

Loan for the business activity start

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What is the loan for the business activity start?

The loan for the business activity start is returnable funds with low interest rate for starting business activity, granted to the unemployed, jobseeking carers of the disabled and young people.

The loan can be obtained within the programme called "Pierwszy biznes — Wsparcie w starcie II" (First Business — Support for the Start II), implemented by Bank Gospodarstwa Krajowego.

Who can receive the loan for the business activity start?

The loan for the business activity start can be received by:
an unemployed,

- A jobseeking graduate of a school or university (first-degree, second-degree courses or long-cycle master programme) within 48 months after completing the school or obtaining the professional title,
- A last-year student of the first-degree, second-degree courses or long-cycle master programme,
- A jobseeking carer of a disabled person, except for carers of a disabled person receiving an attendance allowance or a special carer's allowance pursuant to the regulations on family benefits, or an allowance for the carer pursuant to the regulations on the determination and payment of benefits for carers.

The loan can be granted if the applicant:

- Is not employed and does not do any paid work,
- Has not run their business activity for the last 12 months before submitting the loan application,
- Has no criminal record for the last 2 years before submitting the loan application for economic crimes.

What amount of funds can be received?

The loan for the business activity start cannot exceed 20 times the average remuneration.

The interest rate of the loan is based on the discount rate on bills of exchange amounting to 0.25 of the interest rate. The loan repayment term shall be no more than 7 years, with possible grace period of the loan repayment. The grace period cannot exceed 12 months and is included in the loan term.

What to do to get the loan?

A person applying for the loan for the business activity start shall submit a loan application, containing the following: description of the undertaking, the way of spending the requested loan, anticipated source of funds to repay it, information on the planned business location and proposed form of securing repayment of the requested loan, to a financial agent.

The applicant shall enclose e.g. the following to the loan application:

- A certificate from the Poviát Labour Office confirming they hold an unemployed status, if you are unemployed,
- A certificate from the Poviát Labour Office confirming they hold a jobseeker status, if they are a graduate or a carer of a disabled person,

- A copy of a transcript of a diploma or certificate of your education, if they are a graduate of a school or university,
- A certificate issued by a university, stating you are in the last year of studies, if they are a last-year student,
- A copy of a disability certificate for the person taken care of, if they are a carer of a disabled person.

The loan for the business activity start is granted based on an agreement by and between the applicant and the financial agent.

The support in the form of the loan is de minimis aid and is provided in line with the conditions of this aid's acceptability.

Free counselling and training services for people applying for the loan and for borrowers

People applying for the loan can use free counselling and training services related to entrepreneurship, covering e.g. the preparation of a description and cost estimate of an undertaking.

Borrowers can use also free counselling and training services, including but not limited to those related to starting a business, forms of taxation applicable to the planned business activity and accounting.

Further information in this respect can be obtained from your financial agent.

Obligations resulting from the loan for the business activity start

The basic obligations of the person who received the loan for the business activity start include:

- Settlement of the granted loan,
- Running their business activity for at least 12 months (without suspending it after the expiry of that period).

The effects of the failure to run your business activity for the required period:

- A period shorter than 12 months — the borrower shall be obliged to return the outstanding amount of the loan for the business activity start, including any statutory interest accrued starting from the day when the loan was received, and the amount of the advantage received from the difference between the interest rate of the repaid part of the loan when compared to the interest equal to the reference interest rate calculated using the methodology stipulated in the Communication from the Commission on the revision of the method for setting the reference and discount rates (Official Journal EU C 14 of 19 January 2008, p. 6) in force on the day when the loan was received,
- A period longer than 12 months but shorter than 36 months — the borrower shall repay the outstanding loan principal for the business activity start with the increased interest rate (equal to the reference interest rate calculated using the methodology stipulated in the Communication from the Commission on the revision of the method for setting the reference and discount rates), calculated from the day when the business activity was terminated.

Additional rights of the borrower

A person who uses the loan for the business activity start can receive also a loan for creating a workplace. The loan for creating a workplace can be granted no earlier than 3 months after the repayment of the loan for the business activity start started.

A borrower using both the loan for the business activity start and the loan for creating a workplace for a disabled referred by the Poviát Labour Office can apply for the write-off of the loan for creating the first workplace if they keep the said workplace for at least 12 months. The amount which can be written off

cannot exceed the outstanding amount of the loan for creating the first workplace for the referred unemployed, including any interest due.

Where can you apply for the loan for the business activity start?

The Minister of Labour and Social Policy executed an agreement with the President of Bank Gospodarstwa Krajowego for the implementation of a loan programme called "Pierwszy biznes — Wsparcie w starcie II".

The programme is implemented throughout Poland. Bank Gospodarstwa Krajowego, as a coordinator of the loan implementation, selected financial agents who grant the loans and provide counselling and training services. The detailed information on selected financial agents is available on the website of Bank Gospodarstwa Krajowego in the description of the programme called "Pierwszy biznes — wsparcie w starcie II": www.wsparciewstarcie.bgk.pl.