APPENDIX 1

LIST OF THE ASIAN CREDIT SUPPLEMENTATION INSTITUTION CONFEDERATION MEMBERS

COUNTRY	ORGANISATION
INDONESIA	PT Asuransi Kredit Indonesia (*ASKRINDO*)
	Perusahaan Umum Pengembangan Keuangan Koperasi (*Perum PKK*)
JAPAN	Small Business Credit Insurance Corporation (*SBCIC*)
	National Federation of Credit Guarantee Corporation (*NFCGC*)
KOREA	Korea Credit Guarantee Fund (*KCGF*)
	Korea Technology Credit Guarantee Fund (*KTCGF*)
MALAYSIA	Credit Guarantee Corporation Malaysia Berhad (*CGC(M)*)
NEPAL	Credit Guarantee Corporation (PVT.) Limited (*CGC(N)*)
PHILIPPINES	The Guarantee Fund for Small & Medium Enterprises (*GFSMB*)
SRI LANKA	Central Bank of Sri Lanka (*CBSL*)
TAIWAN	Small & Medium Business Credit Guarantee Fund (*SMBCGF*)
THAILAND	Small Industry Credit Guarantee Fund (*SICGF*)

Source : Asian Credit Supplementation Institution Confederation (ACSIC), "The Minutes Of The First ACSIC Conference," Seoul, 1989.

APPENDIX III

MITI's List of Promoted Activities and Promoted Products

1. Agricultural production
2. Integrated agriculture
3. Processing of agricultural produce
4. Forestry and forestry products
5. Supporting products/services
6. Manufacture of rubber products
7. Manufacture of palm oil and palm kernel oil and coconut oil products and their derivatives
8. Manufacture of chemicals, petrochemicals and pharmaceuticals
9. Manufacture of wood and wood products
10. Manufacture of pulp, paper and paperboard
11. Manufacture of textile and textile products
12. Manufacture of clay-based, sand-based products and other non-metallic products
13. Manufacture of plastic products
14. Manufacture of non-ferrous metals and their products
15. Manufacture of machinery and machinery components
16. Manufacture of transport equipment, components and accessories
17. Manufacture of electrical and electronic products and components and parts thereof
18. Manufacture of professional, medical, scientific, measuring equipment and components and parts thereof
19. Manufacture of photographic, cinematographic, video and optical goods and components
20. Manufacture of iron and steel and their products
21. Hotel business and tourist industry
22. Miscellaneous household products, office furniture and equipment
23. Film industry–film and video production

Source : CGC (M) Annual Report 1993.

APPENDIX IV

LIST OF SHAREHOLDERS OF CGC

No.	BANK
7	BANK NEGARA MALAYSIA
1	ALGEMENE BANK NEDERLAND
3	BAN HIN LEE BANK BHD.
2	BANGKOK BANK LTD.
5	BANK BUMIPUTRA MALAYSIA BHD.
6	BANK BURUH MALAYSIA BHD.
4	BANK OF AMERICA N.T. & S.A.
9	BANK OF COMMERCE BHD.
10	BANK OF NOVA SCOTIA
11	BANK OF TOKYO LTD.
12	BANK UTAMA MALAYSIA BHD.
13	CHASE MANHATTAN BANK N.A.
14	CHUNG KHIAW BANK LTD.
15	CITIBANK N.A.
17	DEUTSCHE BANK AG
16	DEVELOPMENT & COMMERCIAL BANK BHD.
21	EON BANK BHD.
18	HOCK HUA BANK BHD.
19	HOCK HUA BANK (SABAH) BHD.
20	HONGKONG & SHANGHAI BANKING CORPN. LTD.
22	KWONG YIK BANK BHD.
23	LEE WAH BANK LTD.
24	MALAYAN BANKING BHD.
26	MALAYSIAN FRENCH BANK
25	MALAYAN UNITED BANK BHD.
27	ORIENTAL BANK BHD.
28	OVERSEA-CHINESE BANKING CORPN. LTD
29	OVERSEAS UNION BANK LTD.
30	PACIFIC BANK BHD.
31	PERWIRA HABIB BANK MALAYSIA BHD.
32	PUBLIC BANK BHD.
33	SABAH BANK BHD.
8	SECURITY PACIFIC ASIAN BANK LTD.
34	SOUTHERN BANK BHD.
35	STANDARD CHARTERED BANK
37	UNITED MALAYAN BANKING CORPN. BHD.
38	UNITED OVERSEAS BANK LTD.
39	WAH TAT BANK BHD.

No.	NAME OF INSTITUTION
	BANK-OWNED
1	MAYBAN FINANCE BHD.
2	ARAB-MALAYSIAN FINANCE BHD.
3	PUBLIC FINANCE BHD.
4	BBMB KEWANGAN BHD.
5	CREDIT CORPORATION (M'SIA) BHD.
6	HSBC FINANCE (M'SIA) BHD.
7	SOUTHERN FINANCE CO. BHD.
8	UMBC FINANCE BHD.
9	OCBC FINANCE BHD.
10	KWONG YIK FINANCE BHD.
11	D & C FINANCE BHD.
12	HOCK THAI FINANCE CORPN. BHD.
13	EON FINANCE BHD.
14	KEWANGAN INDUSTRI BHD.
15	ORIENTAL FINANCE BHD.
16	SABAH FINANCE BHD.
17	CHEW GEOK LIN FINANCE BHD.
18	OVERSEA UNION TRUST (M'SIA) BHD.
19	PERTAMA MALAYSIA FINANCE BHD.
20	CHUNG KHIAW FINANCE BHD.
21	KEWANGAN UTAMA BHD.
	NON-BANK-OWNED
22	MBf FINANCE BHD.
23	MUI FINANCE BHD.
24	KEWANGAN USAHA BERSATU BHD.
25	HONG LEONG FINANCE BHD.
26	ASIA COMMERCIAL FINANCE (M) BHD.
27	VISIA FINANCE BHD.
28	MALAYSIA CREDIT FINANCE BHD.
29	AFFIN FINANCE BHD.
30	DELTA FINANCE CO. BHD.
31	MAGNUM FINANCE BHD.
32	BOLTON FINANCE BHD.
33	CEMPAKA FINANCE BHD.
34	INTERFINANCE BHD.
35	BOON SIEW FINANCE BHD.
36	EAST MALAYSIA FINANCE BHD.
37	CITY FINANCE BHD.
38	KEWANGAN KGN BHD.
39	PETRA FINANCE BHD.
40	EQUITY FINANCE CORPN. BHD.
41	KCB FINANCE BHD.

