible assets.
10.	According to Annex 2 of the documentation available from EIF, Part I, point 4, "Eligible loans", the purpose of financing can cover also working capital linked to development or expansion activities. Which is the definition for "working capital linked to development or expansion activity"?	See above under Points 8 and 9.

11.	Please clarify if an uncommitted working capital loan would be eligible for the Financial Instrument.	As an Eligibility Criterion, the Financial Instrument can only cover newly originated loans, i.e. either (i) entered into (i.e. signed) by the Financial Intermediary during the Availability Period or (ii) approved during the Availability Period and in respect of which amounts have been drawndown for the first time by SMEs within 6 months from the end of the Availability Period. Any uncommitted loans, i.e. in our understanding signed loans which provide for conditional disbursement, should have a limited share in the Actual Portfolio.
12.	What happens in case during the 72 months tenor an SME that benefited by a loan included under the pool covered by the Financial Instrument is not eligible anymore (i.e. does not observe the SME definition either due to its development or following an acquisition/ merger transaction)?	The SME Eligibility Criterion related to the compliance with the EU definition[2] of SMEs must be fulfilled only at the date of the document evidencing the relevant Eligible Loan (i.e. at inception). If, after the inclusion of an SME loan in the Portfolio, it occurs that the SME does not comply with the EU definition any more, e. g. if it exceeds 249 employees after inclusion, and/or merges with, or acquires, another company which does not fall under the SME definition, this does not have any adverse consequence on the guarantee cover of the relevant loan.
13.	If an eligible SME covered under the FLGP will at a later stage of its terms have more than 249 employees, could the loan be kept under the Guarantee or shall it be excluded?	See above under Point 12.

STRUCTURAL FUNDS / STATE AID

	QUESTION	ANSWER
14.	According to the national scheme (Official Journal of Romania no 521/27 July 2010), the Guarantee has a maximum cover of 80%, which would allow for lower cover percentage as well. The Financial Instrument provides only for a fixed percentage of 80% for Eligible Loans. Please clarify the following approaches: a) In case the client's own assets would allow for loan coverage higher than 20%, could the Guarantee cover be less than 80%? b) In case a client had previously been granted de minimis aid without reaching the maximum ceiling of Eur 200,000, could a potential Eligible Loan be covered by the Portfolio Guarantee less than 80%, so as the gross grant equivalent would be less than EUR 1.5 mil? c) In case the Guarantee initially covered less than 80% of the Eligible Loan, could the Financial Intermediary approve the extension of the amount of the Eligible Loan, and consequently validly submit the inclusion notice to EIF up to 80%?	The terms stipulated in the published Call for Expression of Interest is the source of reference for the commercial terms of the Financial Instrument. The objective of the de minimis aid scheme was merely to establish the overall framework of the Financial Instrument for state aid purposes. As far as the specific examples are concerned: a) As stipulated in the Call, a fixed guarantee rate of 80% applies for each loan included in the Portfolio for the purpose of the Financial Instrument; b) if an SME has received de minimis aid without reaching the de minimis ceiling, for instance EUR 150,000 over the past 2 years, it can still benefit from up to EUR 50,000 of de minimis aid or a Guarantee of up to EUR 375,000 (considering that a EUR 1,500,000 guarantee has a gross grant equivalent of EUR 200,000). Given the guarantee rate of 80 %, this implies that the SME can have a loan of up to EUR 468,750 included in the portfolio; c) N/A.

[2] Micro, small or medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC.

15.	According to the Order 1338/2010 – art. 20, the maximum availability period of this facility is forecasted to be 36 months; however the application documentation – Annex 2 – art. 4 the availability period is only 24 months. Please clarify.	The terms stipulated in the published Call for Expression of Interest represent the source of reference for the commercial terms of the Financial Instrument applicable in Romania. The Availability Period is typically 24 months.
16.	According to the Order 1338/2010 – art. 23, the maximum maturity of the loans is forecasted to be maximum 10 years; in the meantime, the application documentation – Annex 2 – art. 4 states a maximum maturity of only 72 months including the grace period, but not longer than 6 months before the termination date of the Guarantee. Please clarify.	The terms stipulated in the published Call for Expression of Interest represent the source of reference for the commercial terms of the Financial Instrument in Romania. The maximum maturity is 72 months.
17.	The loans granted through the scheme are related: a) Only to SMEs which are beneficiaries of EU funds in order to implement their projects? b) To SMEs which are EU funds beneficiaries and also to other SMEs which are not EU funds beneficiaries? c) Only to SMEs which are not EU funds beneficiaries. Please mention which of the options a), b) or c) is valid, or if there is any interpretation/definition.	The Financial Instrument can in principle cover all the SMEs which comply with the relevant Eligibility Criteria, irrespective of whether or not they benefit from other EU funds. In case the SMEs have already benefited from support under EU funds, the State aid rules described in the relevant state aid scheme (Order of the Minister of Economy, Trade and Business Environment no. 1338 / 15.07.2010) shall be complied with.

