

SMALL AND MEDIUM ENTERPRISE EXPORT FACILITY

1.0. INTRODUCTION

The Small and Medium Enterprise Export Facility (SMEEF) is designed to support Export-Oriented Small and Medium Enterprises in the non-oil exports value-chain.

The intention of the SMEEF is to stimulate and increase deliberate funding to Small and Medium Enterprises (SMEs) towards broadening Nigeria's export basket and facilitating industrialization for value added exports.

2.0. DEFINITION OF SMALL AND MEDIUM ENTERPRISES (SMEs)

For the purpose of this Facility, Small and Medium Enterprises are defined as:

	EMPLOYMENT	ASSETS ('₦' Million)
Small Enterprises	10-49 Staff	5- 49
Medium Enterprises	50-199 Staff	50- 500

Other yardsticks include:

- Businesses with turnover of less than ₦100.0million per annum.
- Businesses with Share Capital of less than ₦5,000,000.00

3.0. OBJECTIVES OF THE FACILITY

The objectives of Small and Medium Enterprise Export Facility (SMEEF) are to:

- a. Improve access of Export-Oriented Small and Medium Enterprises (SMEs), Clusters, and Associations to concessionary finance in a bid to expand and diversify the non-oil export baskets.
- b. Attract new investments and encourage re-investments in value-added non-oil exports.
- c. Revamp/ resuscitate Export-Oriented Small and Medium Enterprises (SMEs), Clusters and Associations to create and sustain more jobs within the non-oil export sector in Nigeria.
- d. Support Small and Medium Enterprises (SMEs), Clusters and Associations to stock seasonal commodities such as Cocoa Beans, Cashew Nuts, Sesame Seeds, Ginger, Hibiscus Flower etc. for year-round export trade and improved profit margins.
- e. Support Small and Medium Enterprises (SMEs), Clusters and Associations to upscale and expand export operational capacities and upgrade production systems.
- f. Diversify and increase the contribution of non-oil export revenue and value-added exports for sustainable economic development.
- g. Broaden the scope of export financing instruments and complement other non-oil export financing schemes.
- h. Increase foreign exchange generation in the Nigerian economy.

4.0. ELIGIBILITY CRITERIA

4.1. ELIGIBLE EXPORTERS

- a. Duly registered Small and Medium Enterprises (SMEs), Clusters and Associations in Nigeria with satisfactory credit reports obtained from at least two (2) Credit Bureau (in line with the provisions of the CBN Circular BSD/DIR/GEN/CIR/04/014 dated April 30, 2010)
- b. Small and Medium Enterprises (SMEs), Clusters and Associations engaged in the production and/or marketing of export goods and services
- c. Small and Medium Enterprises (SMEs), Clusters and Associations that are registered with the Nigerian Export Promotion Council (NEPC)
- d. Small and Medium Enterprises (SMEs), Clusters and Associations that belong to a relevant Commodity Export Association

4.2. ELIGIBLE TRANSACTIONS

Eligible Transactions that shall qualify for the support of NEXIM under this Facility include:

- Viable Transactions connected with export of goods wholly or partly manufactured in Nigeria, which are exportable under the laws of Nigeria.
- Export-generating imports, principally raw materials, equipment and spare parts required by a manufacturing exporter.
- Export of viable services (consultancy, tourism, transport, event planning, hospitality etc.).
- Transactions of value added production supported by States/Regions and promoted by Private Sector Companies.
- Anchor Borrower - Type arrangement for exports in collaboration with Co-operative societies and other community-based support arrangements.
- Projects with regional export promotion/ export development objectives and / or promoted by States as a private sector export enterprise.

4.3. INELIGIBLE EXPORTS

The following items are not eligible for financing:

- Armaments, ammunitions and other military equipment
- Psychotropic drugs and narcotic
- All items prohibited by international conventions or environmental constraints
- Phonographic and obscene materials; and
- Items prohibited for importation/exportation by prevailing government policies/guidelines

5.0. FEATURES OF THE SMALL AND MEDIUM ENTERPRISE EXPORT FACILITY

5.1. OBLIGOR LIMIT

The Facility shall have a single obligor limit of not more than N100.0million, which shall not be more than 70 percent of the total Project/Transaction cost.