Source : CGC (M) Berhad 1993 Annual Report

FEATURES	AIM	[illegible]	[illegible]	[illegible]	[illegible]
Eligibility Criteria: 1) Sector	Existing AIM Members	Only SMEs	Malaysian above 18 years of age, directly involved in business .	Malaysian above 18 years of age, directly involved in business .	SSIs & SMEs
2) Net Assets/ Shareholders' Fund	Must be wholly owned by Bumiputera & business must be operated on a fulltime basis.	Upto RM2.5 million (Wholly owned by Bumiputera)	Permanent/market , mobile (with specific place/places of business), stalls/shops selling goods or providing services.	Permanent/market , mobile (with specific place/places of business), stalls/shops selling goods or providing services.	Up to RM1 million and up to RM1.5 million for Priority Sector (PS).
3) Agg. Borrowings					Max. RM3 m.(RM5 m. for PS)
Maximum Coverage Maximum Loan Limit	RM5,000.00	RM1 million	RM10,000 (RM5,000 if for working capital)	RM10,000 (RM5,000 if for working capital)	RM1 m. (RM1.5 m. for PS)
Credit Facilities Covered	Fixed loan of RM1,000 to RM5,000 repayable within 36 months maximum period.	Confined to fund-based facilities such as overdrafts and trm loans. Priority to Manufacturing, export oriented industries, tourism and agriculture.	Fixed loan (in multiples of RM1,000) with weekly repayments (fixed instalments amount) ranging from 42 weeks to 138 weeks.	Fixed loan (in multiples of RM1,000) with weekly repayments (fixed instalments amount) ranging from 42 weeks to 138 weeks.	Term Loans Overdrafts Letter of Credit Bills Purchased Bank Guarantee Export Credit Refinancing Hire Purchase & Leasing Bankers Acceptance
Interest Rate	NIL but service fee will be levied.	5% per annum	NIL but normal management fee incorporated into repayments.	NIL but normal management fee incorporated into repayments.	2% above base lending rate (BLR) of leading institution.
Guarantee Coverage	100%	Maximum guarantee cover is 50% of the principal loan in default (excluding interest and other charges). If backed by collateral, 50% of principal loan in default in excess of collateral value.	100%	100%	*Clean Facility-* 70% of facility or 80% of facility for Priority Sector. *Facility Backed By Collateral-* 80% of the facility amount or 90% of facility amount for Priority Sector.
Guarantee Fee	NIL	0.5% per annum based on outstanding loan , payable monthly.	NIL	NIL	0.5% per annum on max. guarantee cover, payable in advance annually.
Participation	Amanah Ikhtiar Malaysia (AIM)	Ten (10) commercial banks	All commercial banks	Associations will process, evaluate and approve (subject to CGC's concurrence) the loans. Only those associations registered and allowed to do so by CGC will particiapate. Selected banks' branches will assist in the loan disbursement and act as collection counters.	All commercial banks and 41 licensed finance companies.
Value of Fund	RM2 million funded by Credit Guarantee Corporation	RM350 million funded by Central Bank	RM100 million by Central Bank to CGC on soft loan basis.	RM20 million by Central Bank to CGC on soft loan basis.	Additional equity of RM20 m. via Paid Up Capital from Finance Institutions & fund by Central Bank to CGC on soft loan basis.

Source : Credit Guarantee Corporation (M) Berhad

APPENDIX V : FEATURES OF CGC SCHEMES CURRENTLY OPERATIONAL

APPENDIX VI: COMMERCIAL BANKS IN MALAYSIA —TOTAL ASSETS AS AT JUNE 30, 1993

Jadual 6.2 Bank Perdagangan di Malaysia

Nama bank	Tahun perniagaan dimulakan di Malaysia	Jumlah harta pada akhir bulan Jun 1993 (RM juta)[1]	Bilangan pejabat pada akhir bulan Jun 1993
Bank Malaysia			
Ban Hin Lee Bank Berhad	1935	2,505.1	27
Bank Bumiputra Malaysia Berhad	1966	25,413.0	156
Bank Buruh (Malaysia) Berhad	1975	1,024.8	4
Bank of Commerce (M) Berhad[2]	1973	8,283.1	41
Bank Utama (Malaysia) Berhad	1976	2,141.1	17
Development & Commercial Bank Berhad	1966	11,663.1	49
EON Bank Berhad[3]	1964	632.3	11
Hock Hua Bank Berhad	1951	2,368.7	23
Hock Hua (Sabah) Berhad	1961	519.8	5
Kwong Yik Bank Berhad	1913	4,365.4	50
Malayan Banking Berhad	1960	34,634.1	213
Malaysian French Bank Berhad	1982	2,238.8	22
MUI Bank Berhad[4]	1923	2,782.3	35
Oriental Bank Berhad	1937	2,957.1	23
Perwira Habib Bank Malaysia Berhad	1976	5,785.7	44
Public Bank Berhad	1966	15,206.0	121
Sabah Bank Berhad	1979	1,276.7	15
Southern Bank Berhad	1965	2,828.0	49
The Pacific Bank Berhad	1922	2,617.3	28
United Malayan Banking Corporation Bhd.	1960	10,375.3	73
Wah Tat Bank Berhad	1955	360.9	12
Bank asing			
ABN AMRO Bank N.V.	1888	798.2	2
Bangkok Bank Limited	1959	582.2	1
Bank of America, N.T. & S.A.	1959	1,387.2	1
Chung Khiaw Bank Limited	1951	4,008.0	16
Citibank N.A.	1959	5,176.4	3
Deutsche Bank AG	1968	1,395.2	1
Lee Wah Bank Limited	1956	2,959.3	9
Oversea - Chinese Banking Corporation Ltd.	1932	5,895.1	25
Overseas Union Bank Limited	1958	1,710.4	12
Security Pacific Asian Bank Limited	1957	427.5	1
Standard Chartered Bank	1875	8,448.2	35
The Bank of Nova Scotia	1973	1,015.9	1
The Bank of Tokyo, Limited	1959	1,713.2	1
The Chase Manhattan Bank N.A.	1964	884.5	1
The Hongkong and Shanghai Banking Corporation[5]	1884	9,264.7	36
United Overseas Bank Limited	1966	140.9	1

1 Merujuk kepada jumlah harta urusan di Malaysia sahaja.
2 Bank of Commerce Berhad (BCB) dan United Asian Bank Berhad (UAB) telah dicantumkan dalam tahun 1991. Aset dan liabiliti BCB telah dipindah kepada UAB. Nama UAB telah ditukar menjadi Bank of Commerce (M) Berha sementara lesen perbankan BCB di pulang balik kepada Bank Negara Malaysia.
3 Sebelum itu dikenali sebagai Kong Ming Bank Berhad.
4 Berkuatkuasa daripada 10.1.1994 nama telah ditukar menjadi Hong Leong Bank Berhad.
5 Operasi bank ini di Malaysia telah dipindah kepada satu entiti yang diperbadankan dalam negeri, iaitu Hongkong Ban Malaysia Berhad pada 1.1.1994.

Source: Bank Negara Malaysia, Money and Banking in Malaysia, 35th Anniversary Edition (1959 – 1994), Kuala Lumpur 1994.

APPENDIX VII

A List of Participants In The Case Study Interviews

1. Ban Hin Lee Bank Berhad
2. Bank Bumiputra Malaysia Berhad
3. Bank Of Commerce Malaysia Berhad
4. Bank Utama Malaysia Berhad
5. Hongkong Bank Malaysia Berhad
6. Malayan Banking Berhad
7. Hong Leong Bank Berhad
8. Overseas - Chinese Banking Corpn. Ltd.
9. Perwira Affin Bank Berhad
10. Public Bank Berhad
11. United Malayan Banking Corpn. Berhad
12. United Overseas Bank Ltd.

APPENDIX VIII

LFHPT-1

CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

BORANG PERMOHONAN PINJAMAN

TABUNG PINJAMAN PENJAJA DAN PENIAGA KECIL (1992)

Gambar

A. KETERANGAN PERIBADI PEMOHON

1. Nama :..

2. No. Kad Pengenalan..3. Warna.......X.......................

(Lampirkan salinannya)

4. Tarikh Lahir..Umur:..

5. Lelaki ☐ Wanita ☐ Bumiputra ☐ Bukan Bumiputra ☐

6. Taraf Perkahwinan: Bujang ☐ Berkahwin ☐ Lain-lain ☐

7. Jika berkahwin, nyatakan: Nama Suami/Isteri:..

....No. K/P:..

(Lampirkan salinannya)

8. Pekerjaan dan Alamat Majikan Suami/Isteri:..

....

....

9. No. Telefon:..Berapa tahun bekerja:..................................

B. KETERANGAN TEMPAT TINGGAL X

10. Alamat..

....

....

11. Menyewa ☐ [$..................................sebulan]

Rumah Sendiri ☐ [Bayar Pinjaman Perumahan $..................................sebulan, jika ada]

Tinggal dengan Keluarga/Saudara ☐

12. Berapa lama tinggal di alamat berkenaan..

13. No. telefon...Mobile phone (jika ada)...................................

C. KETERANGAN MENGENAI PERNIAGAAN

14. Jenis Perniagaan..

....