EXCHANGE RATE

	QUESTION	ANSWER
18.	What exchange rate should be considered for the RON loans with respect to initially calculating the Actual Volume and the Cap Amount? The FX rate at the moment of inclusion? At the time of default: which exchange rate will be applied to the guarantee payment the EIF has to make? The FX rate at the moment of inclusion or the rate at the moment of payment under the guarantee? What about the quarterly reporting?	In case an Eligible Loan is denominated in a currency other than Euro, the following mechanism shall apply: - For the purpose of calculating the Actual Volume : the Euro equivalent of any amounts denominated in a currency other than Euro shall be determined using the relevant FX Rate on the last business day of the calendar quarter to which the relevant Inclusion Notice refers. - For the purpose of paying amounts claimed by the Intermediary under the Guarantee: the Euro equivalent of any amounts denominated in a currency other than Euro shall be determined using the relevant FX rate not earlier than four business days prior to the date of payment by the Guarantor to the FI. The rate of exchange shall be notified by the EIF to the FI upon payment by the EIF. For the purpose of paying to the Guarantor Loss Recoveries denominated in currency other than EUR: the Euro equivalent of Loss Recoveries (net of recovery costs if any) payable to the EIF denominated in a currency other than Euro shall be determined using the relevant FX rate not earlier than four Business Days prior to the date of payment by the FI to the EIF. The rate of exchange shall be notified by the Intermediary to the EIF upon payment by the Intermediary.
19.	As the currency of the loans to be included in the pool can be both EUR and RON, what FX rate is to be considered for reporting and payment under the guarantee?	See above under Point 18.
20.	EIF guarantee is to be denominated in the currency of the eligible loan (EUR, RON) or only EUR? If the latter, an FX differential will occur between the allocation time and the termination time. Pls clarify. Additionally, it is important to know this aspect, as a haircut is going to be applied according to the relevant regulation.	See above under Point 18.
21.	Can there be changes in the EIF FLPG product in such a way that the impending haircuts for currency mismatch are avoided ? We suggest a guarantee coverage in the loan currency (EUR or RON).	See above under Point 18.
22.	FX rate mechanism: could you please provide the language of how the RON/FX rate mechanism is going to work? This is important for us to gauge the extent of the FX mismatch haircut.	See above under Point 18.

REGULATORY TREATMENT

	QUESTION	ANSWER
23.	Under the local regulations, portfolio-based provisioning is not defined/ recognized. Additionally, in case of 90+ past due loans, all types of collateral are weighted 25%. Unless a waiver from these rules is agreed with the regulator, the benefit from the instrument may not be fully reflected in pricing and collateral to be applied to SME Loans covered by the instrument.	The EIF has approached the National Bank of Romania asking for a waiver of the application of the Article 13 - (1) of the NBR Regulation no. 3/2009 in respect of guarantees issued by EIF. EIF awaits NBR's reply in this respect.
24.	For economic reasons and to realize the capital relief, a regulatory treatment of the EIF FLPG on portfolio level is wished for. Can EIF ask NBR for recognition of this approach?	EIF is not aware of any features of the Financial Instrument which could prevent banks from obtaining certain regulatory capital relief under European capital adequacy rules. Realisation of the capital relief and its extent in particular jurisdictions is subject to the respective regulatory authorities' assessment exercised in the course of their supervisory process. EIF does not envisage holding discussions with NBR on behalf of Financial Intermediaries.
25.	Will EIF send a request to NBR asking for 100% recognition of the EIF guarantee for the loans in default (which is not allowed by the current Romanian provisioning rules – loan-by-loan)? We understand that NBR has not accepted a proposal of an overall portfolio approach for provisioning, in line with the capital adequacy treatment, which could have avoided this sensitive issue.	See above under Point 23.
26.	Is there already more information available with respect to the portfolio vs. the loan-by-loan approach for: (i) Capital adequacy purposes and (ii) Provisioning treatment	See above under Point 23 & 24. EIF does not envisage holding discussions with NBR on behalf of Financial Intermediaries.
27.	According to our local regulations there is no "no-accrual" status, which results in a much higher exposure for the bank at the end of the recovery period. How is this issue intended to be tackled in the recovery process, as the 80/20 split does not hold anymore?	Eligible Loan exposures included in the Portfolio related to unpaid principal at default and accrued interest until eligible loan acceleration (but not exceeding beyond 90 days after default) shall be covered by the Financial Instrument. Recoveries with respect to Losses, net of recovery costs (if any), shall be shared with EIF pari passu according to the Guarantee Rate. This rule holds also in case a Financial Intermediary does not put a defaulted Eligible Loan on a 'no-accrual' status - the recoveries, net of recovery costs, determined with respect to Loss of interest should be shared with EIF at the rate of 80/20. It is envisaged that EIF will follow the recovery procedures of Financial Intermediaries. See also below under Point 30.
28.	Will EIF adjust some of the terms of the guarantee to underline more clearly the compliance with the NBR eligibility requirements for capital/provisions relief (unconditional, express, direct, irrevocable)?	See above under Point 23 & 24.

