



Infrastructure, Housing & SME Finance Department

Small Enterprise (SE) Financing and Credit Guarantee Scheme for Special Persons

Introduction

In line with the Government of Pakistan's priority to improve socio-economic life of the special persons in the country and SBP's measures for improving access to finance for this vulnerable segment of the economy, a refinance cum credit guarantee scheme titled 'Small Enterprise (SE) Financing and Credit Guarantee Scheme for Special Persons' is being launched across the country. Under the scheme, Banks and DFIs will be required to provide financing facilities to special persons to meet credit needs of their businesses.

Under the scheme, refinance will be provided by State Bank of Pakistan at 0% to Participating Financial Institutions (PFIs) for onward lending to special persons falling under small enterprise (SE) category at the rate of up to 5% per annum. Such loans will also be eligible for 60% risk coverage under SBP's Credit Guarantee Scheme for Small and Rural Enterprises. The details of the scheme are as under:-

1. Scope and Eligibility

- i. Financing under the scheme will be available to special persons holding CNIC with disability logo/symbol
- ii. Maximum financing limit will be Rs. 1.5 Million.
- iii. Financing may be provided for setting up of new business enterprises or for expansion of existing ones.
- iv. Financing may be provided to eligible borrowers preferably against their personal guarantee.

2. Tenor

Up to 5 years including grace period of up to 6 months

3. Participating Financial Institutions (PFIs)

All commercial banks and Development Finance Institutions (DFIs) can participate in the scheme.

4. Rate of Mark-up

End user rate will be up to 5% per annum (p.a.). SBP will provide refinance to PFIs at 0%.

5. Guarantee/Risk Coverage

Under the scheme, PFIs will be provided the risk coverage of 60% (against outstanding principal portion only) as applicable under Credit Guarantee Scheme for Small and Rural Enterprises (CGS) issued vide IH&SMEFD Circular No. 01 dated 13.01.2017. To avail risk coverage against the loans, PFIs shall follow the process and fulfill all terms and conditions as outlined under Credit Guarantee Scheme for Small and Rural Enterprises <http://www.sbp.org.pk/smefd/circulars/2017/C1.htm>. The banks/DFIs already availing limits under CGS will be provided risk coverage under this scheme against their existing limits. Those banks/DFIs that are currently not availing the facility of CGS can apply for limits to the Director, Infrastructure Housing & SME Financing Department, SBP and based on the availability of funds, limits will be sanctioned. However, the guarantee limits allocated to these institutions will specifically be allowed for risk coverage under the subject scheme.