15. Alamat Tempat Perniagaan (Nyatakan No. Gerai/Lot)

....

....

(Sekiranya berubah-ubah sila nyatakan tempat-tempatnya)

16. Waktu Perniagaan..

17. Lesen/Permit/Surat Pengesahan dikeluarkan oleh.......................................

....

18. No. Lesen/Permit/Surat Pengesahan..

19. Tarikh dikeluarkan.......................................Tarikh Tamat..........................

(Lampirkan salinan Lesen/Permit/Surat Pengesahan yang diakui sah)

20. Berapa lama berniaga...

21. Kedai /Tempat perniagaan

Disewa	[S...............................sebulan]
Sendiri	[Bayaran pinjaman membeli kedai S..............................sebulan jika ada]

D. KETERANGAN MENGENAI PINJAMAN

22. Tujuan pinjaman:

i)	Modal pusingan	S..
ii)	Harta dan peralatan Perniagaan	S..
iii)	Pembinaan gerai (jika ada)	S..

23. Jumlah Pinjaman S..

(Jika untuk tujuan (ii) & (iii), sertakan sebutharga dari kontraktor/pembekal).

24. Bayaran balik pinjaman S.................................seminggu selama...............................minggu.

25. Pinjaman yang sedia ada:

	Jumlah Asal	Bayaran Bulanan	Baki	Institusi Pinjaman
Persendirian				
Perumahan				
X. Kenderaan				
Perniagaan				
Lain-lain				

(Sertakan salinan penyata pinjaman selama 6 bulan terakhir)

X. E. DIPERKENALKAN OLEH PERUJUK

26. Nama:..No. K.P.(Biru)........................

27. Alamat:..

....

28. No Telefon Rumah:..

29. Pekerjaan & Alamat Majikan:..

....

30. No. Telefon Pejabat:...

31. Berapa lama mengenali Pemohon:..

....

Tandatangan Perujuk

Tarikh:

Adalah dengan ini saya mengesahkan bahawa:-

i) Segala maklumat dan keterangan yang diberikan di atas adalah benar.

ii) Saya memberikan kebenaran pada pihak Bank untuk mengesahkan maklumat-maklumat yang telah diberikan berhubung dengan permohonan ini dari mana-mana pihak yang difikirkan perlu.

iii) Pihak Bank berhak menolak permohonan ini jika didapati butir-butir yang diberikan adalah tidak benar tanpa memberikan apa-apa sebab.

iv) Sekiranya saya gagal membayar balik pinjaman ini pihak bank dan CGC dibolehkan mengambil sebarang tindakan yang bersesuaian termasuk tindakan undang-undang terhadap saya.

v) Saya memberi kebenaran kepada pihak Bank dan CGC memberikan maklumat-maklumat mengenai pinjaman saya kepada sesiapa yang difikirkan perlu.

vi) Saya faham bahwa permohonan pinjaman ini adalah tertakluk kepada kelulusan bank dan CGC. Sekiranya permohonan ini tidak diluluskan, Surat Perjanjian Pinjaman yang telah saya tandatangani adalah dianggap batal.

....

Tandatangan Pemohon

Tarikh:

Semua keterangan di atas telah diselidiki, disemak dan disahkan benar.

....

PEGAWAI BANK

NAMA :..

JAWATAN :..

TARIKH :..

F. KEPUTUSAN DAN KELULUSAN BANK

....

....

....

....

Jumlah diluluskan :..( )

Bayaran balik :$.............................selama.............................minggu

Diluluskan oleh :..

Nama :..

Jawatan :..

Tarikh :..

APPENDIX IX

CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD
APPLICATION FOR GUARANTEE COVER

FOR CGC USE	
Application No.	
LG No.	
Borrower No.	
Priority ☐	Non-Priority ☐
Processed by:	

/Fin. Co. : ....

ch : ....

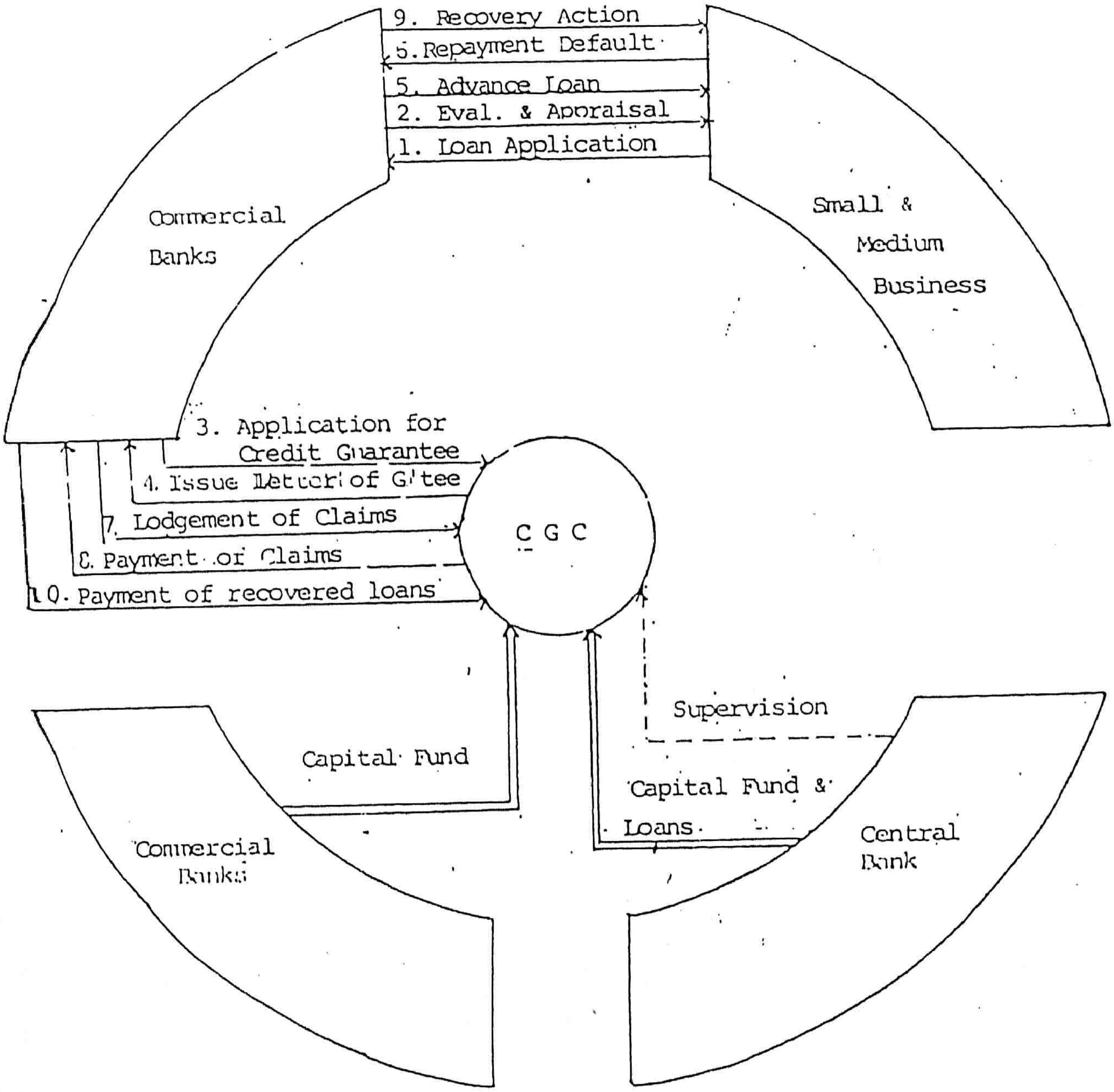
: ....