29.	Please help us clarify the classification of this portfolio guarantee from the perspective of Regulation no. 3 issued by National Bank of Romania on March 19, 2009. Is this guarantee deductible for Bank's provisions calculation? Can it be assimilated as "Express, irrevocable and unconditioned guarantee issue by multilateral development banks or European Investment Bank" or to any other collateral type as listed within the Annex 2 of the previous mentioned regulation?	See above under Point 23& 24
30.	Loss definition: Are principal and unpaid interest at the time of default enough for complying with NBR rules? What about accruing default interest, fees and other costs?	Eligible Loan exposures included in the Portfolio related to unpaid principal at default and accrued interest up 90 days after default shall be covered by the Financial Instrument. More specifically, the Financial Instrument shall cover losses incurred by the Financial Intermediary meaning: i) Principal and/or interest amounts (excluding default interest, capitalised interest, fees and other costs and expenses) due, payable and outstanding following occurrence of either an Eligible Loan default or an Eligible Loan acceleration, provided that if the relevant Eligible Loan has not been accelerated after 90 days following the relevant Eligible Loan default, any interest accruing after that time would not be covered; and ii) Any reduction in principal and/or interest amounts (but excluding other amounts) payable as a result of the restructuring of an Eligible Loan. Recovery costs (if any) shall be deducted from the loss recoveries. Loss recoveries, net of recovery costs (if any) shall be shared with EIF according to the Guarantee Rate.
31.	Given the nature of the program (managed by EIF with resources from the Romanian Government) in which category would the guarantee be considered: 1. Issued by EU 2. Issued by EIF on behalf of EIB 3. Issued by the Romanian Government. We ask the question in the context of the Romanian statutory accounting which requests that the guarantee is classified in just one of the three categories.	The guarantee will be issued by the EIF, which is a separate entity within the EIB Group. The EIF provides the Guarantee in its own name.

CONTRACTUAL MATTERS

	QUESTION	ANSWER
32.	According to Section 3 of the Call for EoI, the Financial Instrument shall be reflected as a separate block of finance within the Financial Intermediary evidenced by separate accounts for loan/guarantee servicing. Are there special EIF requirements or is it up to the Financial Intermediary how to "separate" the portfolio from its normal business? How does EIF check this and do we already have to present a solution for this in the application? We are thinking of considering the FLPG as a "received guarantee" in favour of the Financial Intermediary and "flag" the portfolio loans with a special ID. What do you think about this approach?	It will be required that the Portfolio is clearly and readily identifiable in the systems and records of the Financial Intermediary from other activities of the Financial Intermediary. There may be multiple ways of implementing this requirement. Detailed operational matters will be discussed during negotiations with the selected Financial Intermediaries.
33.	What happens if a loan is included in the pool covered by the Financial Instrument, but until the loan is reported to EIF it already enters into default?	An Eligible Loan shall be deemed to be covered by the Guarantee from the date of its signature. Should such a loan enter into default before it is reported to EIF, and subject to receiving a valid Guarantee Call after the loan is reported and all other criteria being met, EIF shall make the Guarantee Payment, as in the case of any other Eligible Loan.
34.	At what time will the Guarantee Cap Rate be fixed? When the FLPG documentation is signed or at the end of the Availability Period?	The Guarantee Cap Rate is fixed ex-ante at the time of signature of the Operational Agreement and remains binding for the entire duration of the Agreement.
35.	EIF guarantee rate is set at 80% of the loans, subject to a max liability calculated on portfolio basis (Cap rate). Pls clarify whether there are EIF requirements about collateralization of the 20% of the risk that stays with the FI.	The Financial Intermediary shall maintain economic exposure of at least 20% of the outstanding amount of the each Eligible Loan included in the Portfolio and shall not enter into any credit support contract, guarantee or other credit risk transfer arrangements with respect to this retained portion.

