

Spain: Support for the rural economy – EIB, EIF and ICO sign an agreement with Grupo Cajamar to provide over EUR 1bn to SMEs and the self-employed



- The EIB Group (formed by the EIB and EIF) are providing a EUR 610m guarantee for an SME securitisation. ICO is purchasing bonds totalling EUR 283m
- Part of the EIB guarantee – a tranche of more than EUR 64m – is supported by the Investment Plan for Europe.
- Some 15 000 companies with a total of over 100 000 employees will be able to benefit from financing on favourable terms under this agreement

The EIB Group, BCC-Grupo Cajamar and ICO are joining forces to ensure that SMEs working in rural areas and agri-food companies can access the credit they need to invest. With this goal in mind, the European Investment Fund (EIF) has provided a guarantee for a Cajamar securitisation (IM BCC Capital 1 Fondo de Titulización) for EUR 610m, EUR 325m of which will be backed by the European Investment Bank (EIB), part of which will be supported by the Investment Plan for Europe. ICO is contributing to this operation by purchasing EUR 283m of senior bonds. With this securitisation, leading light of the Spanish cooperative banking sector Grupo Cooperativo Cajamar will provide over EUR 1bn for the new investment projects of agri-food sector companies, SMEs and the self-employed operating in rural areas.

This is a very innovative operation for Spain, as it is the first cash securitisation from a Spanish entity to free up capital under the standard model, facilitating Grupo Cajamar's resource management via the participation of the EIB, EIF, ICO and a private investor. This operation leads the way for other Spanish organisations to mobilise resources in a similar manner, with the aim of helping to generate new financing for the real economy to benefit the self-employed and SMEs, which lie at the heart of the Spanish economy.

It is also supported by the European Fund for Strategic Investments (EFSI), as EUR 64m of the total guarantee granted by the EIB is being provided under the Investment Plan for Europe (commonly known as the Juncker Plan). This increases the EIB Group's capacity to finance investment projects that, in line with the Plan's criteria, involve activities which by their structure or nature have a higher risk profile but which foster firms' competitiveness and create jobs. In concrete terms, the EIB calculates that this agreement with Grupo Cajamar will enable the favourable conditions of its financing, in terms of both maturities and interest rates, to be passed on to some 15 000 SMEs with a total of over 100 000 employees.

At the signing ceremony at Grupo Cajamar's offices in Madrid, EU bank **Vice-President Emma Navarro** said: "*The agreement signed with Cajamar enables the*

EIB Group to offer innovative financing, as this is a pioneering securitisation in Europe helping to optimise the resource management of a medium-sized finance company such as Cajamar. The agreement combines a joint participation of almost EUR 1bn of public and private investment with the aim of offering credit on favourable terms to businesses and the self-employed working in rural areas."

EIF Chief Executive Pier Luigi Gilibert said: "Cajamar has undertaken to grant over EUR 1bn in new loans to SMEs, and we are very happy to support this steadfast ambition. Breaking down barriers to improve capital management and cut financing costs for the real economy is key to promoting growth. The EIF is very proud to partner with Cajamar to launch the first totally public securitisation transaction used by a leading bank to free up regulatory capital in Spain."

Commissioner Phil Hogan, responsible for Agriculture and Rural Development, said: "With EUR 46 billion of additional investments mobilised in Spain, the Juncker Plan is already a success story in the country. This new agreement will bring EU support to small and medium businesses and entrepreneurs in rural areas, where a helping hand is much needed. The rural economy is a green goldmine and I'm glad that the Juncker Plan helps fulfil its potential."

Chairman of BCC-Grupo Cajamar Luis Rodríguez thanked "the EIB, EIF, and ICO, as well as the private investor, for their support for this innovative SME securitisation, whose main objective is to continue providing assistance to strategic productive sectors, and in particular agri-food companies, SMEs and the self-employed. These groups receive special attention and dedication from us, while we are also raising our solvency and liquidity levels even further, comfortably meeting supervisory requirements."

