



### SME Loan Guarantee Scheme for Accounts Receivable Loans: Questionnaire on Default Claim

For Application(s) : (please insert application no.) \_\_\_\_\_

1. Does your institution have any internal operation manual (“the manual”) on the processing and approval of credit facilities ?

Yes  No

2. Is such manual drawn up by reference to and in compliance with the Code and all HKMA Guidelines and Circulars?

Yes  No

3. Is such manual regularly updated and from time to time when need arises ?

Yes  No

4. Was the staff responsible for the processing and approval of the Accounts Receivable Loan applied by the borrower under the SME Loan Guarantee Scheme (SGS) sufficiently familiar with such manual ?

Yes  No

5. Was the Accounts Receivable Loan granted to the borrower under the SGS as a matter of exception to the guidelines and policies stated in the manual?

Yes  No

If yes,

(a) To what extent was the staff concerned allowed to deviate from the manual ?

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(b) Was prior approval from the senior management required for such deviation ? Has such approval been sought ?

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(c) What were the considerations for allowing the exception ? Have these considerations been stated in the manual ? What was the degree of discretion involved ?

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6. Did the borrower or its related companies already have facilities with you at the time when the borrower submitted its application to you for the Accounts Receivable Loan under the SGS?

Yes  No

If the answer is “yes”, please provide the following information:

Name of Borrower/ Related Companies	Nature of Facilities	Account No.	Start Date of Facilities and Terms of Repayment	Amount Overdue, if any, at Time of Application for Account Receivable Loan under the SGS (Please provide details and course of recovery action taken) (HK\$)	Current Status of the Facilities (e.g. fully repaid/defaulted on a particular date)

(Please also provide bank statement(s) in respect of the above facilities)

(a) Does the manual have clear guidelines on the circumstances in which credit facilities may be approved where existing credit facilities remain outstanding ?

Yes  No

(b) Has your institution complied with such guidelines when approving the Accounts Receivable Loan to the borrower under the SGS ?

Yes  No

(c) Has your institution properly rated the existing outstanding credit facilities of the borrower or its related company in accordance with HKMA's guidelines ?

Yes  No

(d) Is the granting of new credit facilities (where existing credit facilities of the borrower or its related company remain outstanding) a normal part of the lending business of your institution ?

Yes  No

(e) Is it normal for your institution to approve credit facilities to a borrower knowing well that its related company has outstanding credit facilities with your institution ?

Yes  No

7. Have you granted any new facilities or renewed or rescheduled any existing credit facilities to the borrower or its related companies after the borrower submitted its application to you for Accounts Receivable Loan under the SGS?

Yes  No

If the answer is "yes", please provide the following information:

<b>Name of Borrower/ Related Companies</b>	<b>Nature of Facilities</b>	<b>Account No.</b>	<b>Start Date of the Facilities and Terms of Repayment</b>	<b>Current Status of the Facilities (e.g. fully repaid/defaulted on a particular date)</b>

(Please also provide bank statement(s) in respect of the above facilities)

8. Has the Accounts Receivable Loan under the SGS been restructured during the guarantee period?

Yes  No

9. Does your institution use monitoring staff different and independent from staff who advanced the Accounts Receivable Loan to the borrower under the SGS ?

Yes  No

10. Does your institution diarise and bring up account for review?

Yes  No  (If no, please explain) : \_\_\_\_\_

11. Does your institution ascertain changes in credit quality yearly at least and properly document and report results of the credit reviews?

Yes  No  (If no, please explain) : \_\_\_\_\_

We confirm and undertake that -

- (a) the above information, which is given in connection with the claim for payment under the Deed for the SME Loan Guarantee Scheme for Accounts Receivable Loans ("the Deed"), is to the best of our knowledge and belief to be true, accurate and complete; and
- (b) in accordance with Clause 6.11 of the Deed, we act in accordance with prevailing good banking practice for the banking sector in processing the borrower's application for Accounts Receivable Loan under the SGS.

Signature : \_\_\_\_\_

Name of Lender : \_\_\_\_\_

Name & Title : \_\_\_\_\_

Date : \_\_\_\_\_