



THE PRIVATE SECTOR (MSMEs) RELIEF SCHEME

FREQUENTLY ASKED QUESTIONS (FAQs)

Although primarily a public health issue, the COVID-19 pandemic is having a major impact on the economy and financial system, globally, and Seychelles has not been spared. The Central Bank of Seychelles (CBS) and the Seychelles Bankers Association (SBA) are putting in place various measures to mitigate the financial and economic impact of the virus. Through collaborative efforts between CBS, SBA and Government Authorities, several measures have been implemented to support impacted individuals and businesses, respectively.

One of these measures is the Private Sector (MSMEs) Relief Scheme. In this direction, CBS has devised a list of questions to assist you with what you need to know or do if you are interested in obtaining assistance under this relief scheme. For information on other COVID-19 relief measures initiated by CBS, please see separate FAQs on Private Sector (Large Enterprises) Relief Scheme and Moratorium and Debt Restructuring Measures.

1. What is the Private Sector (MSMEs) Relief Scheme?

The Private Sector (MSMEs) Relief Scheme is a scheme established by the CBS to provide financing to eligible Micro, Small and Medium Enterprises (MSMEs) affected by the COVID-19 pandemic. MSMEs are enterprises with an annual turnover not exceeding SCR 25 million.

The relief scheme is financed by CBS and will be administered by the commercial banks¹, Development Bank of Seychelles (DBS) and Seychelles Credit Union (SCU).

Assistance under the relief scheme will take into consideration other measures extended to eligible MSMEs by Government Authorities as a result of the COVID-19 pandemic.

2. What is the purpose of the Private Sector (MSMEs) Relief Scheme?

The relief scheme is meant to assist eligible MSMEs facing financial constraints resulting from the COVID-19 pandemic, in meeting their critical expenditures for a period of 12 months. This includes:

- the day-to-day operating expenditures of an enterprise including but not limited to payment of rent, utilities, salaries, taxes, goods and services contracts;
- such expenditure as may be necessary to implement the Sectoral Guidelines for Workplaces issued by the Department of Health;
- such expenditure associated with supporting staff management restructuring, including unpaid leave, reduced working hours, pay cuts, temporary lay-offs, redundancy;

¹ With the exception of Bank AL Habib Limited.

- such expenditure associated with the integration of digital technology within the business which results in a change in how the business operates and which adds value to the goods and services delivered to the customer;
- such expenditure associated with adjusting the existing operations/business model so as to adapt the business to the changing market conditions;
- such expenditure associated with reskilling and training programmes; and
- debt servicing, but under the following controls:
 - applicable for sectors that are under significant stress, primarily businesses in the tourism sector;
 - to cover interest repayments only, for a maximum period of 1 year; and
 - applicable on credit facilities with the main Banker only.

The above expenses are subject to business viability and credit assessments by the participating commercial banks, DBS and SCU, and are complementary to assistance being provided by Government Authorities. Other critical expenditures are to be considered depending on the specificity of the business.

3. What are the main terms and conditions of the Private Sector (MSMEs) Relief Scheme?

Financing will be provided in the form of overdrafts or loans as offered by commercial banks, DBS and SCU and with the following main terms and conditions as applicable:

- Fixed Lending rate of 1.5% per year
- Moratorium of 18 months as a maximum on principal and interest repayments for loans, but under the following conditions:
 - Existing applicants with a 12-month moratorium will benefit from an additional automatic 6-month moratorium; and
 - New applicants will receive a 12-month moratorium, and further extensions will be based on review by the Banker
- A maximum repayment period of 8 years, inclusive of the approved moratorium period for loans, but under the following conditions:
 - The 8-year maximum repayment period is not automatic; approved applicants need to consult with their Banker; and
 - Tenor will vary within the 8 years, on a case-by-case basis based on various factors.

However, customers may choose to opt out of the moratorium on repayment of principal and interest on loans and should inform their respective commercial bank, DBS or SCU accordingly.

4. What are the main eligibility criteria that will be considered for obtaining assistance under the Private Sector (MSMEs) Relief Scheme?

Assistance under the relief scheme is open for application to eligible MSMEs that are engaged in economic sectors impacted by COVID-19.

Each application will be subject to a credit assessment that will be undertaken by the commercial bank, DBS or SCU as the case may be. This credit assessment will also take into account the credit history of the applicant and borrowings with other credit-granting institutions may be considered.

However, your existing loan facilities with the institution at which you are lodging your application must, at a minimum, have been in good order as at the end of February 2020. Otherwise, you will not be eligible to apply for assistance under the relief scheme at that institution.

Moreover, MSMEs assisted under the Small Business Support Fund are not eligible for assistance under the Private Sector (MSMEs) Relief Scheme.

5. Which credit-granting institutions are offering assistance under the Private Sector (MSMEs) Relief Scheme?

Currently, the credit granting institutions that have signed the Private Sector Relief Credit Line Facility Agreement to administer the Private Sector (MSMEs) Relief Scheme are namely:

- Absa Bank (Seychelles) Ltd
- Mauritius Commercial Bank (Seychelles) Ltd
- Bank of Baroda
- Nouvobanq
- Seychelles Commercial Bank
- Al Salam Bank Seychelles Ltd
- Bank of Ceylon
- Development Bank of Seychelles
- Seychelles Credit Union

Other institutions that have not yet signed the Agreement may do so while the scheme remains open.

6. How do I apply for assistance under the Private Sector (MSMEs) Relief Scheme?

Eligible MSMEs interested in obtaining assistance under the relief scheme will need to submit certain documents to allow their commercial bank, DBS or SCU to process their application, including:

- Written application with supporting reasons
- Forecast cash flow statement for at least 12 months
- Latest tax returns

Applicants may be requested to submit additional supporting documents and should contact their respective commercial bank, DBS or SCU on the relevant documents to be submitted.