☐ New Facility ☐ Superseding Facility

Name of Borrower					
Business Address	Tel. No :				
Bus. Reg./Cert. Inc./ Licence/Permit No.		Date of Registration			
Constitution	☐ Individual ☐ Sole-proprietorship ☐ Partnership ☐ Ltd. Co./Cooperative				
Nature of Business Activity Code: (use BNM code)		Race	☐ Bumiputra ☐ Indian	☐ Chinese ☐ Others	
Particulars of Sole-proprietor/ Partners Directors	Full Name (In Capital Letters)	Shareholdings (if any)	I/C No. Old	I/C No. New	
	1.				
	2.				
	3.				
	4.				
	5.				
Facilities Approved	Type of Facility	Amount	Date Approved	Expiry Date	
	TOTAL				
Purpose of Facilities	☐ Working Capital ☐ Asset Acquisition ☐ Both ☐ Others (specify)				
Collateral Offered	Description	Value	Bank's Margin %	Bank's Margin Amount (RM)	

APPENDIX X

AN OUTLINE OF CREDIT GUARANTEE SYSTEM IN MALAYSIA



RECOVERY GUIDELINES
(LOAN FUND FOR HAWKERS & PETTY-TRADERS)

The following procedures must be strictly adhered to by the participating banks in their recovery efforts on overdue accounts.

Actions By Participating Bank And Trade Association	Cumulative Period of Overdue
(a) **1st Reminder** To be sent not later than the end of first month of default on 1st instalment.	1 month
(b) **2nd Reminder** To be sent not later than the end of succeeding month of default.	2 months
(c) A visit has to be made by the participating bank within the initial 3 months of overdue instalments. A report has to be completed by the participating bank and filed in the borrower's credit file. All field visit reports have to be submitted to the Corporation when submitting a claim on the account.	3 months
(d) A copy of the Notice of Overdue account shall be sent to the relevant trade association, requesting the association to investigate the status of the business and report to the bank.	
(e) **Action By Trade Association** Upon receipt of the Notice of Overdue Account at the beginning of the 3rd month of default, an investigation has to be made by the trade association to determine the status of the business and the reasons for non-repayment and to press borrower to settle the arrears and thereafter continue with the monthly repayments. An Investigation Report (APPENDIX VI attached) has to be submitted to the bank within 14 days, stating the findings made and the steps taken to recover the loan.	3 months
(f) **Final Warning Letter/Notification to Trade Association** A final warning letter (sample letter shown as per APPENDIX VII) shall be sent within the first 7 days of fourth month of default. Banks should commence recovery efforts. Where necessary, legal action should be taken.	3 1/3 months
(g) If the borrower subsequently fails to respond, similar monthly investigations have to be made by the trade association, at least until the end of the sixth month of default. The trade Association must make concerted efforts to ensure that the	

Cumulative
Period of
Overdue

borrower continues making repayments. Every Investigation Report has to be submitted to the bank concerned.

4 – 12 months

All copies of Investigation Reports must be sent to the bank and filed in the borrower's credit file for submission to the Corporation when making a claim on the account.

Action By Bank After Three Months Overdue

(a) Regular monthly reminders must be sent to the borrower during the first 10 days of each succeeding month until the submission of claim, unless the borrower settles all overdue instalments. Legal notice of demand should be issued, if necessary.

4 – 12 months

Note:

i) If the account subsequently becomes current, the same procedures as above have to be followed as and when the borrower defaults on the second instance.

ii) Interest has to be suspended after repayment has been in arrears for 6 months.

iii) A claim against the Corporation must be made within 6 months after suspension.

Source : Credit Guarantee Corporation (M) Berhad.

Appendix XII

DOCUMENTS TO BE MADE AVAILABLE DURING INSPECTION OF CLAIM ACCOUNTS

a) Copy of Business Registration Certificate/Memorandum and Articles of Association/Directors' Resolutions

b) Application for Accommodation/Working Papers/Documented Appraisals

c) Letter of Offer/Loan Agreement

d) Security Documents e.g. Title Deeds/Charge Documents/ Bills of Sale/Letters of Guarantee

e) Field Visit Reports/Reviews

f) Copies of Judgement/Bankruptcy Orders

g) Copies of full set of ledger cards for Overdraft/Term Loan and related accounts (e.g. Fixed/Current/Savings Accounts)

h) Copies of Monthly Return of Guaranteed Accounts (Appendix IV)/ relevant Subsidiary Ledgers/Vouchers for verification of payment of guarantee fees for period since release of funds up to date of cessation of payment of guarantee fees.

Source: Kasbani, Kamball, CGC Seminar Report, 1985, Bangi.

Appendix XIII

REASONS FOR REJECTION OF CLAIMS

A claim may be rejected based on single reason or a combination of reasons listed below. The percentage reported on each reason is based on the extent of its application in the rejection of claims. This analysis is based on the 516 rejected cases which is shown in Appendix III.

		Percentage
A.	No Proper Appraisal Undertaken	80.1% (413 cases)
i)	No study undertaken	13.8%
ii)	No proper study undertaken	63.7%
iii)	Business not viable	2.6%

Lapses and unsatisfactory features mentioned:

- Ownership of business not verified
- Existence of business not verified
- Repayment capacity not determined
- No assessment made to determine borrower's working capital requirement
- Legal status not verified
- Borrower's capital contribution not verified
- Documentary evidence on usage of funds not obtained
- Projections made unrealistic

B. **Improper Utilisation of Facility** 21.3% (110 cases)

i) Transfer of non-CGC liability to CGC

ii) Funds not utilised for purpose intended

C. **No Due Care Exercised** 41.2% (210 cases)

i) Failure to adhere to H/O's instructions resulted in misutilisation of funds

ii) Improper disbursement of loan resulted in misutilisation of funds

iii) Business not located within reasonable distance

iv) Status of business was already bad at time of application

v) Conduct of account was already bad

vi) Business was non-existent

vii) Proprietor was already adjudged bankrupt at time of application

D. **Recovery Efforts Unsatisfactory** 37.7% (196 cases)

i) Failure to undertake prompt and proper recovery efforts

ii) Recovery efforts not exhaustive

iii) Security held not realised

E. **Non-Compliance to CGC By-Laws** 16.6% (86 cases)

i) Submission of guarantee documents (Form A,B,C and BIC) prior to approval of facility by bank - Clause 6(4)

ii) Release of facility prior to execution of Form C by CGC

iii) Business not in borrower's name - Clause 4(1) (b)

iv) Facility granted to non-Citizen Clause 4(i)(b)(i)

v) No reasonable margin of finance applied for purchase of capital assets - Clause 8(1)(c)

vi) Assets acquired from proceeds of facility were not pledged to bank as security - Clause 8(1)(b)

vii) Interest charged on facility not in accordance to CGC circulars

viii) Facility granted to minor

F. <u>Misrepresentation of Facts</u> 3.7% (19 cases)

i) Security stated in Form A not taken

ii) Utilisation of facility not in accordance to the specified purpose as stipulated in Form A

iii) Composition of directors incorrectly reported

iv) True status of business at time of application not revealed to CGC

v) Actual repayment term granted differs to that stipulated in Form A

vi) Change of material facts not revealed to CGC

Source : Kasbani, Kambali, CGC Seminar Report 1985, Bangi.

