



LTFF-SS-1

Refinance Application Form under
Long Term Financing Facility For The Services Sector (LTFF-SS)
 (To be submitted by the Bank/DFI)

The Chief Manager,
 SBP BSC (Bank),
 _____ (City)

Dear Sir,

In terms of the agreement executed between name of bank/DFI (bank/DFI) and SBP-BSC (Bank) dated _____, bank/DFI hereby apply for refinance to the extent of Rs. _____ (Rupees _____ only) against finances allowed / sanctioned by us to M/s. (name of the Exporter) under above Facility as per details given as under :-

- i. Name of the borrower/ sponsor of unit _____
- ii. Business address of the borrower / sponsor of the unit. _____
- iii. Broad categories of capital goods (excluding land & building) for which facilities have been sanctioned
- | | Imported | Local* |
|--|----------|--------|
| | | |
- iv. Particulars of Finance as per Financing Agreement executed by us with our borrower. Amount _____
 Date _____
 Rate of mark up _____
- v. Period for which finance sanctioned _____
- vi. Purpose of the financing i) For import of capital goods, ii) for purchase of locally manufactured capital goods*.

2. The bank/DFI certifies that the detail of the contract(s) finalized by the above-named borrower / sponsor of the unit and the payments made by the bank / DFI to them against the aforesaid contract has been placed in the bank's/DFI's record and shall be invariably provided to the inspection team(s) of SBP during the inspection of the bank/DFI.

* Please strike out whichever is not applicable



3. The bank/DFI has already submitted / submit herewith the securities documents required under the captioned Facility for the purpose of availing refinance, to your office vide our letter No. _____ dated _____. The Demand Promissory Note for Rs. _____ (Rupees _____ only) signed by M/s. (Name of borrower/unit) referred to above and endorsed by the bank/DFI in your favour is submitted herewith / has already been submitted and request you to provide refinance of Rs. _____ (Rupees _____ only) and credit the bank's/DFI's Current Account with you. Undertaking of borrower, repayment schedule and certified copies of (a) Commercial Invoice(s); (b) Letter(s) of Credit(s) and evidence of retirement thereof; (c) bill of lading; (d) evidence regarding disbursement of above loan are also enclosed herewith.

4. The bank/DFI hereby certify that:-

- i) the terms & conditions as stipulated in the captioned Facility has been complied with;
- ii) all the requirements of the Facility including those at (iii) & (iv) below has been fully met;
- iii) the eligibility of borrower and the relevant capital goods against which refinance is applied for has been properly determined by the bank/DFI in accordance with the prescribed criteria / conditions set out in the Facility vide SBP's I.H. & SME Finance Department Circular No(s). dated _____ and in force on the date of the Financing Agreement / Undertaking referred to above;
- iv) the procedure for procurement of the capital goods purchased and the mode of payment are in accordance with the procedure prescribed by the bank/DFI, as also guidelines given in the Facility;

5. The bank/DFI understand that the State Bank of Pakistan has right to appoint independent consultants to verify cases of refinance and agree to reimburse the cost so incurred in case the report of consultants indicates any irregularities on the bank's/DFI's part. The bank/DFI also agrees to pay back any amount of refinance disbursed to bank/DFI by the State Bank on the basis of this application if the State Bank subsequently concludes that such refinance was wrongfully claimed and also pay fine on such finance @ paisa 60 per day per Rs. 1,000 or part thereof, or such other rate as may be announced by the State Bank from time to time, for the period for which such finance is availed by the bank/DFI immediately.



6. The bank/DFI also undertake that in case irregularities are found to have been committed by the borrower due to negligence of the bank's/DFI's officials/staff to ensure compliance of the same or that such irregularities have been made by the borrower with the involvement of the bank's/DFI's staff/officer(s), besides taking appropriate action against the staff under our staff regulations or code of conduct, the bank/DFI shall indemnify and agree to indemnify and save harmless the State Bank against any claims, actions, costs, losses and expenses that it may incur due to litigation or otherwise on account of recovery of amount of refinance and the fine thereof for availing of refinance to which the bank/DFI was not entitled otherwise.

7. The bank/DFI hereby also authorize SBP BSC to recover the full or remaining outstanding amount of refinance along-with mark up and fines, if any, from any monies held in the bank's/DFI's account or on their behalf in case the amount(s) falling due is not repaid on the due date agreed to.

Yours faithfully,

(Authorized Signature with
name and designation)
on behalf of bank/DFI

(Authorized Signature with
name and designation)
on behalf of bank/DFI

Witnesses:

1. _____

2. _____



LTFF-SS-2

**Form of the Agreement¹ under
Long Term Financing Facility For The Services Sector (LTFF-SS)²**

[to be submitted by the bank]

(Place) _____

Date _____

The Chief Manager,
SBP BSC (Bank),
_____ (City)

Dear Sir,

In consideration of your agreeing to make available to the name of bank/DFI (bank/DFI) refinance under Section 17 (2) (d) read with section 22 of State Bank of Pakistan Act, 1956, not exceeding Rs. _____ (Rupees _____ only) under State Bank of Pakistan's **Long Term Financing Facility For The Services Sector (LTFF-SS)** ("Facility"), for _____ years vide IH& SMEFD Letter No.-----dated ----- for which amount (bank/DFI) has delivered a Demand Promissory Note made in your favour.

2. Now, the bank/DFI do hereby agree to the terms and conditions as set out herein under :-

- a. That the bank/DFI shall pay / repay the principal or mark up amount of refinance and any other charges / penalty thereon, to you in accordance with the agreed schedule of payment. In no case the bank's/DFI's liability to pay / repay the principal amount of refinance, or mark up or any other charges or penalty thereon shall be dependent upon the recovery from the borrower nor shall the liability be affected by any default on the part of the borrower .
- b. As security for the said refinance, on each occasion bank/DFI shall deliver, bills of exchange / demand promissory notes duly endorsed in your favour, as are acceptable to you and drawn on and payable in Pakistan, arising out of bonafide finance provided by the bank/DFI to their borrowers, an entity eligible for financing as per criteria spelt out in the Facility for import/ purchase of capital goods under the **Long Term Financing Facility For The Services Sector (LTFF-SS)** and it is understood that the aforesaid accommodation may be made and will continue on the faith of the truth and correctness of such certificates.

¹ This Agreement may be submitted only once, in a financial year, against full amount of limit allocated by the SBP to the bank/DFI under LTFF. This may be submitted at the office of SBP-BSC where bank's/DFI's Head Office / Principal Office is situated.

² To be stamped as an agreement in accordance with the law in force in each province



- c. The bank/DFI undertake not to extend finance or deliver any bill of exchange / demand promissory note in terms of this agreement unless it is satisfied that all parties liable there under are financially sound and credit worthy.
- d. The maximum rate of mark up to be charged by bank/DFI from the borrower shall not exceed ___³___% p.a. from the service charges (*mark up*) payable to you on refinance as worked out under the provisions of the Facility.
- e. Service charges shall be payable on quarterly basis on 31st March, 30th June, 30th September and 31st December each year or on maturity of the bills or promissory notes, whichever is earlier. Where the above schedule date falls on a public /weekly holiday payment of the due amount of service charges shall be made on next working day after such due date. You are hereby authorised, at your discretion to reimburse State Bank with the amount of service charges by charging the same to the bank's/DFI's current account maintained with you in case of failure to make payment on the due date in full, as required under the Facility without seeking any debit authority from the bank/DFI. You shall also be entitled to charge fine, at a rate specified in the Facility from time to time, on failure to make payment whether on account of inadequate balance in the bank's/DFI's account or otherwise.
- f. The maximum amount of refinance that shall be provided in the case of each unit financed would be an amount equal to the amount actually disbursed by the bank/DFI under the Facility.
- g. The Demand Promissory Note (notice of dishonour of which Promissory Note is hereby waived in terms of Section 98 of Negotiable Instrument Act, 1881), furnished with this agreement and the demand promissory notes delivered in terms of clause (j) below shall, notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations of accounts or withdrawal of any part of this security, be a continuing security for repayment of all sums due or found due under this agreement, along-with Service Charge due thereon to you, and all costs, charges or expenses, which you may be entitled under the law to recover from the bank/DFI.
- h. The bank/DFI shall neither sanction nor permit any of their borrowers to use the finances for any purpose other than those prescribed under the Facility. Any finances provided under this Facility shall be subject to the terms of the bank's/DFI's Charter. Further, a declaration shall be obtained from the borrower to the effect that he/she shall not utilize the finances or any part thereof except for the purpose spelt out in the Facility.
- i. No financial assistance shall be given to any of the bank's/DFI's Directors or to any company, firm or group or association or project in which any of the Director is interested either directly or indirectly except in financial assistance against tangible security which will be provided with the approval of the majority of Directors, excluding the Director concerned.

