

Team Europe: EIB to invest €25 million to aid recovery of Georgian enterprises from COVID-19 pandemic and expand a credit line with TBC Bank JSC



- The EU bank will top up its existing credit line at the TBC Bank to a total of €81 million to support the recovery of Georgian SMEs from the pandemic, extending coverage to include mid-caps.
- The operation is part of the Team Europe's COVID-19 emergency response to help sustain jobs, maintain liquidity and operations, and fuel the economic recovery of Georgia.
- Since 2007, the EU bank has invested close to €2 billion in all key sectors of the Georgian economy, including connectivity, healthcare and SMEs.

The European Investment Bank (EIB), the lending arm of the European Union, will invest €25 million to expand a credit line for Georgian small and medium-sized enterprises (SMEs) and mid-caps available at TBC Bank JSC; the operation will help accelerate the recovery of the national economy from the COVID-19 pandemic. The credit line can be disbursed in multiple currencies, including in lari, Georgia's national currency.

The EIB loan will inject fresh capital into the national economy at a time when the COVID-19 pandemic is burdening SMEs with liquidity issues and restricting their ability to access finance and maintain daily operations or fund expansion plans.

The investment from the EU bank will reinforce SMEs and mid-caps, which are the backbone of the Georgian economy and major employers in the country, and the country's financial sector, boosting their ability to drive the economic recovery from the pandemic.

EIB Vice-President Teresa Czerwińska, who is in charge of operations in Georgia, said: "As the bank of the European Union, we are proud to be bolstering Georgia and its economy in this hour of need, no matter how difficult the situation is. The EIB financing will support both Georgian SMEs and the country's financial sector so that they can continue to operate despite the pandemic and drive the Georgian economy forward. This means we will save jobs, incomes and revenues. Together with our partners in the country's public and private sector, we look forward to building a prosperous and sustainable future for Georgia."

EU Ambassador to Georgia Carl Hartzell said: The EU stands by Georgia during the pandemic. The EU has mobilised an unprecedented GEL 1.5 billion COVID-19 support package for Georgia, of which economic recovery of businesses is a fundamental part. This top-up by the EU bank strengthens this component by

providing more assistance via local Georgian banks. Thanks to this agreement, an additional number of Georgian small and medium businesses will be able to access finance to get them through these challenging times.

Vakhtang Butskhrikidze, CEO, TBC Bank, commented: “We are proud to have an impressive track record of successful cooperation with EIB spanning more than eight years, which is a testament to our truly efficient working relationship. EIB continued to stand by our side during these difficult times and extended much needed support to Georgian SMEs, which were affected the most by the COVID-19 pandemic.”

Team Europe adds value for Georgian companies

Covered by a guarantee from the European Union, the loan from the EU bank will enable TBC Bank to increase its lending activities without jeopardising the long-term stability of the country's financial sector or its ability to support the economic recovery from the pandemic in the long term.

The credit line, which has now been extended to cover also mid-caps besides local SMEs, is even more attractive thanks to the more flexible terms enabled by the EIB's COVID-19 emergency measures. These emergency measures are a part of Team Europe's efforts to support partner countries such as Georgia during the pandemic.

This is the fourth loan operation between the EIB and the TBC Bank JSC, who is also participating in 2 guarantee programs offered by EIB group. To date, the EU bank has invested more than €330 million in credit lines for Georgian SMEs and mid-caps, sustaining more than 54 000 jobs in the country.

Background information

About the EIB:

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

The EIB in Georgia:

Since the beginning of operations in Georgia in 2007, the EIB has invested close to €2 billion in 23 projects in infrastructure, the private sector and climate action. The EIB stepped up its support for the country with the 2014 Association Agreement and the Deep and Comprehensive Free Trade Area between Georgia and the European Union, making it the main EIB lending beneficiary per capita in the EU Eastern Neighbourhood.

The EIB finances most projects in Georgia under the EU External Lending Mandate. This provides the EIB with a guarantee covered by the EU budget for projects in the fields of social and economic infrastructure, local private sector development and climate action. For more information on the EIB's activities in Georgia please follow [this link](#).

Customs Action Plan: Council approves conclusions



On 18 December 2020, the Council approved conclusions on the Commission's communication 'Taking the Customs Union to the Next Level: a Plan for Action'. The action plan sets out a number of initiatives to make EU customs smarter, more innovative and more efficient against the background of a range of challenges, including the rise of digitalisation and e-commerce and the UK's exit from the EU's single market and Customs Union.

In its conclusions, the Council welcomes the Commission's action plan and stresses that complex challenges in the customs area are best tackled by cooperating while fully respecting the competences and the responsibilities of the EU institutions and the member states. The EU Customs Union is, in general, functioning well. Measures to improve its functioning should therefore build on the existing resources, structures and procedures, while taking into account innovation and the changing circumstances in which customs operates. The Council High Level Working Party of the Directors General of Customs will examine the implementation of the customs actions of strategic relevance and their coherence with the conclusions.

As regards specific initiatives put forward by the Commission, the Council:

- invites the Commission to elaborate, in close cooperation with the member states, on the detailed tasks and role of the EU Joint Analytics Capabilities, a new analytics hub for collecting, analysing and sharing key customs data;
- regarding e-commerce, encourages the Commission to further examine the use of VAT collected data for customs purposes and looks forward to its assessment as regards the feasibility of the establishment of customs reporting obligations for e-commerce actors, in particular online sales platforms, to facilitate more effective controls and tackle customs duty and tax fraud;
- looks forward to the envisaged establishment of an EU 'Single Window for customs' allowing businesses to complete customs formalities in one single portal and underlines that a sufficient harmonisation of declaration requirements in non-customs policy areas is a precondition for its successful implementation;
- stresses the importance of modern and reliable customs equipment;
- takes the view that cooperation between customs authorities, police and other law enforcement services needs to be enhanced;
- welcomes the launch of a reflection group of member states and stakeholders to consider how to further modernise the Customs Union and

calls for a clear mandate for the group to be agreed together with the member states.

New report explores open sale of low-THC cannabis products and regulatory responses in Europe

An increase in the open sale of cannabis products in Europe has raised questions around the possible legal and commercial status of these products. In a new report released today, [Low-THC cannabis products in Europe](#), the EU drugs agency (EMCDDA) presents an initial overview of the current situation in this increasingly dynamic area.

Cannabis contains many different chemicals, the best-known being Δ^9 -tetrahydrocannabinol (THC) – largely responsible for the intoxicating effects of the plant when it is ingested. But it also includes many other cannabinoids, including cannabidiol (CBD). There is now a growing commercial interest in developing products that contain cannabidiol or other extracts of the cannabis plant, but without THC, or with only very low levels of THC present. For the purposes of this report, these are referred to as low-THC products.

The study found that low-THC cannabis products are being offered for sale in the majority of EU countries. A wide variety of retailers are active in the low-THC market in Europe. While cannabis-themed products can now be found in everyday retail outlets (e.g. health food chain stores, chemists and cafes), there are also dedicated shops selling low-THC cannabis products. Some of these focus on health and well-being, while others appear to be focusing more closely on products that look more similar to those that exist on the illicit recreational cannabis market, but with only low levels of THC present. This means that products containing extracts of the cannabis plant are appearing in a number of different commercial areas where differing regulatory frameworks exist. In some cases, this is also creating tension with drug control regulations.

In addition to products, such as balms, creams and pastes, the wide variety of products available include cannabis-infused edible products (e.g. ready-to-eat products, beverages), and some that mirror established illicit cannabis products (e.g. herb, resin, oil, e-liquids, crystals). As the sale of low-THC products gains visibility, so the regulatory environment has started to change to both acknowledge and, in some cases, restrict their availability. At EU level, there have been some recent [important developments](#) in this area.

As well as describing the current situation, the report highlights the need

for ongoing monitoring of this diverse and dynamic phenomenon in order to ensure that the most appropriate consumer safety, health protection and drug control frameworks are applied.

ESMA updates EMIR Q&As

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has today updated its [Questions and Answers](#) on OTC requirements and reporting issues under the European Markets Infrastructure Regulation (EMIR).

The Q&A document clarifies the status after the post-Brexit transition period of legacy derivative transactions executed on UK markets and is relevant for EU counterparties in order to determine applicable EMIR requirements, and for position calculations against clearing thresholds.

In addition, Parts IV and V were amended to clarify the reporting technique for derivatives executed on a third country venue and cleared on the same day.

The purpose of the Q&A document is to promote common supervisory approaches and practices in the application of EMIR. It provides responses to questions posed by the general public, market participants and competent authorities in relation to the practical application of the Regulation. This document aims to ensure that the supervisory activities of the competent authorities under the Regulation are converging along the lines of the responses adopted by ESMA. It should also help investors and other market participants by providing clarity on EMIR requirements.

ESMA will periodically review these Q&A and update them where required.

ESMA updates EMIR Q&As

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