Appendix XIV

PROCESSING OF CLAIMS UP TO 31/12/1994
(GGS, SLS & PGS)

Year	Claims Lodged		Claims Returned To Bank		Claims Tabled						Claims outstanding as at December 31	
					Entertained		Rejected		Withdrawn			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1977	102	501,116	-	-	-	-	-	-	1	1,020	101	500,096
1978	266	513,469	-	-	-	-	7	37,725	14	9,952	346	965,888
1979	111	730,442	-	-	3	2,532	3	20,593	109	243,048	342	1,430,157
1980	122	932,215	-	-	62	179,348	88	539,561	92	132,689	222	1,510,774
1981	105	1,060,024	-	-	66	150,208	81	903,148	8	22,213	172	1,495,229
1982	196	1,651,844	5	25,721	46	157,580	99	1,200,311	9	90,451	209	1,673,010
1983	213	1,807,773	24	380,781	94	272,454	113	1,189,304	23	53,702	168	1,584,542
1984	306	2,604,571	43	478,497	100	306,016	125	983,322	7	27,378	199	2,393,900
1985	230	929,804	20	213,583	56	198,238	93	951,495	1	2,105	259	1,958,283
1986	282	1,546,149	10	292,885	106	530,846	177	1,157,361	2	5,000	246	1,518,340
1987	251	2,248,250	18	175,588	113	537,069	165	1,149,335	-	-	201	1,904,598
1988	348	1,168,656	27	276,432	110	644,161	185	1,531,313	-	-	227	621,348
1989	1,402	9,340,019	55	238,567	239	878,863	375	1,403,268	-	-	960	7,440,669
1990	368	3,792,982	144	524,344	330	2,834,118	597	5,676,659	-	-	257	2,198,530
1991	331	5,102,374	106	1,543,458	159	1,722,593	317	3,976,980	-	-	6	57,873
1992	244	2,909,296	25	504,761	151	1,319,217	74	1,143,191	-	-	-	-
1993	449	5,319,546	66	1,279,853	257	2,661,294	126	1,378,399	-	-	-	-
1994	736	11,216,131	86	1,845,230	455	5,995,414	78	1,100,640	-	-	117	2,274,847
TOTAL	6,062	53,374,661	629	7,779,700	2,347	18,389,951	2,703	24,342,605	266	587,558	117	2,274,847

/procl-94

Source : Credit Guarantee Corporation (M) Berhad

PROCESSING OF CLAIMS UP TO 31/12/1994
(GGS & SLS)

Year	Claims Lodged		Claims Returned To Bank		Claims Tabled						Claims outstanding as at December 31	
					Entertained		Rejected		Withdrawn			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1977	102	501,116	-	-	-	-	-	-	1	1,020	101	500,096
1978	266	513,469	-	-	-	-	7	37,725	14	9,952	346	965,888
1979	111	730,442	-	-	3	2,532	3	20,593	109	243,048	342	1,430,157
1980	122	932,215	-	-	62	179,348	88	539,561	92	132,689	222	1,510,774
1981	105	1,060,024	-	-	66	150,208	81	903,148	8	22,213	172	1,495,229
1982	196	1,651,844	5	25,721	46	157,580	99	1,200,311	9	90,451	209	1,673,010
1983	213	1,807,773	24	380,781	94	272,454	113	1,189,304	23	53,702	168	1,584,542
1984	306	2,604,571	43	478,497	100	306,016	125	983,322	7	27,378	199	2,393,900
1985	230	929,804	20	213,583	56	198,238	93	951,495	1	2,105	259	1,958,283
1986	282	1,546,149	10	292,885	106	530,846	177	1,157,361	2	5,000	246	1,518,340
1987	251	2,248,250	18	175,588	113	537,069	165	1,149,335	-	-	201	1,904,598
1988	348	1,168,656	27	276,432	110	644,161	185	1,531,313	-	-	227	621,348
1989	1,402	9,340,019	55	238,567	239	878,863	375	1,403,268	-	-	960	7,440,669
1990	368	3,792,982	144	524,344	330	2,834,118	597	5,676,659	-	-	257	2,198,530
1991	325	5,044,501	106	1,543,458	159	1,722,593	317	3,976,980	-	-	-	-
1992	187	2,513,299	25	504,761	105	970,069	57	1,038,469	-	-	-	-
1993	243	3,570,734	62	1,255,601	154	1,606,939	27	708,194	-	-	-	-
1994	491	8,453,271	82	1,821,853	289	3,926,597	21	543,329	-	-	99	2,161,492
TOTAL	5,548	48,409,119	621	7,732,071	2,032	14,917,631	2,530	23,010,367	266	587,558	99	2,161,492

/procl-94

Credit Guarantee Corporation (M) Berhad

PROCESSING OF CLAIMS UP TO 31/12/1994
(PGS)

Year	Claims Lodged		Claims Returned To Bank		Claims Tabled						Claims outstanding as at December 31	
					Entertained		Rejected		Withdrawn			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1991	6	57,873	-	-	-	-	-	-	-	-	6	57,873
1992	57	395,997	-	-	46	349,148	17	104,722	-	-	-	-
1993	206	1,748,812	4	24,252	103	1,054,355	99	670,205	-	-	-	-
1994	245	2,762,860	4	23,377	166	2,068,817	57	557,311	-	-	18	113,355
TOTAL	514	4,965,542	8	47,629	315	3,472,320	173	1,332,238	-	-	18	113,355

/procl-94

Source : Credit Guarantee Corporation (M) Berhad

THE HAWKERS & PETTY-TRADERS LOAN SCHEME, 1986

PROCESSING OF CLAIMS

UP TO 28/2/1995 (CUMULATIVE - ALL BANKS)

YEAR	RECEIVED		FINALISED								OUTSTANDING					
			ENTERTAINED		REJECTED		RETURN/ WITHDRAWN		TOTAL		KIV		UNDER PROCESSED		TOTAL	
	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM
1988/90	1,606	2,339,200.93	1,138	1,617,245.54	256	393,517.85	99	144,395.79	1,493	2,155,159.18	-	-	113	184,041.75	113	184,041.75
1991	676	1,132,407.39	408	642,024.86	214	433,615.63	145	200,475.16	767	1,276,115.65	-	-	22	40,333.49	22	40,333.49
1992	954	1,418,342.62	590	852,552.84	167	292,925.88	154	213,405.00	911	1,358,883.72	-	-	65	99,792.39	65	99,792.39
1993	749	1,135,165.76	581	875,514.94	119	236,965.08	10	15,529.69	710	1,128,009.71	-	-	0	0.00	0	0.00
1994	366	470,848.32	405	521,975.47	18	13,810.97	1	102.94	424	535,889.38	-	-	0	0.00	0	0.00
Sub-total	4,351	6,495,965.02	3,122	4,509,313.65	774	1,370,835.41	409	573,908.58	4,305	6,454,057.64	0	0.00	0	0.00	0	0.00
1995																
January	45	66,553.90	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
February	18	9,552.82	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
March																
April																
May																
June																
July																
August																
September																
October																
November																
December																
Sub-total (1995)	63	76,106.72	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL	4,414	6,572,071.74	3,122	4,509,313.65	774	1,370,835.41	409	573,908.58	4,305	6,454,057.64	0	0.00	0	0.00	0	0.00

Source: Credit Guarantee Corporation (M) Berhad

LOAN FUND FOR HAWKERS & PETTY-TRADERS, 1990

PROCESSING OF CLAIMS

UP TO 28/2/1995 (CUMULATIVE - ALL PARTICIPATING BANKS)

YEAR	RECEIVED		FINALISED								OUTSTANDING					
			ENTERTAINED		REJECTED		RETURN/ WITHDRAWN		TOTAL		KIV		UNDER PROCESSED		TOTAL	
	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM	NO.	RM
91	15	49,924.75	15	49,924.75	0	0.00	0	0.00	15	49,924.75	-	-	-	-	-	-
92	302	972,314.08	248	780,556.54	23	73,055.48	0	0.00	271	853,612.02	28	111,752.89	3	6,949.17	31	118,702.06
93	395	1,028,701.70	343	904,572.71	12	32,161.19	2	6,009.31	357	942,743.21	21	86,841.59	48	117,818.96	69	204,660.55
94	365	853,173.29	360	860,612.62	6	16,521.43	1	703.30	367	877,837.35	0	0.00	0	0.00	0	0.00
ub-total	1,077	2,904,113.82	966	2,595,666.62	41	121,738.10	3	6,712.61	1,010	2,724,117.33	0	0.00	0	0.00	0	0.00
95																
nuary	65	169,551.27	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
bruary	17	23,058.50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
arch																
ril																
ay																
ne																
ly																
gust																
eptember																
ctober																
ovember																
ecember																
ub total 995)	82	192,609.77	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTAL	1,159	3,096,723.59	966	2,595,666.62	41	121,738.10	3	6,712.61	1,010	2,724,117.33	0	0.00	0	0.00	0	0.00

Source: Credit Guarantee Corporation (M) Bhd.

BUSINESS TIMES (WED. 25.08.93)

SMIs export trade limited due to major problems

By BAHAMAN K'ZAMAN

THE contribution of small- and medium-scale industries (SMIs) to the country's total manufacturing exports does not exceed 15 per cent.

Encik Omar Yusuf, the SMI Division deputy director at the Ministry of International Trade and Industry, said SMIs' exports are limited by their inability to produce goods competitively.

Their small volume of production does not merit aggressive exporting efforts, Omar said in his working paper, SMI Development Programmes, at a two-day seminar on domestic investment in the manufacturing sector, which commenced in Kuala Lumpur yesterday.

Since the late 1960s, the development of large-scale industries led by the electrical, electronics and textile sectors have caused concern among economic planners.

The industries were held responsible for large volumes of imports of industrial inputs, resulting in an adverse balance of payments.

However, Omar said, the SMIs' contribution to exports can be enhanced if networking arrangements with trading houses and large-scale manufacturers can be established.

For example, in the export of telephones by Sapura, component inputs supplied by the country's SMIs is as high as 40 per cent of total exports in terms of value.

And in the case of Proton cars, the SMIs' contribution to export is about 51 per cent in value terms, said Omar.

The major problems faced by SMIs are:

- The inability of most SMIs to get access to loans and other forms of financial assistance from banks;
- Most SMIs are still occupying land, sites and buildings which are not approved for industrial purposes;
- The existence of too many agencies and institutions dealing with SMIs development, without an effective coordinating mechanism, causing duplication of effort and lack of transparency to the target groups;
- The inability of most SMIs to take advantage of the various incentives provided under the Promotion of Investment Act 1986 and the Income Tax Act 1967;
- Most SMIs are not fully utilising the technical assistance, advisory extension services and funds made available through the various technical support institutions, such as the Standards and Industrial Research Institute of Malaysia and the Centre for Instructor and Advanced Skills Training and;
- As industrial subcontractors, the SMIs can easily fall prey to exploitation by the large corporations and multinationals; this is partly attributed to the absence of a national SMI association to address SMI issues.

BUSINESS TIMES (THURSDAY, 9.12.93)

'Provide public funds at low interest' call

By OUR REPORTER

A CREDIT guarantee scheme should be devised by Bank Negara Malaysia (BNM) to assist commercial banks to give loans at preferential rate to enterprises acquiring and developing technologies, it was suggested yesterday.

Two researchers at the Malaysian Institute of Economic Research (Mier), Mr N. Danaraj and Mr Chan Kok Thim, in making the proposal said providing public funds at low interest will help towards developing a system to promote enterprise-level research and development (R and D).

Special lending should also be given to the adoption of strategic technologies that have been approved, they said in a paper presented at Mier's 1993 National Outlook Conference in Kuala Lumpur.

In addition, they suggested special loans for commercialisation of new technology, product development, development of prototypes and commercialisation of commercial goods.

Besides these R and D financing, the researchers proposed other measures that need to be taken by research institutes to boost R and D in the country.

These include assisting enterprises in transferring and improving imported technology, and developing standards of excellence and assisting enterprises to achieve them.

Subsidies, they added, also need to be given to enterprises to encourage them to engage in incremental innovation.

The researchers said special deductions on foreign technology transactions for licensing, knowhow and copyright excess should be granted, along with tax deductions for experimental research expenditures, especially in the development of prototypes.

They also highlighted the findings of a recent Mier survey of 52 Malaysian owned export oriented firms which indicate that most correspondents rate highly the importance of outside sources for their technology.

This, they added, may be because these firms lack in-house capabilities in all areas of technology.

CGC loan guarantee coverage expanded

By JAHABAR SADIQ

THE Credit Guarantee Corp (CGC) will now guarantee up to RM1.5 million, from RM500,000 previously, loans under its Principal Guarantee Scheme (PGS), Deputy Prime Minister Datuk Seri Anwar Ibrahim announced yesterday.

He said the CGC is also increasing its guarantee coverage from 70 per cent to 80 per cent of the loan, while industries encouraged by the Ministry of International Trade and Industry will have coverage increased to 90 per cent.

"These changes are to ensure loans given to small traders are assessed on their merits and not on the mortgage offered," Anwar said when delivering the 1994 Budget speech at the Dewan Negara.

Anwar, who is also the Finance Minister, added that Bank Negara will announce details of the changes soon.

The changes, he said, is due to the Government's awareness that small- and medium-scale industries (SMIs) play an important role in industry linkages.

As they face difficulties in getting loans from financial institutions, the CGC is reviewing all its regulations and has proposed a new approach to allow the SMIs to obtain loans from banks at reasonable rates, he added.

Anwar also announced that from now on, the private sector will take up the burden of further developing the local motor industry as the public sector is shifting its focus to the aerospace industry.

He said the development of the local motor industry, pioneered less than 10 years ago by the public sector, will be left entirely to the private sector.

Perusahaan Otomobil Malaysia (Proton), a subsidiary of state-owned Hicom, started production of the national car, the Proton Saga, in the 1980s and has now branched into co-production with other companies, while a Malaysian-South Korean joint venture is set to make the country's first light truck.

The public sector will focus on developing the local aerospace industry, an industry considered strategic by the Government, to build up Malaysia's future economic strength.

"We are now studying the incentives to be given to stimulate the growth of this industry," Anwar said.

He pointed out that the country has entered a new era of development and industrialisation and it needs to expand and strengthen the foundations of the manufacturing sector as a platform to enter high-technology industries.

With this in mind, he said, the Government will help expand the motor industry and increase the capacity of the local steel industry to meet the targets that have been outlined.

He also welcomed the successful conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade talks as it will open up more market opportunities in the agricultural, manufacturing and services fields for Malaysia.

At the same time, Anwar said, the business community has to prepare itself to face fierce competition with the presence of foreign companies in the local market by increasing efficiency, productivity and competitiveness.

This, he added, is due to Malaysia's commitment in the negotiations to open the local market in several

☐ See Back Page, Col 1

CGC loan guarantee coverage expanded

☐ FROM PAGE ONE

fields, including services and education.

Anwar also touched on bridging the gap in development between the different regions in the country, adding that the Government has formed the East Coast Corridor to facilitate investment with tax incentives.

The Government, he said, studying ways to attract more companies to set up shop in the East Coast Corridor.

The Deputy Prime Minister also refuted claims that the 1994 Budget gives greater priority to the corporate sector and neglects ordinary citizens who do not earn a lot.

"To lighten the burden on the low-income group, we have increased the tax rebate from RM60 to RM90 for the taxpayer and from RM30 to RM50 for the spouse," he said, adding that this move has freed some 60,000 taxpayers from paying any tax.

Duties on some 500 items have been abolished, he said, as part of efforts to control inflation and give the low-income groups access to more affordable daily supplies.

The Government's concern over the acute housing problems of the low-income group has prompted it to establish a RM1.404 billion housing fund involving the public and private sectors.

Anwar said this involves a RM504 million allocation under the development expense account and a RM900 million Low Cost Housing Fund with the first RM300 million tranche to be disbursed as capital loan to developers to speed up existing projects.

Bank Negara, he disclosed, has prepared the first RM300 million for a two-year period and the amount has been disbursed through financial institutions since November 1. The loans carry an interest rate of 2 per cent a year.

He added that the fund also provides RM600 million for the construction of two-room, low-cost flats in main towns to be rented to the poor. The Government and Bank Negara will each contribute RM150 million while the balance will come from the private sector.

APPENDIX XVI : SURVEY QUESTIONS

A. ACCESSIBILITY

1. Do you think the application procedures are simple enough for the applicant ? ____________
   Can they still be simplified ? If yes, how ? ______________
   ____
   ____

2. What are the other requirements insisted by your institution in addition to those specified by CGC to obtain a loan ? Please specify .
   ____
   ____
   ____
   ____

3. To apply for the CGC loan, do you require a business plan initially or none at all ?
   ____

4. What is the time taken on the average for the application to be approved ?
   ____

5. What are the main criteria considered by your institution for selecting a successful CGC applicant ?
   A successful applicant should meet the following criteria :

   i. ____
   ii. ____
   iii. ____

6. How should an interested borrower prepare himself/herself before approaching your institution for the loan ?
   ____
   ____

7. From which area do most of your borrowers come from ?

	PGS	NEF	LFHPT	ASLS
i. Within Seremban area	______%	______%	______%	______%
ii. Outside Seremban area	______%	______%	______%	______%

8. Most of your borrowers are of :

	PGS	NEF	LFHPT	ASLS
i. Male	______%	______%	______%	______%
ii. Female	______%	______%	______%	______%
iii The Age Group Of (e.g. below 21, 21 - 30, 31-40 , etc.)	______	______	______	______

9. Have the schemes extended significantly in terms of new borrowers or are they being concentrated in the same areas and on the same borrowers year after year ?

10. Which party is able to promote the CGC schemes more effectively, the CGC themselves or the financial institution ? How ?

11. In your opinion, are the schemes reaching the small businessmen who really need the financing or do the majority of the loans go to the comparatively better-off ?

12. What can the CGC or the bank/finance company do to correct this ?

B. LENDING OPERATIONS

13. Has the amount lent increased significantly each month in 1993, or has the rate of increase in the loan fund stagnated or declined in respect of
   a) PGS
   b) NEF
   c) LFHPT '92
   d) ASLS '92

14. Has the average size of loans increase gradually for each of the schemes ?

15. Has loan repayment improved or declined since the schemes started ? Why ?

16. Does your institution provide incentives for prompt loan repayment? What are these ?

17. What actions does your institution take to recover "problem accounts" ?

18. Do you have any problems/ difficulties in getting compensation for defaulted loans from the CGC ? ____________

If so, what are the main problems ?

i. ____________

ii. ____________

iii. ____________

19. What is your experience with regard to recovery of defaulted loans from the CGC (in terms of % of the total claims lodged) over a period of the last

i. 12 months ? ____________

ii. 24 months ? ____________

iii. 36 months ? ____________

(From the default rate, how much is recoverable ?)

20. In the lending experience of your institution, what has been the average default rate of your loans in

a) PGS ____________

b) NEF ____________

c) LFHPT '92 ____________

d) ASLS '92 ____________

21. What are the contributory factors for the default rate in your institution ?

____

____

22. a. Please provide a breakdown of loans given by your institution in 1993 ?

	PGS	NEF	LFHPT	ASLS
Up to 1 year	____%	____%	____%	____%
1 yr - 5 yrs	____%	____%	____%	____%
5 yrs and above	____%	____%	____%	____%

b. Most of the loans for each scheme given by your institution falls under the range of :

PGS	RM____	to	RM____
NEF	RM____	to	RM____
LFHPT '92	RM____	to	RM____
ASLS '92	RM____	to	RM____

23. Does this institution have its own schemes for small businesses ?

24. If so, how do these schemes work ?

What is the minimum loan size ?
What are the repayment periods ?
What is the interest rate ?
How many loans have been given out ?
How good is the repayment on these loans ?

25. What have been the lessons learned in lending under the CGC schemes ?
What have you learned about what works and what does not work ?

What are your suggestions for making the CGC schemes more effective ?

* Please note that all information and data collected will be treated in strictest confidentiality and will not be revealed or presented in any manner that will disclose the identity of the contributors to this survey.

HELPING YOUR BUSINESS GROW

I only need a small loan to start my business but I find it difficult to get one. Who can I approach for help?

I have a viable business proposal but do not have enough collateral to obtain the amount of financing required. Who can I go to for help?

My business is growing and I need additional capital to expand but I do not have any collateral to offer. What am I supposed to do?

What is the objective and role of the Credit Guarantee Corporation (CGC)?

The CGC was established in 1972 with Bank Negara Malaysia and all the commercial banks as its shareholders. The current shareholders are Bank Negara Malaysia, and all the 37 commercial banks and 41 licensed finance companies operating in the country. The objective of the CGC is to assist small and medium-sized enterprises (SMEs) especially those with inadequate collateral or without collateral or track record to gain ready access to institutional credit, and to complement the Government's efforts in promoting and developing businesses in priority sectors (food production and processing, tourism, industries identified by the Ministry of International Trade & Industry, and all businesses with net assets or shareholders' funds of less than RM500,000).

The role of CGC is to formulate and manage a viable credit guarantee scheme with the participation of the lending institutions. The CGC is always there to help your business grow and to be part of the nation's success and prosperity.

How does the CGC work?

Through the network of more than 2,000 branches of the 37 commercial banks and 41 licensed finance companies currently operating in the country, the CGC helps SMEs by providing guarantee cover for partly secured as well as unsecured credit facilities of up to RM5 million for priority sectors and RM3 million for other sectors.

The various CGC guarantee schemes therefore help you to obtain financing up to the amount required.

How do I qualify for a CGC-guaranteed loan?

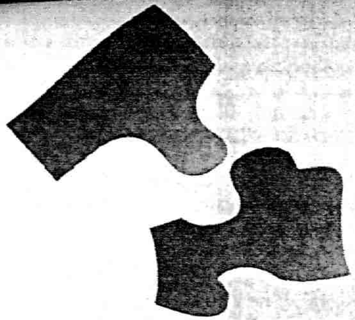
You qualify if you are a Malaysian citizen or resident-controlled company, operating a registered or licensed business in Malaysia, and your net assets or shareholders' funds or total existing business borrowings meet the requirements of the respective guarantee schemes.

Guarantee schemes offered by the CGC

- **New Principal Guarantee Scheme**
  This scheme provides guarantee cover for credit facilities granted to SMEs with net assets or shareholders' funds of up to RM1 million or RM1.5 million for businesses in priority sectors. It is also open to professionals. This is a comprehensive scheme applicable to most businesses. The maximum loan that can be guaranteed by CGC under this scheme is RM3 million and RM5 million for businesses in priority sectors.

- **Loan Fund for Hawkers and Petty Traders 1992**
  This scheme provides a 100% guarantee cover for interest free loans (only service fees are charged) of up to RM10,000 granted to those engaged in hawking and petty-trading. No collateral or guarantor is required.

- **Association Special Loan Scheme 1992**
  This scheme provides a 100% guarantee cover for interest free loans (only service fees are charged) of up to RM10,000 and is also meant for hawkers and petty traders. Under this scheme you apply for a loan through your trade association which will process, evaluate and approve your application and then apply directly to the CGC for guarantee cover. Once the CGC agrees to guarantee your loan it will issue a Letter of Agreement to the designated branch of the participating bank or licensed finance company which will then release the loan to you.



SKIM PINJAMAN KHAS PERSATUAN (1992)

Tujuan

Skim pinjaman yang dilaksanakan dengan kerjasama persatuan-persatuan yang diiktiraf oleh CGC bertujuan untuk memperluaskan lagi laluan bagi penjaja dan peniaga kecil mendapatkan pinjaman perniagaan dan memberi peluang kepada persatuan-persatuan untuk bergiat dengan berkesan membantu ahli-ahli dan CGC dalam urusan pinjaman kepada ahli.

