



## Initiative featured at the RIAC's Report developed to support countries' efforts to address COVID-19's impact

### Brazil's Economic Strategies and Initiatives to Support SMEs and Entrepreneurs

Government of Brazil



Brazil

**Shared by:** Foreign Ministry of Brazil through the Permanent Mission of Brazil to the Organization of American States (OAS)

The Government of Brazil has implemented several economic strategies to support businesses facing hardship as a result of the global COVID-19 outbreak and protect jobs. Some of the measures are summarized as follow:

- On 1/4, the President of the Republic, Jair Bolsonaro, sanctioned the bill that institutes the emergency aid of R\$600 for informal workers, the unemployed, individual micro-entrepreneurs (MEIs) from low income families and intermittent workers who are inactive at the moment and, therefore, without receiving it. Mothers who are solely responsible for supporting their families may receive up to R\$1200.
- The National Bank for Economic and Social Development (BNDES) has included fintechs - companies (startups) that use technology to facilitate and innovate financial services - in companies eligible for the R\$ 5 billion credit line aimed at expanding working capital for micro, small and medium-sized enterprises (MSMEs).
- A reduced-interest financing line was announced for micro and small companies in the amount of R\$ 40 billion. The objective is to fund the payroll of these companies and guarantee jobs. Through this initiative, the government will pay up to two minimum wages (R\$ 2,090) for two months. Legal instrument: Provisory Measure and CMN Resolution.
- The measure will benefit more than 12 million workers and 1.4 million small and medium-sized enterprises (which have annual revenues of R\$ 360,000 to R\$ 10 million per year) throughout the country.
- The federal government and the National Economic and Social Development Bank (BNDES) announced emergency measures to help mitigate the effects of the new coronavirus pandemic in Brazil; which



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totals R\$ 55 billion for the expansion of credit for micro, small and medium-sized companies (MSMEs), through the partner banks, in the amount of R\$ 5 billion.

Additional information

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