ICO Chairman José Carlos García de Quevedo highlighted that "this is the first time that ICO has invested in a securitisation operation, thereby opening up a new avenue of cooperation with private banking, with a view to promoting the financing of the projects of SMEs and the self-employed. Operations such as the one signed today strengthen this public bank's commitment to driving financing options favouring business growth and job creation."

This operation was advised by Banco Santander, the management company for Fondo Intermoney Titulización. As all of the bond tranches have been sold and guaranteed, the risk has been entirely transferred to investors, thereby reducing Cajamar's risk-weighted assets, with an estimated 36-bp improvement to its tier 1 capital (CET 1).

Declaration by the High Representative on behalf of the EU on the alignment of certain countries with Council Decision concerning restrictive measures in view of the situation in Venezuela

On 13 November 2017, the Council adopted Decision (CFSP) 2017/2074 [\[11\]](#).

The Council has decided that the restrictive measures should be renewed for a further period of 12 months, until 14 November 2019. The Council also decided to amend the statement of reasons for one person listed in Annex I to Decision (CFSP) 2017/2074.

The Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro*, and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, and the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as the Republic of Moldova and Georgia, align themselves with this declaration.

They will ensure that their national policies conform to this Council Decision.

The European Union takes note of this commitment and welcomes it.

[\[11\]](#) Published on 7.11.2018 in the Official Journal of the European Union L276, p. 10.

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Russia: EU prolongs economic sanctions by six months

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EU sanctions on Russia explained

On 21 December 2018, the Council prolonged the economic sanctions targeting specific sectors of the Russian economy until **31 July 2019**.

This decision follows an update from President Macron and Chancellor Merkel to the European Council of 13-14 December 2018 on the state of **implementation of the Minsk agreements**, to which the sanctions are linked. Given that no progress has been made, the European Council took the political decision to **roll-over the economic sanctions against Russia**.

The Council adopted this decision today by written procedure and, in line with the rule for all such decisions, **unanimously**.

The measures target the **financial, energy and defence sectors, and the area of dual-use goods**. They were originally introduced on 31 July 2014 for one year in response to Russia's actions destabilising the situation in Ukraine and strengthened in September 2014.

The economic sanctions prolonged by this decision include:

- limiting access to EU primary and secondary capital markets for 5 major Russian majority state-owned financial institutions and their majority-owned subsidiaries established outside of the EU, as well as three major Russian energy and three defence companies;
- imposing an export and import ban on trade in arms;
- establishing an export ban for dual-use goods for military use or military end users in Russia;
- curtailing Russian access to certain sensitive technologies and services that can be used for oil production and exploration.

In addition to these economic sanctions, several EU measures are also in place in response to the crisis in Ukraine including:

- targeted individual restrictive measures, namely a visa ban and an asset freeze, currently against 164 people and 44 entities until 15 March 2019;
- restrictive measures in response to the illegal annexation of Crimea and Sevastopol, limited to the territory of Crimea and Sevastopol, currently in place until 23 June 2019.

The duration of the sanctions was linked to the complete implementation of the Minsk agreements by the European Council on 19 March 2015, which was foreseen to take place by 31 December 2015. Since this did not happen, the

sanctions have remained in place.

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Consultation on Guidelines on Settlement Fails Reporting under Article 7(1) of CSDR

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **20 February 2019**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input – Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman. The collection of confidential responses is without prejudice to the scope of Regulation (EC) No 1049/2001. Possible requests for access to documents will be dealt in compliance with the requirements and obligations laid down in Regulation (EC) No 1049/2001.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading Legal Notice.

Who should read this paper?

All interested stakeholders are invited to respond to this consultation. In particular, in particular, this paper may be specifically of interest to central securities depositories (CSDs) as defined in point (1) of Article 2(1) of Regulation (EU) No 909/20142 (CSDR).