PERSATUAN PENJAJA DAN PENIAGA ...

PERSATUAN PENIAGA KECIL INDIA

PERSATUAN PENJAJA DAN PENIAGA KECIL CINA

Ciri-Ciri Utama

- Persatuan memainkan peranan aktif memproses dan meluluskan permohonan ahli-ahli.
- Pinjaman tetap dengan bayaran ansuran mingguan.
- Tidak dikenakan sebarang faedah;
- Tidak memerlukan penjamin/cagaran;
- Pinjaman dibiayai sepenuhnya oleh CGC.

Siapa Yang Layak Memohon

- Warganegara Malaysia tidak kurang 18 tahun.
- Mempunyai tempat perniagaan khusus serta lesen/permit yang sah.
- Ahli sah persatuan yang diiktiraf.
- Terlibat secara langsung dalam perniagaan.
- Pinjaman perniagaan sedia ada tidak melebihi RM10,000.
- Mempunyai rekod pinjaman yang baik.
- Satu pinjaman CGC sahaja pada satu-satu masa.

Kegiatan Perniagaan Yang Layak

- Gerai tetap seperti gerai pasar, gerai makanan/minuman, gerai barang keperluan.
- Gerai bergerak tetapi mempunyai tempat berniaga yang khusus dan mempunyai lesen seperti pasar malam, pasar tani, pasar minggu.
- Kedai runcit, restoran, kedai pinggan mangkok, perkakas dapur, pakaian, kraftangan, ubat tradisional.
- Kedai jahit, salon rambut, studio gambar, kerja kimpalan, bengkel motor, pengiklanan, membaiki

- Dihadkan kepada RM10,000, tertakluk kepada tujuan dan kegunaan sebenar pinjaman seperti berikut:-

Modal pusingan	:	Tidak melebihi RM5,000
Beli harta/peralatan perniagaan	:	Tidak melebihi RM10,000

  Bayaran balik secara mingguan mengikut jadual tetap.

Cara Memohon Pinjaman

- Datang ke pejabat persatuan untuk ditemuduga dan memenuhi borang permohonan.
- Bawa bersama dokumen berkaitan seperti lesen/permit, penyata pinjaman sedia ada dll.

Pemerosesan Permohonan

- Persatuan akan memproses, menilai, dan meluluskan permohonan pinjaman ahli tanpa melalui bank.
- Permohonan yang diluluskan akan dimajukan oleh persatuan ke CGC.
- CGC akan mengeluarkan surat kelulusan kepada bank penyelenggara sekiranya permohonan memenuhi syarat.

TABUNG PINJAMAN PENJAJA & PENIAGA KECIL (1992)

Tujuan

Skim ini bertujuan untuk membantu golongan penjaja dan peniaga kecil mendapatkan kemudahan pinjaman yang lebih luas dari bank-bank perdagangan dengan kos yang berpatutan.

Ciri-Ciri Utama

- Pinjaman diuruskan sepenuhnya oleh semua 37 bank perdagangan diseluruh negara.
- Tidak dikenakan sebarang faedah;
- Tidak memerlukan penjamin/cagaran;
- Pinjaman tetap dengan bayaran ansuran mingguan.
- Pinjaman dibiayai sepenuhnya oleh CGC.

Siapa Yang Layak Memohon

- Warganegara Malaysia tidak kurang 18 tahun.
- Mempunyai tempat perniagaan khusus serta lesen/permit yang sah.
- Tidak perlu menjadi ahli persatuan.
- Terlibat secara langsung dalam perniagaan.
- Pinjaman sedia ada tidak melebihi RM10,000.
- Mempunyai rekod pinjaman yang baik.
- Satu pinjaman CGC sahaja pada satu-satu masa.

Kegiatan Perniagaan Yang Layak

- Gerai tetap seperti gerai pasar, gerai makanan/ minuman, gerai barang keperluan.
- Gerai bergerak tetapi mempunyai tempat berniaga yang khusus dan mempunyai lesen seperti pasar malam, pasar tani, pasar minggu.
- Kedai runcit, restoran, kedai pinggan mangkok, perkakas dapur, pakaian, kraftangan, ubat tradisional.
- Kedai jahit, salon rambut, studio gambar, kerja kimpalan, bengkel motor, pengiklanan, membaiki alat letrik, dll.

Jumlah Pinjaman/Bayaran Balik

- Dihadkan kepada RM10,000, tertakluk kepada tujuan dan kegunaan sebenar pinjaman seperti berikut:-

  Modal pusingan :
  Tidak melebihi RM5,000.

  Beli harta/peralatan perniagaan :
  Tidak melebihi RM10,000.

  Bayaran balik secara mingguan mengikut jadual tetap.

ve a viable business plan. I need a business loan to ise the plan but I do not have sufficient collateral to in the amount that I need. What am I supposed to do?

manufacturing business is growing and I require addi- al working capital to expand my operations but all the ateral that I have are currently tied up in my existing ns. Who can I go to for help?

ce April 1989, over 13,000 businessmen have found the wer in the Principal Guarantee Scheme (PGS) of the dit Guarantee Corporation Malaysia Berhad (CGC). lay, the New PGS caters for the needs of Small & Medium Enterprises (SMEs) by assisting them in obtaining the uired financing from commercial banks as well as finance npanies.

y not consider applying for a New PGS credit facility to your business grow?

The New PGS is aimed at helping your business obtain credit facilities from a bank or finance company by providing guarantee cover on such credit facilities particularly if you do not have sufficient collateral or no collateral at all to offer.

The CGC acts as a sponsor enabling SMEs with no or inadequate collateral or track record, to obtain credit facilities from commercial banks and licensed finance companies on reasonable terms. The New PGS is operated through more than 2,000 branches of all the 37 commercial banks and 41 licensed finance companies operating in Malaysia.

How does the New PGS work?

If you require a loan more than the value of your collateral, the New PGS will provide a guarantee cover to your financier on the full loan. This means that with a CGC guarantee, you will be able to maximise the value of your collateral and obtain a loan more than what your financier will normally give based on a given collateral.

Accepted collateral under the New PGS are landed properties, fixed deposits, stocks & shares, and any properties that are of value as collateral under normal financing practice. Under the scheme, the CGC guarantees 80% (90% for priority sectors) of the loan up to the full value of the collateral plus 70% (80% for priority sectors) of the loan in excess of the collateral value.

If you have no collateral to offer but your financier is satisfied with the viability and/or performance of your business, the New PGS will provide a guarantee cover of 70% (80% for priority sectors) of your loan.

How do I qualify for the New PGS?

To qualify for the scheme you must be a Malaysian citizen operating a registered business with net assets not exceeding RM1 million or RM1.5 million if the business is in the priority sector. If the business is a limited company, it must

existing borrowings should not exceed RM3 million (million in the case of priority sectors.

What is the maximum amount one can b under the New PGS?

The New PGS covers credit facilities up to RM5 mill businesses in priority sectors and RM3 million fo businesses.

For loans that do not exceed RM50,000; the CGC pr its guarantee cover (limited to term loans and ove only) under the Block Guarantee Scheme (also wit New PGS) with simple guarantee procedures aimed at ing up the processing and disbursement of such loar

What are the facilities covered under the PGS?

The New PGS provides guarantee cover for a wide r credit facilities needed for business purposes:

- Term Loan
- Overdraft
- Letters of Credit
- Trust Receipts
- Bills Purchased
- Export Credit Refinancing
- Bankers' Acceptances
- Shipping/Performance/Bank Guarantees
- Hire Purchase
- Leasing

Does the New PGS cover all kinds of nesses?

YES. Your business may be in agriculture, manufac services, construcion, wholesale and retail trade, or ar business. The business can be a sole proprietorship, p ship or limited company.