

## Client's Eligibility Criteria

- The company is a micro, small or medium-sized enterprise or mid-cap enterprise (between 250 and 3000 employees).
- The company is registered in Bulgaria or in an EU country.
- The company does not work in an excluded sector from the EIB List of Excluded Sectors.
- The company is not an entity with political or religious content.
- The company is not a **Sanctioned person**<sup>i</sup>.
- The company complies, in all respects, with the legislation and standards in the field concerned, having all permits and licences for his/her activities.
- The company is not registered in a **non-cooperative jurisdiction for tax purposes**<sup>ii</sup>.
- The Client not related to and does not carry out **Illegal activities**<sup>iii</sup>.
- The Client will inform the Bank immediately in case it is affected by illegal activities.
- The client will take the necessary measures in respect of a member of its management bodies who has been convicted of Illegal activities in the performance of professional duties and this member will be removed from the management.
- The Client undertakes to meet all environmental protection requirements.
- The Client agrees that the Bank will provide information on it, the project and the loan to competent persons in the EIB and EU. The Client's data will be reported to the EIB. The Client may advise the EIB's personal data policy on the following website <https://www.eib.org/en/privacy/lending>.
- The client is obliged to provide access and information to the EIB, the EC and its bodies and experts appointed by it.
- In the event of a breach of the Eligibility Criteria, the Client agrees to recover the resulting financial advantage.

### The Client is not:

A legal person owned, controlled (directly or indirectly) or represented at senior management level by:

- former members of the management bodies of BDB; or
- members of the management bodies of the BDB involved in the assessment and disbursement of the loan, projects and/or financing or other EIB loan or project and/or financing financed by EIB funds; or

NB: in case Client is responsible with 'Yes' of the BDB connectivity conditions, it can only be financed after explicit confirmation by the EIB.

## **Requirements related to the loan and the project**

- Loan size: within the respective limits of BDB and EIB
  - Project starts after 11 July 2023
  - In the case of a working capital loan, the minimum repayment term shall be 24 months
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- The Client commits to carry out the project within the deadline and the specified purpose.
  - The Client undertakes to implement the project in line with the applicable standards of European legislation.
  - The Client undertakes to obtain all the necessary documents – permits, licenses, etc. similar for the completion/implementation of the project.
  - Project implementation contracts (in the case of investment loan) were signed after 11 July 2023.
  - The project is economically, technically, environmentally and financially sound.
  - If the project is part of a larger investment, it is an autonomous technically and economically viable part of it.
  - Loan maturity does not overwhelm the technical and economic life of the financed project.
  - The Project is in a not excluded sector (see the EIB List of Excluded Sectors).
  - Client to maintain the assets under project in good condition and insured.
  - Where applicable, Client to comply with EIA requirements and procurement procedures.
  - When the loan finances a project with EU grant project, to fulfil the following condition:  $(\text{Grant}) + (\text{EIB Allocation}) \leq (100 \% \text{ of project cost})$  at any time.
  - If the loan finances the purchase of land under the project, the amount of this item shall not exceed 10 % of the total project cost.
  - Financing costs during the construction phase do not exceed 10 % of the total project cost.
  - The purchase costs of other intangible assets (such as licenses for the use of ungenerated public resources, patents, trade-marks and similar rights) to be less than 10 % of the project cost

### **The loan does not finance:**

- the purchase of agricultural land
- VAT
- duties and taxes on exports and imports
- the purchase of goodwill, licenses or rights for mineral resource exploitation and production rights in the agricultural sector.

**If the loan finances a 'generation change', the following conditions must be met:**

- The loan makes it possible to continue the economic activity of the undertaking concerned;
- Both, the buyer and the seller are eligible final beneficiaries, and
- The total financing, required for the acquisition of the company, does not exceed EUR 5 million (excluding own funds)

**There are also additional requirements for funding:**

- Defence activities
- Energy production and related activities
- Energy efficiency of buildings; Heating and cooling of buildings
- Mobile assets used for transport (CO2 emission limits): passenger cars, light commercial vehicles, L-category vehicles ; trucks/havy duty vehicles (HDV); public transport: tram, metro and buses (urban and interurban); trains; inland water way vessels; other mobile assets
- Projects related to energy production, construction or rehabilitation of buildings and the acquisition of mobile assets shall be eligible for EIB financing only when they are consistent with the goals of the Paris Agreement on temperature and adaptation and 'consistent with pathways towards low-carbon and climate-resilient development'.

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<sup>i</sup> **"Sanctioned Person"** means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled, directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

"Sanctions" means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented and/or enforced from time to time by any of the following:

- (a) the United Nations, and any agency or person which is duly appointed, empowered or authorised by the United Nations to enact, administer, implement and/or enforce such measures;
- (b) the European Union, and any agency or person which is duly appointed, empowered or authorised by the European Union to enact, administer, implement and/or enforce such measures;
- (c) the United States Government, and any department, division, agency, or office thereof, including the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and
- (d) the United Kingdom, and any government department or authority of the United Kingdom including, inter alia, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the department of International Trade.

<sup>ii</sup> **"Non-Compliant Jurisdiction" means a jurisdiction:**

- (1) listed in the annex I of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;
- (2) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards;
- (3) listed in the annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing the Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 (on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30

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May 2018, and as further amended, supplemented or restated) by identifying high-risk third countries with strategic deficiencies;

(4) rated as "partially compliant", or "non-compliant" including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request;

(5) included in the Financial Action Task Force statement "High risk Jurisdictions subject to a Call for Action"; or

(6) included in the Financial Action Task Force statement "Jurisdictions under Increased Monitoring".

iii **"Illegal Activity"** means any of the following illegal activities or activities carried out for illegal purposes according to applicable laws in any of the following areas: (i) fraud, corruption, coercion, collusion or obstruction, (ii) money laundering, financing of terrorism or tax crimes each as defined in the AML Directives, and (iii) other illegal activity against the financial interests of the European Union as defined in the PIF Directive (Directive (EU) 2017/1371).