5.2. TENOR

The Small and Medium Enterprise Export Facility (SMEEF) shall have a maximum tenor of:

- a. 1 year with the option of roll- over once for Working Capital
- b. 2-7 years for Project Finance

5.3. INTEREST RATES

The Facility shall be availed at a maximum all-in interest rate of 9% per annum inclusive of all charges. However, legal and admin charges are to the account of beneficiary Projects.

5.4. MORATORIUM

The Small and Medium Enterprise Export Facility (SMEEF) allows for maximum moratorium of two (2) years on Principal repayment.

5.5. REPAYMENT

The under-listed are acceptable Repayment Terms for the Small and Medium Enterprise Export Facility (SMEEF):

- Transaction-based Repayments
- Clean-Up Cycle of 30 Days
- Clean-Up Cycle of 60 Days
- Clean-Up Cycle of 90 Days
- Clean-Up Cycle of 120 Days
- Clean-Up Cycle of 180 Days
- Quarterly payment of Interest and repayment of Principal
- Quarterly payment of Interest and Bullet repayment of Principal

6.0. COLLATERAL REQUIREMENTS

The under-listed are acceptable Collateral for the Small and Medium Enterprise Export Facility (SMEEF):

- a. All Assets Debenture
- b. Legal Mortgage
- c. Equitable Mortgage
- d. Irrevocable Commercial Bank Guarantee
- e. Insurance Bond
- f. Collateral Warehouse Management
- g. Corporate Guarantee
- h. Personal Guarantee
- i. Moveable Assets

Approved applications shall be required to provide adequate collateral to cover the exposure in the fixed collateral coverage ratio of not less than 150% of Loan value.

7.0. DOCUMENTATION

An Exporter seeking to benefit from the Facility shall complete the following:

- a. Application Form
- b. Know-Your-Customer Form
- c. Signature Mandate Cards
- d. Asset and Income Disclosure Form
- e. Ultimate Beneficial Owners (UBO) Form

An Exporter seeking to benefit from the Facility shall forward the following Documents:

- a. N20,000 non-refundable Application payable in Bank Draft for Small Enterprises or N30,000 non-refundable Application payable in Bank Draft for Medium Enterprises
- b. Application Letter
- c. Board Resolution to borrow
- d. Letter authoring NEXIM to obtain information on the Company
- e. Certified True Copy of Certificate of Incorporation
- f. Certified Memorandum and Articles of Association
- g. Certified True Copies of Forms CO2 and CO7
- h. Current Tax Clearance Certificate
- i. Valid means of identification of Company Directors
- j. Valid Export Contract
- k. Proforma Invoice(s) (where applicable)
- l. Projected cash flow to prove viability and assumptions used at arriving at the projections
- m. Audited Statement of Accounts for the last three years and the most recent Management Accounts
- n. Profile of Board Members and Management of the Company
- o. Certificate of registration with Nigerian Export Promotion Council (NEPC)
- p. Licenses/Permits from relevant agencies (where applicable)
- q. Evidence of previous export performance (if any)
- r. Copy of Environmental Impact Assessment Report (where applicable)
- s. Valuation Report of proposed Collateral addressed to the Managing Director, NEXIM Bank
- t. Any other Document that may be required by NEXIM

8.0. MONITORING AND EVALUATION

All funded Projects shall be subject to both on- and off-site monitoring by NEXIM from time to time during the duration of the Loan.

A Monitoring and Evaluation (M&E) Framework to monitor utilization of the availed Facility and operations of the beneficiary clients would be put in place.

M&E reports shall highlight the following:

- Volume of goods and services exported
- Forex generated / repatriated
- Employment created / sustained
- Problems/Challenges and Possible Mitigants

9.0. AMENDMENTS

These Guidelines shall be subject to review from time to time as may be deemed necessary by NEXIM. The Amendment does not have retroactive effect and therefore is applicable only to new approvals.

For further information please contact:

SME Desk, Specialised Business Department
Nigerian Export - Import Bank,
Plot 975 Cadastral Zone AO,
Central Business District,
P.M.B. 276, Garki, Abuja, Nigeria.
Telephone (+234) 9 4603630 - 9
Email: neximabj@neximbank.com.ng