



# CMSME Cluster Financing Policy

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In Bangladesh, Information and Communication Technology (ICT) sector has tremendous potential for growth and is the key catalyst for national agenda of creation of a digital Bangladesh. To support the growth of this sector in Bangladesh, Standard Chartered Bank has identified ICT enterprises as a cluster and will focus on enabling ICT cluster's access to finance complementing Bangladesh Bank agenda to increase cluster-based financing in the CMSME sector.

Standard Chartered Bank's cluster financing policy based on Bangladesh Bank cluster financing guideline is as follows,

SL	Parameter	Policy Guideline
1	Qualifying Criterion of ICT Enterprise under Cluster Financing	Based on regulatory definition, the selected target cluster would be ICT Cluster (high priority cluster) where all enterprises fulfilling the following criterion shall qualify under the said cluster, <ul style="list-style-type: none"> <li>▪ The ICT enterprise has to be within 5 kilometre radius, considering bijoy shawrani intersection as centre point, which will qualify all ICT enterprises located in Dhanmondi, Bashabo, Motijheel, Mirpur, Shawrapara, Banani, Gulshan (1, 2 and North) and Baridhara area including adjacent and in-between locations</li> <li>▪ All ICT cluster enterprises would need to be in service or manufacturing sector not dealing with trading of ICT hardware</li> <li>▪ BASIS membership required as per regulations</li> </ul>
2	Banking Products	An ICT Enterprise can avail any of the following products subject to applying for the loans and subsequent eligibility approval, <ul style="list-style-type: none"> <li>▪ Business Instalment Loan (BIL)</li> <li>▪ Guaranteed Instalment Loan (GIL)</li> <li>▪ Business Working Capital (BWC)</li> </ul>
3	Interest Rate	9.00% per annum as per regulations, which is subject to change as per regulatory directives time to time.  7.00% for Guaranteed Installment Loan under Credit Guarantee Scheme of Bangladesh Bank
4	Client Selection Criterion*	ICT cluster client must qualify the following criterion, <ul style="list-style-type: none"> <li>▪ Must be a CMSME, not large enterprise</li> <li>▪ Must be involved in service or manufacturing, not trading sector</li> <li>▪ Must be member of BASIS</li> <li>▪ Cannot be defaulter in CIB report</li> <li>▪ Must have 5 years business experience</li> </ul> <p>Following category of ICT Cluster clients will get priority in processing,</p> <ul style="list-style-type: none"> <li>▪ Entrepreneurs having minimum 1 month training from government or reputed institutions</li> <li>▪ Women Entrepreneurs</li> </ul>



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		<ul style="list-style-type: none"> <li>▪ Entrepreneurs with special needs</li> </ul>
5	Tenor of financing	18 months
6	Repayment	<p>Equated monthly instalment (EMI) for BIL and GIL.</p> <p>Tenor based repayment for STL and annual repayment for OD if not renewed.</p>
7	Maximum Loan	<p>BDT 1 crore for BIL and GIL</p> <p>BDT 16 crore for BWC</p>
8	Minimum Loan	<p>BDT 10 lacs for BIL and GIL</p> <p>BDT 80 lacs for BWC</p>
9	Collateral	<ul style="list-style-type: none"> <li>▪ No collateral required for BIL and GIL except for personal guarantee</li> <li>▪ Property or cash collateral required for BWC</li> </ul>
10	Third Party Personal Guarantee	Maximum one personal guarantee can be taken as security, where guarantors CIB shall be checked based on SCB bureau policy for CMSME/Business Banking loans
11	Standard Documentation Requirement*	<ul style="list-style-type: none"> <li>▪ Valid photo ID</li> <li>▪ Account Opening Form</li> <li>▪ Application form (Newly added)</li> <li>▪ Sanction letter of all other bank loans (Newly added)</li> <li>▪ Photograph of owner</li> <li>▪ Board/Partnership Resolution (for partnership and private limited companies only)</li> <li>▪ Valid Current Trade License (At least for last three years)</li> <li>▪ Latest 12 months bank statement</li> <li>▪ National ID/Passport of the owners/shareholders of the company</li> <li>▪ 12 Digit e-TIN certificates and Latest tax clearance certificate) Newly added</li> <li>▪ Personal Information Form &amp; Photo ID of the proprietor, directors/signatories &amp; the persons holding 10% or more shares</li> <li>▪ Partnership deed and registration certificate from registrar of firms (for Partnership businesses only)</li> <li>▪ Memorandum of Article of Association and Certificate of Incorporation (for Private Limited Company only)</li> <li>▪ Updated Form X and XII (for Private Limited company only)</li> </ul>

\* Client selection criterion and standard documentation requirement is not exhaustive, where additional criterion may be required to be fulfilled or documentation may be required on case-to-case basis.

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