³ As applicable for respective tenure of financing



- j. Bank/DFI shall endorse and deliver demand / usance Promissory Notes executed in bank's/DFI's favour by the borrower under this financing arrangement with a certificate that (i) the same arises out of bonafide finances provided under the Facility (ii) all parties liable there under are financially sound, solvent and credit-worthy and that by virtue of such endorsement and delivery, the bank/DFI certifies the genuineness of signatures as well as authority of all persons thereon (iii) the finances provided to parties liable on such promissory notes have not been classified by you as doubtful / loss.
- k. Without prejudice to your rights against the bank/DFI as financier for the realization of any demand / usance promissory note delivered to you under clause (j) at maturity, bank/DFI agrees, if you so desire, to take at the bank's/DFI's expense, all steps as may be necessary to realize the money from the borrower and forthwith pay the same to you. Bank/DFI agrees that the fact of your not taking steps to endorse payment of such demand / usance promissory note or any of them against the signatory or signatories thereon shall in no way release the bank/DFI from their liability there under and that it shall not be necessary for you to give any notice of dishonour of such Promissory Note.
- l. In addition to clauses (j) & (k), bank/DFI shall hold upon trust securities / security documents presently held or which may be obtained from the borrowers to whom finance is made available under this Facility, as security for due repayment of finance with return / profit thereon. Further, on your demand bank/DFI undertake to assign to you all such securities and secured documents, and agree that upon such assignment the provisions of clauses (j) and (k) shall, mutatis mutandis, apply.
- m. In addition to the preceding clauses, bank/DFI agrees that as and when you demand, valid legal charge shall be created on any or all of their assets as may be demanded by you.
- n. We expressly understand that you are entitled to cancel or recall or advance the date of repayment of this finance at any time and for any reasons without any prior notice and that you are not obliged to provide any finance any time and for any reason against this Facility and that by executing a promissory note in your favour of lodging demand / usance promissory note under clause (j) or by providing finance to any borrower on the faith of this agreement, bank/DFI has acquired no right or claim to demand finance from you under this Facility. It is also expressly agreed that you have the sole right to vary, amend, alter or add to the terms and conditions of the Facility without any reference to the bank/DFI and the bank/DFI agrees to invariably comply with the same.
- o. That on default of repayment by bank/DFI on any promissory note tendered under this agreement, you have the authority to debit without further reference to all of the bank's/DFI's accounts now held or held hereafter or adjust any moneys worth which may, howsoever, become due from you or come into your possession or control to the extent of the amount due under any such promissory note or in terms of the clauses referred herein before or otherwise under this agreement.



- p. That notwithstanding anything contained elsewhere in this agreement, the amount of this finance along-with Service Charge due thereon due to you will become due and payable, if the bank/DFI commits breach of any of the terms and conditions of this agreement.

- q. No indulgence or delay in exercising any of your rights hereunder shall be deemed a waiver of any right and no waiver of any of your right hereunder shall be construed as a waiver of any other rights you may have.

Yours faithfully,

(Authorized Signature with
name and designation)
for _____ (Bank / DFI)

(Authorized Signature with
name and designation)
for _____ (Bank / DFI)

Witnesses:

1. _____

2. _____



Demand Promissory Note*
(to be submitted by bank/DFI⁴)

Place: _____

Date: _____

Rs. _____

On demand we (name of the bank/DFI) promise to pay to the State Bank of Pakistan, Banking Services Corporation, (City) or order the sum of Rs. _____ (Rupees _____ only) for value received plus service charges @ _____% p.a..

(Authorized signature of the bank/DFI)
(Name & Seal)

Witnesses:

1. _____

2. _____

* To be stamped in accordance with the law in force in each Province.

⁴ This DP Note may be submitted only once, in a financial year, against full amount of limit allocated by the SBP to the bank/DFI under LTFE. This may be submitted at the office of SBP-BSC where bank's/DFI's Head Office / Principal Office is situated.



LTFP –SS-4

Demand Promissory Note*
(to be submitted by the / borrower)⁵

Place:_____

Date_____

Rs. _____

On demand we _____(name of the borrower / sponsor of the unit)_____ promise to pay to the _____(name of the bank / DFI)_____ or order the sum of Rs. _____(Rupees _____ only) for value received plus service charges @ _____% p.a..

(Authorized signature of the borrower)
(Name & Seal)

Witnesses:

1. _____

2. _____

* To be stamped in accordance with the law in force in each Province.

⁵ This Demand Promissory Note requires to be endorsed by the bank concerned in favour of its head office / principal office through which refinance is being claimed and further endorsed by them in favour of the Office of SBP BSC concerned.



LTFF –SS-5

**Undertaking/Agreement to be submitted by the Borrower
under the Long Term Financing Facility For The Services Sector (LTFF-SS)⁶**

(Place) _____

Date _____

The Manager,

_____ Bank Limited/DFI,
_____ Branch,
_____ (CITY)

Dear Sir,

I/We name of the borrower(s) do hereby certify and confirm that a finance of Rs. _____ (Rupees _____ only) has been allowed / being allowed to me/us by you under **Long Term Financing Facility for the Services Sector (LTFF-SS)** of the State Bank of Pakistan on service charges basis @ _____% p.a.

2. I/We, further confirm and undertake that the aforesaid finance will be / has been obtained by me/us for import/purchase of eligible capital goods described hereunder against valid letter of credit/contract / agreement as per the provisions of the Facility under reference. Further I/We, confirm that aforesaid finance or any part thereof shall not be utilized except for the purpose spelt out in the Facility.

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be/has been availed by me/us shall be utilized exclusively to meet the cost of capital goods being imported /purchased against contract / letter of credit, particulars of which are given at table 1 below:-

Table -1:

Broad type of capital goods imported / purchased	Amount of contract / letter of credit					Expected date of import / delivery of the capital goods
	No.	Date	Amount in Fcy	Value Date	Amount in equivalent Pak Rupee	
1.	2.	3.	4.	5.	6.	7.

⁶ To be stamped as an agreement in accordance with the law in force in each province



4. I/We, do certify that the finance is being obtained by me/us against bonafide transaction and I/we submit the requisite documents alongwith this application for your consideration of extension of finance facility to us from your bank/DFI under **Long Term Financing Facility for the Services Sector (LTFF-SS)**.

5. I/We, certify and confirm that I/We have not obtained any finance against the above-mentioned contract / Import / Inland letter of credit from any other Bank/DFI, except as under.

Amount of Import LC.	(for Import of capital goods)	
Amount of Inland LC/contract /order	(for purchase of locally manufactured capital goods)	
Total		

Less: Amount of loan already taken	
Balance Amount	
Amount of loan now being obtained	

6. I/We, hereby confirm and agree that in the event of my/our failure to make payment on due date bank/DFI has our Irrevocable Authority without reference to us to debit my/our Account No. _____ maintained with the bank/DFI along-with fine or penalty applicable to me/us, if any as prescribed under the Facility. I/We, authorize the bank/DFI to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under the Facility.

7. I /We, name of borrower(s) _____ certify that no export bills for more than 365 days are overdue for repatriation.

8. I/We agree that notwithstanding anything contained elsewhere in this undertaking, the amount of this finance along-with service charge due thereon due to the bank/DFI will become due and payable immediately, if we commit breach of any of the terms and conditions hereof.

Yours faithfully,

Authorized Signature of the Borrower
CNIC # _____

Signature verified by the authorized
officials of Branch of Bank/DFI

Witnesses:

1. _____

2. _____