36.	EIF guarantee cover losses relating to unpaid principal and interest (Annex 2, chapter 2 presentation of the Financial Instrument). EIF will rank pari passu with FI with respect to recoveries. Recoveries paid to EIF shall be net of foreclosure costs (Chapter 4 Indicative Summary, Guarantee Cover). Please clarify the followings: o What do foreclosure costs comprise in your understanding – our understanding is that pari-passu rules apply by sharing proportionally between the financial intermediary and guarantor the amount of recoveries net of any fees, charges and interests. o Are there any requirements regarding EIF being part to any security contract?	Loss Recoveries, net of recovery costs (if any), recovered or received by the Financial Intermediary in respect of the Loss, shall be shared pro-rata between EIF and the Financial Intermediary according to the Guarantee Rate. The Financial Intermediary shall enforce any security in relation to each defaulted Eligible Loan in accordance with its internal guidelines and procedures.
37.	Please clarify if the aggregate amount of the principal committed to be available is in fact the amount of the eligible signed credit contracts by the FI with its clients.	In the definition of Actual Volume the 'aggregate amount of the principal committed to be available' means aggregate amount of the loan principal to be drawn down, as evidenced in the loan contracts signed by a FI with its clients.
38.	Will there be any commitment fee in case the actual volume will be lower than the agreed portfolio volume?	There will be no commitment fees charged by the EIF if the Actual Volume is lower than the Agreed Portfolio Volume.
39.	Does the EIF have the possibility to reject inclusion notices even if all eligibility criteria and other documentation requirements are met?	The inclusion of loans shall be automatic for all Eligible Loans included in the Portfolio. EIF reserves the right to verify the compliance of loans included in the Portfolio with Eligibility Criteria and exclude any non-eligible loan from the Portfolio covered by the Financial Instrument, as stipulated in the Call for Expression of Interest under "Exclusion Process".
40.	Could we understand that the Latest Maturity Date is availability period + maximum 72 month?	For loans included during the Availability Period, the Latest Loan Maturity Date is indeed Availability Period + 72 months.
41.	At which intervals is the Actual Volume reviewed taking into consideration the exclusion process? Is that on a quarterly basis in line with reporting?	The Actual Volume is determined based on Inclusion Notices as reported quarterly to the EIF. As for exclusions, the EIF reserves the right to undertake verifications at any time. Any Loan found to be non-eligible shall be excluded from the Portfolio, following which the EIF will notify the relevant Financial Intermediary by sending an exclusion notice.
42.	We understand that scheduled amortisation under the loans covered by the FLPG will not reduce the Actual Volume and therefore leave the Cap Amount equal, i.e. there is relatively speaking "more" portfolio cover for fewer outstanding loans. This also applies to early/unscheduled amortisation, i.e. prepayments. Correct? However, exclusions do reduce the Actual Volume and therefore decrease the Cap Amount. Can the Financial Intermediary replenish excluded loans so that the Actual Volume and therefore the Cap Amount go back to the original amount initially agreed?	If amounts outstanding under Eligible Loans are prepaid or repaid, then that this does not reduce the Actual Volume. If a loan included in the Portfolio is excluded, then such a loan shall not be taken into account for the calculation of the Actual Volume from the date when it becomes an excluded loan. If the Portfolio is so adjusted, a Financial Intermediary may, until 31 December 2015, include further new eligible loans in the Portfolio, up to the extent that the Actual Volume does not exceed the Agreed Volume.