Commercial banks, DBS and SCU will accept scanned and electronic copies of documents where applicable.

To note, MSMEs may approach the Seychelles Chamber of Commerce and Industry (SCCI), working in collaboration with the Enterprise Seychelles Agency (ESA), if they require assistance with the preparation of application packs along with cash flow forecasts.

7. Will my commercial bank, DBS or SCU help me in preparing a cash flow statement?

You are encouraged to acquire assistance from your financial controller, accounting firm and/or qualified consultant in preparing cash flow statements. Should you need assistance to prepare a cash flow statement, the commercial banks, DBS and SCU can provide templates to support the cash flow preparation process. To note, MSMEs may approach the SCCI, working in collaboration with ESA, for assistance with the preparation of application packs along with cash flow forecasts.

8. Where do I go in order to obtain more guidance on the Private Sector (MSMEs) Relief Scheme?

You should contact your respective commercial bank, DBS or SCU for guidance on the Private Sector (MSMEs) Relief Scheme. Should you not be able to receive any guidance, you may contact CBS on 4282000 (Press 1 for guidance on the COVID-19 Relief Policy Measures) or e-mail info@cbs.sc

9. Can I apply for assistance under the Private Sector (MSMEs) Relief Scheme more than once?

Customers can apply for assistance under the relief scheme at only one commercial bank, DBS or SCU exclusively. Any additional requests for assistance must be made at the same commercial bank, DBS or SCU.

10. Do I need to provide collateral to obtain assistance under the Private Sector (MSMEs) Relief Scheme?

Customers will be required to provide personal guarantees up to a certain unsecured threshold, above which collateral may be requested at the discretion of the commercial bank, DBS and SCU.

11. How long will it take for my application to be processed?

This will depend on the complexity of each application and the amount of financing being requested. However, in general, it should take between 5 to 10 working days to process your application, subject to the submission of all documents required to process your application.

12. Can I ask for an extension in the moratorium period on loans?

Existing applicants currently provided with a 12-month moratorium will automatically receive an additional 6-month moratorium. New applicants will receive a 12-month moratorium, and further extensions will be based on review by the Banker.

13. If I opt for assistance under the Private Sector (MSMEs) Relief Scheme, will my records on the Credit Information System (CIS) be adversely impacted?

Provided that you honour your commitment with your respective commercial bank, DBS or SCU, your records on the CIS will not be adversely impacted.

14. I currently have loan facilities in default, can I apply for assistance under the Private Sector (MSMEs) Relief Scheme?

Your existing loan facilities with the institution at which you are lodging your application must, at a minimum, have been in good order as at the end of February 2020. Otherwise, you will not be eligible to apply for assistance under the relief scheme at that institution.

Please refer to question 4 above on the eligibility criteria for obtaining assistance under the relief scheme.

15. My business is engaged in the hospitality and tourism sector and has been affected by the COVID-19 pandemic. I am struggling to cover my monthly expenses including repayment of my current loan facilities. Can I apply for assistance under the Private Sector (MSMEs) Relief Scheme?

Please refer to questions 2 and 4 above on the eligibility criteria and scope of coverage for obtaining assistance under the relief scheme.

If you are facing difficulties in meeting your existing loan obligations, this can also be considered under the Moratorium and Debt Restructuring Measures previously mentioned.

16. I run a small business which has been severely affected by COVID-19, if business does not improve, I will soon be defaulting on my loan facilities and monthly expenses. Can I apply for assistance under the Private Sector (MSMEs) Relief Scheme?

Please refer to questions 2 and 4 above on the eligibility criteria and scope of coverage for obtaining assistance under the relief scheme.

If you are facing difficulties in meeting your existing loan obligations, this can also be considered under the Moratorium and Debt Restructuring Measures previously mentioned.

17. My business has an annual turnover greater than R25 million. Can I still apply for assistance under the Private Sector (MSMEs) Relief Scheme?

Only MSMEs with an annual turnover not exceeding R25 million can apply for assistance under the relief scheme.

For businesses with an annual turnover above R25 million, please refer to the Private Sector (Large Enterprises) Relief Scheme FAQ.

18. Can I apply for assistance under the Private Sector (MSMEs) Relief Scheme if I have also requested for moratorium or debt restructuring on an existing loan facility?

Applicants who have requested for moratorium or debt restructuring on an existing loan facility can still apply for assistance under the relief scheme.

19. Will I be charged additional interest as a result of opting for the moratorium for loans?

No. Interest will only be charged on the principal amount of loans given under the relief scheme.

20. What will happen to my loan repayments after the moratorium period?

Please refer to question 3 for details on the moratorium period applicable under the scheme.

After the moratorium period provided ends, you will begin payment of monthly instalments consisting of principal and interest on the loan amount over the remaining tenor of the loan if you are able to start repayment. Alternatively, you may opt for debt restructuring. You should approach your Banker when your moratorium is nearing expiration to discuss your options.

21. What about my overdraft repayments?

There will not be a moratorium on overdraft facilities provided under the relief scheme. Interest will be paid on the utilised amount on a monthly basis, and the overdraft is repayable on demand within the tenor of the facility.

22. Where do I go if I feel I am being unfairly treated by my commercial bank, DBS or SCU in regards to the Private Sector (MSMEs) Relief Scheme?

If you are not satisfied with the outcome of your application, you are entitled to make a complaint with your commercial bank, DBS or SCU. Your complaint should be handled in a timely and efficient manner in accordance with established regulations and practices.

If you are not happy with the response you receive from your respective commercial bank, DBS or SCU, you may then lodge a complaint at the CBS. The CBS will investigate your complaint from a perspective of ensuring that the relevant commercial bank, DBS or SCU has acted fairly when considering your case.