



BUSINESS RECOVERY GUARANTEE SCHEME



ABOUT CGCC

Credit Guarantee Corporation of Cambodia Plc. (CGCC) is a state-owned enterprise established by a Sub-Decree No. 140 ANKR.BK dated 1st September 2020. CGCC is operated under the technical and financial guidance of the Ministry of Economy and Finance (MEF).

CGCC was incorporated on 3rd November 2020 with the technical supports from development partners such as Asian Development Bank (ADB), World Bank, and United Nations Capital Development Fund (UNCDF). CGCC launches its first guarantee scheme on 29th March 2021.

Vision

To be the preferred credit guarantee institution in Cambodia to improve financial inclusion and develop the growth of SMEs.

Mission

CGCC's mission is to provide credit guarantees to lenders on loans made to businesses based on international standards to share the risk with lenders and to improve financial inclusion.

WHAT IS BRGS?

The Business Recovery Guarantee Scheme (BRGS) is the first credit guarantee scheme offered by the Credit Guarantee Corporation of Cambodia Plc. (CGCC).

BRGS aims to support businesses including Micro, Small and Medium Enterprises (SMEs) and Large Firms to enhance their access to formal loans for both working capital and investment or business expansion. BRGS is in line with the policies of the Royal Government of Cambodia to support the survival and economic recovery during the COVID-19 pandemic.

BRGS acts as collateral/security for 70%-80% of the loan amount borrowed by businesses from the Participating Financial Institutions (PFIs); thus, reducing the physical collateral required from the borrowers.

Eligible Borrowers

For loans to be qualified for the CGCC's guarantee scheme, the borrowers must fall into the following criteria:

- ❁ The Borrower must be a majority Cambodian-owned business (>50% ownership).
- ❁ The Borrower must produce a business registration issued by appropriate government authorities.
- ❁ The Borrower who is a non-registered business must proceed with the registration after the guarantee is approved. If the borrower remains a non-registered business, an additional guarantee fee of 0.5% per annum of the guaranteed amount will be imposed on every anniversary of the guarantee.
- ❁ All Borrowers should be financially viable.



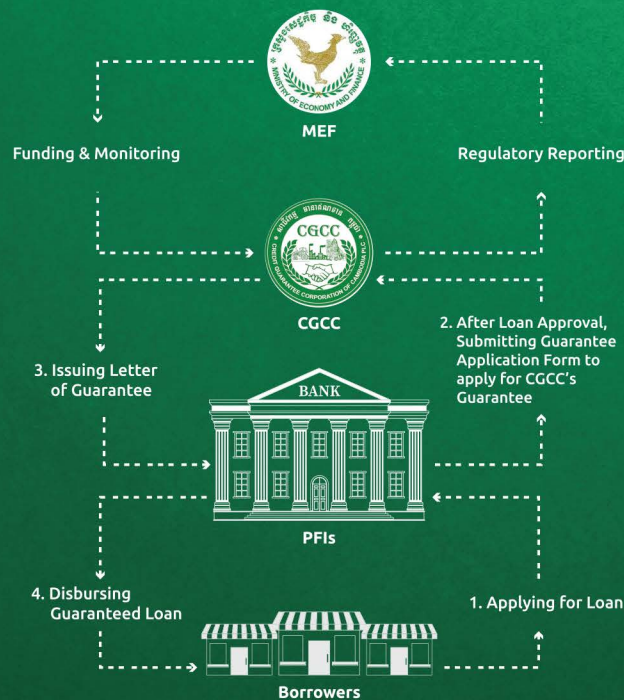


SCHEME FEATURES

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|--|---|-------------------------------------|---------------------|-------------|
| Scheme Size | 200 million USD (\$150 million-SMEs & \$50 million-Large Firms) | | | |
| Scheme Period | March 2021 to December 2022 | | | |
| Type of Guarantee | Individual Loan Guarantee | | | |
| Eligible Loans | <ul style="list-style-type: none"> - All type of loan facility (term loan, overdraft, trade facility, etc.) - New loans ONLY, not for refinancing - Both secured and unsecured loans - Exclude loans in the Negative List | | | |
| Guarantee Coverage | Agriculture Sector | 80% of Loan Principal Amount | | |
| | Industry Sector | 80% of Loan Principal Amount | | |
| | Service Sector & Non-Priority Sector | 70% of Loan Principal Amount | | |
| Guarantee Fee per annum | Priority Sector | 1% of Outstanding Guaranteed Loan | | |
| | Non-Priority Sector | 1.5% of Outstanding Guaranteed Loan | | |
| Guarantee Tenure | Maximum of 7 years | | | |
| Guaranteed Loan Interest Rate | PFI's Prescribed Interest Rate | | | |
| Maximum Loan Amount (USD) | Loan Purposes | Priority Sector | Non-Priority Sector | |
| | | | SME | Large Firm |
| | Working Capital | 300,000 USD | 500,000 USD | 200,000 USD |
| Investment/Business Expansion | 500,000 USD | 700,000 USD | 300,000 USD | 500,000 USD |
| Single Borrower Guarantee Limit | 500,000USD For SMEs | | | |
| | 1,000,000USD for Large Firm | | | |

HOW TO APPLY FOR BRGS?

1. Borrowers including micro, small and medium enterprises, and large firms need to apply for a loan under BRGS from any of the CGCC's PFIs.
2. After evaluating and approving the loan, the PFIs submit a guarantee application for the loan to CGCC for guarantee. PFIs shall not disburse the loans before the guarantee application is approved by CGCC.
3. CGCC evaluates the guarantee application for the loan submitted by the PFIs. If the application is approved, CGCC will issue a Letter of Guarantee to the PFIs for the loan.
4. After the Letter of Guarantee is issued, the PFIs will disburse the Guaranteed Loan to the borrowers.



BENEFITS OF BRGS

1. Supporting business survival and economic recovery during the COVID-19 pandemic in line with Government's policies
2. Acting as collateral/security for 70%-80% of the loan amount borrowed from the PFIs, making SMEs more bankable
3. Helping businesses access to financing and improving financial inclusion in Cambodia
4. Sustaining business operation during COVID-19 outbreak and providing capital investment for business expansion
5. Serving as a policy tool for long-term growth of SMEs
6. Diversifying and sharing risks with PFIs, allowing more loans to be approved for SMEs

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Our Development Partners



Our PFIs