REPORTING/MONITORING

	QUESTION	ANSWER
43.	Internal segmentation may be different from the one under the EC definition. Since generally, different underwriting criteria are applied, reporting under the required format may be difficult to be provided and/ or understood.	In order to comply with the requirements of the source of funding (SOP IEC), all reporting and monitoring must take into consideration the EU definition of SMEs, according to Commission Recommendation 2003/361/EC referenced in the Call.
44.	Can you please be more specific about the IT systems you want to be described in Appendix 2 - point 2? Is the description going to be focused solely on approving, reporting, monitoring and controlling related to credit activities?	The description of IT systems should refer briefly to the structure of the system, data security measures in place and the specific tools to be employed for the activities related to the Guarantee (servicing, reporting, monitoring etc.).
45.	Are the Financial Intermediary's standard monitoring procedures enough to ensure that the eligibility criteria are met at all times or does the Bank have to introduce additional checks?	It will be expected that the selected Financial Intermediaries will have in place sound procedures in order to fulfil the requirements that will be set out in the Operational Agreement.

EXPRESSION OF INTEREST, SELECTION PROCESS, MISC.

	QUESTION	ANSWER
46.	How does the capital allocation of the EUR 63 million work? Will the best applicant receive the total amount or will the amount be divided by all the applicants? How does the allocation mechanism work (equal allocation between Financial Intermediaries or based on originator quality, quality of application, etc.)?	The EIF reserves the right to decide on the proposed allocation of the EUR 63m available for the Financial Instrument, on the basis of the Selection Criteria outlined in the Call, in case more than one Applicant is eventually selected. The final allocation of the budget will be made on the basis of proposed size of the Portfolio of Eligible Loans to be originated during the Availability Period, to be specified by each Applicant under Appendix 2 to the Expression of Interest, as well as of the comparative assessment according to the Quality Assessment Criteria.
47.	What do you mean by commercial lending (Appendix 2, point 1 - b) (aa) (iv))?	Commercial lending shall be understood as the ordinary lending activity of a given Financial Intermediary. In the context of Appendix 2, point 1 (b) (aa) (iv), please provide the share of newly granted SME loans as a percentage of the total loans to business and corporate clients, as specified therein.
48.	May we have a copy of the Operational Agreement so as to be able to assess if the guarantee can be considered as an unfunded credit protection instrument and additionally to calculate the applicable haircuts in accordance with the local requirements? We also request a copy of the Operational Agreement due to the fact that we are obliged to sign Annex 1/Appendix 3 "Declaration of Absence of Conflict of Interest" which makes reference to the Agreement.	The Operational Agreement shall be discussed with the selected Financial Intermediaries and is not available for consultation at this stage. The Declaration of Absence of Conflict of Interest refers in general to either a perceived conflict of interest at the time of submitting an Expression of Interest, with reference to the Transaction Terms, or a conflict of interest that may arise subsequently, in which case the relevant FI should immediately notify the EIF.
49.	Is it possible to receive the draft documentation of the FLPG?	See above under Point 48.

50.	Why do you want the interest rate split into cost of funding, margin over cost of funding and risk-related margin? We propose reporting the interest rate split into the reference rate and margin. Cost of funding and risk-related margin can change over time, also due to factors beyond the lender's control or imposed by legislative/ internal changes – e.g. minimum reserve requirements change of Basel II approach, etc.)	The requested information structure will allow for a better comparability between the existing and proposed lending terms to the target SMEs, as well as among proposals received, according to the Quality Assessment Criteria. As it can be seen in the Call, Quality Criterion 2.1.2. "Pricing policy and collateral requirements of the Financial Intermediary, to be charged under the Financial Instrument" carries a significant weight in the overall assessment, in recognition of the fact that the main purpose of the Financial Instrument is to facilitate lending to SMEs through an improvement of the lending terms that are currently available. The Guarantee is expected to result in a reduction of the risk related margin that the FI is charging to SMEs.
51.	Given the sensitivity of the information, will there be any Confidentiality Agreement?	The confidentiality of information received from Financial Intermediaries is a fundamental principle to which the EIF abides in all its activities. However, a Confidentiality Agreement can be signed with a Financial Intermediary upon request, before due diligence. Upon signature of the Operational Agreement, the confidentiality clauses contained in it come into force.
52.	Is the application documentation available in word format to be directly filled in by the applicants?	The .doc version of the Expression of Interest template (Annex 1 to the Call) has been made available for download next to the .pdf version.
53.	Is it ok to provide the certified copy of the banking license and other authorisations in Romanian language together with an authorised English translation?	Certified copies of banking licenses and other relevant legal documents, in the Romanian language, are sufficient.