The Presidents/Chief Executive Officers
All Banks /DFIs

Dear Sir/Madam,

i) Refinance Facility for Modernization of SMEs
ii) Financing Facility for Storage of Agricultural Produce (FFSAP)

Please refer to IH&SMEFD Circulars No. 12 & 13 of 2015 dated August 03, 2015 and other relevant instructions regarding the captioned subject issued from time to time.

2. With a view to encouraging the banks and DFIs to use the above facilities for promoting flow of long-term financing to SMEs, it has been decided that effective June 01, 2017, the rates of service charges for banks/DFIs and rates for end users for loans upto ten (10) years under the captioned Schemes will be as under:-

Rate of Refinance	Banks'/DFIs' Spread	End Users' Rate
2.0%	4.0%	6.00%

3. Further, it has been observed that banks/DFIs do not effectively contribute in proper dissemination/awareness creation of above schemes among potential customers. In order to ensure that the features of these schemes are effectively disseminated to the potential borrowers, banks and DFIs are advised to undertake following actions:

  I. Place brochures containing information on the above-mentioned schemes in their branches as well as near ATMs.

  II. Update their websites with information about these SBP Schemes.
  III. Regularly conduct awareness sessions on above schemes to their prospective customers. In this regard, they shall submit to IH&SMEFD, SBP an annual plan of the awareness sessions with SME associations. Further, banks & DFIs will submit a quarterly status/update on awareness sessions held by them to Development Support Finance Department, SBP BSC, Head Office, Karachi.

4. Please note that limits of banks & DFIs under EFS and LTFF have also been linked with the performance of above actions.

5. Further, in case of failure to carry out above-stated instructions on awareness creation among their staff and SMEs, action can also be initiated against the concerned banks/DFIs under respective provisions of BCO, 1962.

Yours sincerely,

(Imran Ahmad)
Additional Director