



CLIENT CHARTER FOR SMALL AND MEDIUM ENTERPRISES (SMEs)

FINANCING TO SMEs

TABLE OF CONTENT

- 01** Introduction
- 02** Eligibility Criteria,
Purpose of Financing
- 03** Type of Financing Facilities,
Statement of Accounts
- 04** Documents Required
- 05** Application Processing Duration,
Channel of Appeal



Introduction

At Hong Leong Bank (HLB)/Hong Leong Islamic Bank (HLISB), we are committed in building a trustworthy and long lasting relationship with our customers. As we aim towards being a highly digital and innovative ASEAN financial services company, we strive to deliver banking experiences that are fair, simple, personalised and proactive – a banking experience that is “Built Around You”.

This client charter aims to promote transparency and improve the efficiency of processing financing applications. It also serves as a guide to our SME customers on the information required in order to obtain the financing.



Eligibility Criteria

1. Registered businesses (SMEs*) with the following criteria are eligible to apply:

Registered Business	Criteria
Manufacturing sector	Sales turnover not exceeding RM50 million OR full time employees not exceeding 200
Services and other sectors	Sales turnover not exceeding RM20 million OR full time employees not exceeding 75

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2. Malaysian owned companies with at least 51% ownership by Malaysians that are residing in Malaysia and registered under Registrar of Business which include those that are:

- Locally incorporated under Companies Act 2016; or
- Registered under the Registration of Business Act 1956 or Limited Liability Partnership Act 2012; or
- Registered under respective authorities or district offices in Sabah and Sarawak; or
- Registered under respective statutory bodies for professional service providers

3. Shariah compliant business activities (for Islamic facilities)

* Meets the SME definition as issued by SME Corporation Malaysia that is endorsed by National Entrepreneur and SME Development Council (NESDC). It however excludes entities that are public-listed on the main board and subsidiaries of public-listed companies on the main board, Multinational Corporations (MNCs), Government-Linked Companies (GLCs), Syarikat Menteri Kewangan Diperbadankan (MKDs) and state-owned enterprises.

Purpose of Financing

Our SME Financing can be used for business purposes such as:



Working capital



Expansion of existing business capacity



Capital expenditure such as purchase of machinery & equipment



Property acquisition or refinancing

Type of Financing Facilities



Term Loan / Term Financing-i



Overdraft / Cashline-i



Revolving Credit / Revolving Credit-i



Trade facilities such as Letter of Credit / Letter of Credit-i, Trust Receipt / Trust Receipt-i, Banker Acceptance / Accepted Bills-i (AB-i), Export Credit Refinancing, Invoice Financing / Invoice Financing-i, Bank Guarantee / Bank Guarantee-i, Onshore Foreign Currency Loan / Onshore Foreign Currency Financing-i (OFCF-i), Foreign or Domestic Bills of Exchange Purchased, and Foreign or Domestic Bills of Exchange Purchased-Authority to Purchase



Hedging facility, i.e. Foreign Exchange Contract (FEC) / Islamic Foreign Exchange Contract (FX-i)



Financings administered by Bank Negara Malaysia under the various schemes are also available subject to compliance with their respective eligibility and terms and conditions



Statement of Accounts

Facility	Type of Document	Frequency
Overdraft / Cashline-i	Current account statements	Monthly
Term Loan / Term Financing-i	Statements of account	Yearly
Trade Facilities / Trade Facilities-i		Upon request
Revolving Credit / Revolving Credit-i	Letter of Notification	As and when facility is utilised

Documents Required

For business incorporated prior to 31 Jan 2017, these are some of the necessary documents required to process the financing applications:

No.	List of Required Documents
1	Form A / B, Form 8 / Form 9 (whichever is applicable)
2	Form 24 and / or Form for Section 78 (where applicable)
3	Form 49 and / or Form for Section 58 (where applicable)
4	Form 13 and / or Notice of Registration of the New Name [issued by the Registrar under Section 28(3) CA 2016] (where applicable)
5	Form 44 and / or Form for Section 46(3) (where applicable)
6	Memorandum & Articles of Association (M & A)
7	Copies of Identity Card (NRIC) or Passport the director(s), guarantor(s) and authorised signatory(ies)
8	Directors' Resolution (including Circular Resolution / Certified Extract of Resolution)
9	Trading License (applicable only for companies incorporated in Sabah)
10	Audited accounts for past 3 years and latest managements account
11	Bank statements (latest 6 months)
12	Company write-up and management profile
13	List of existing bankers, details of borrowing and existing security arrangements (if any)
14	List of main suppliers / purchasers and creditors / debtors ageing schedule (if applicable)
15	Cash-flow projections (if necessary)
16	Details of security offered including related documents such as valuation report, copy of land title, sale and purchase agreement (if applicable)
17	Director(s) / Guarantor(s) latest 3 years Income Tax Return Form and any other documents as evidence of income
18	If guarantor is a Corporate Entity, additional documents may be required

For business incorporated on or after 31 Jan 2017, these are some of the necessary documents required to process the financing applications:

No.	List of Required Documents
1	Notice of Registration issued by Companies Commission of Malaysia (“CCM”) and/ or Certificate of Incorporation (if available)
2	Constitution* (mandatory for a company limited by guarantee** and optional for a company limited by shares)
3	Form for Section 14 – Application for Registration of a Company (for newly incorporated company)
4	Latest Form for Section 78
5	Latest Form for Section 58
6	Notice of Registration of the New Name [issued by the Registrar under Section 28(3) CA 2016] (applicable if the company had changed its name)
7	Form for Section 46(3)
8	Documents #7 to #18 as listed for business incorporated prior to 31st January 2017 above

Note:

The above list are minimum documents required. We may request for additional documents for processing and evaluation of the financing application.

** A company has the option to adopt a constitution if it wishes to tailor certain provision for itself, to the extent the provisions of the constitution are consistent with the Companies Act (CA) 2016 (and provided that any modification(s) of the provisions of the Act is permitted).*

*** A company limited by guarantee is a company incorporated without share capital and the liability of its members is limited to the amount each member undertakes to contribute at the time when the company is wound up. Whether a company is limited by guarantee or by shares, it is stated in the Notice of Registration under the Type of Company.*



Application Processing Duration

We will respond to you in writing within 5 business days* from the date of submission of your application with full and complete documents to the Bank. If your application is unsuccessful, you will be notified in writing with the reason of rejection.

** Applicable for straightforward SME financing cases with full and complete documents received by the Bank. Turnaround time may be longer for more complex SME financing requirements.*

**05.**

Channel of Appeal

If you wish to make an appeal on the unsuccessful financing application, you may submit in writing to the address below. We will notify you on the decision of the appeal in writing within 2 weeks from date of appeal is received.

Head, SME Banking

Hong Leong Bank Berhad,
Level 9, Menara Hong Leong,
No. 6 Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur.

