



Number 3 of 2020

Microenterprise Loan Fund (Amendment) Act 2020



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CONTENTS

Section

1. Definition
2. Amendment of section 2 of Act of 2012
3. Amendment of section 5 of Act of 2012
4. Amendment of section 7 of Act of 2012
5. Amendment of section 8 of Act of 2012
6. Borrowing by subsidiary from promotional financial institution
7. Amendment of section 19 of Act of 2012
8. Amendment of section 2 of European Investment Fund Agreement Act 2018
9. Short title and commencement

[No. 3.]

*Microenterprise Loan Fund
(Amendment) Act 2020.*

[2020.]

ACTS REFERRED TO

European Investment Fund Agreement Act 2018 (No. 32)

Microenterprise Loan Fund Act 2012 (No. 31)



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MICROENTERPRISE LOAN FUND (AMENDMENT) ACT 2020

An Act to amend the Microenterprise Loan Fund Act 2012 to increase the maximum amount of moneys that the Minister for Business, Enterprise and Innovation may grant under that Act to Microfinance Ireland; to extend the borrowing powers of Microfinance Ireland under that Act and, for that purpose, to increase the maximum aggregate amount of borrowings under that Act by Microfinance Ireland; to amend the European Investment Fund Agreement Act 2018 to increase the maximum aggregate liability in respect of contributions committed by the Minister for Business, Enterprise and Innovation and the Minister for Agriculture, Food and the Marine under all agreements entered into under that Act for the time being in force; and to provide for related matters. 5
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[10th July, 2020]

Be it enacted by the Oireachtas as follows:

Definition

1. In this Act, “Act of 2012” means the Microenterprise Loan Fund Act 2012. 15

Amendment of section 2 of Act of 2012

2. Section 2 of the Act of 2012 is amended, in subsection (1), by the insertion of the following definition:
- “ ‘promotional financial institution’ means—
- (a) the Strategic Banking Corporation of Ireland, or 20
- (b) any other national promotional bank or institution, other than the Social Finance Foundation, within the meaning of Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No. 1291/2013 and (EU) No. 1316/2013 - the European Fund for Strategic Investments¹.” 25

¹ OJ No. L169, 1.7.2015, p.1

Amendment of section 5 of Act of 2012

3. Section 5 of the Act of 2012 is amended, in subsection (2), by the substitution of “€95 million” for “€25 million”.

Amendment of section 7 of Act of 2012

4. Section 7 of the Act of 2012 is amended— 5

(a) in subsection (1)—

(i) by the substitution, in paragraph (a), of “the Fund,” for “the Fund, or”,

(ii) by the substitution, in paragraph (b), of “section 8, or” for “section 8.”, and

(iii) by the insertion of the following paragraph after paragraph (b):

“(c) loaned to it by a promotional financial institution in accordance with subsection (1) of section 8A.”, 10

and

(b) by the substitution of the following subsection for subsection (2):

“(2) Where moneys (other than moneys standing to the credit of the Fund) for the time being standing to the credit of accounts held by the subsidiary are, by reason of a default or defaults in the payment of moneys due to the subsidiary pursuant to an agreement or agreements providing for the making of a loan or loans to which subsection (1) applies, insufficient to enable the subsidiary to pay (in whole or in part) to— 15
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(a) the Social Finance Foundation, any sum the payment of which falls due in accordance with terms or conditions referred to in subsection (4) of section 8, or

(b) a promotional financial institution, any sum the payment of which falls due in accordance with terms or conditions referred to in subsection (1) of section 8A, 25

the subsidiary shall pay the sum due to the Social Finance Foundation or the promotional financial institution concerned, as the case may be, out of moneys for the time being standing to the credit of the Fund.”.

Amendment of section 8 of Act of 2012

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5. Section 8 of the Act of 2012 is amended, in subsection (4), by—

(a) the substitution, in paragraph (a), of “subject to subsection (2) of section 8A and such terms and conditions” for “subject to such terms and conditions”, and

(b) the deletion of paragraph (c).

Borrowing by subsidiary from promotional financial institution

6. The Act of 2012 is amended by the insertion of the following section after section 8:

- “8A. (1) The subsidiary may, for the purposes of this Act, with the consent of the Minister, the Minister for Finance and the Minister for Public Expenditure and Reform, and subject to such terms and conditions as may be approved by the Minister, borrow money (including money in a currency other than the currency of the State) from a promotional financial institution whether by means of the issue of debentures (or other debt security) or otherwise. 5
- (2) The aggregate at any one time of borrowings by the subsidiary under this section and subsection (4) of section 8 shall not exceed €100 million. 10
- (3) Moneys borrowed under this section shall be used by the subsidiary—
- (a) to lend moneys to microenterprises under section 7, or
- (b) to repay (in whole or in part) any loan made to the subsidiary by the Social Finance Foundation in accordance with subsection (4) of section 8. 15
- (4) For the purposes of this section, moneys borrowed in a currency other than the currency of the State shall be deemed to be the equivalent in the currency of the State of the actual moneys borrowed, such equivalent being calculated at the rate of exchange prevailing at the time of the borrowing for that currency and the currency of the State.”. 20

Amendment of section 19 of Act of 2012

7. Section 19 of the Act of 2012 is amended, in subsection (2), by—

- (a) the substitution of “section 7, paid” for “section 7 or paid”, and 25
- (b) the insertion of “or paid to a promotional financial institution in connection with any loan made to the subsidiary by that promotional financial institution in accordance with subsection (1) of section 8A” after “section 8”.

Amendment of section 2 of European Investment Fund Agreement Act 2018

8. Section 2 of the European Investment Fund Agreement Act 2018 is amended, in subsection (3), by the substitution of “€500 million” for “€75 million”. 30

Short title and commencement

9. (1) This Act may be cited as the Microenterprise Loan Fund (Amendment) Act 2020.
- (2) This Act shall come into operation on such day or days as the Minister for Business, Enterprise and Innovation may by order or orders appoint either generally or with 35

reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions.