

COVID-19 Ioan guarantee scheme

The Government COVID-19 Loan Guarantee Scheme is offered as part of the Government of Botswana's economic response to the COVID-19 pandemic. The guarantee is offered in terms of Section 22 of the Public Finance Management Act.

Purpose Owner Administrator **Structure** To provide eligible The Government. The **Export Credit Insurance** The Government shall businesses affected by custodian of scheme is the and Guarantee Company provide 80% security cover Ministry of Finance and (Botswana) Pty Ltd T/A while the Banks will take on COVID-19 access to credit the 20% balance of the risk **Economic Development BECI** from banks Role of the bank **Bank facility** Financing covered Government liability Working capital. Items of Approve qualifying Government reserves the arrangement fees capital nature shall not be applicants and undertake right to change any of the Banks are encouraged to scheme guidelines at any supported by the scheme full loan recovery process charge a nominal facility time and shall not be liable arrangement fee to any party whatsoever **Application timeline** Cost of guarantee Term of guarantee Interest rate Until 30 November 2020 Maximum of 2 years No fees Prime plus 0.5% Eligibility requirements Application procedure Qualifying sectors **Maximum amount** Companies must apply All businesses with the Businesses must Maximum amount P25 with their respective exception of: million, subject to turnover registered with CIPA banks. · businesses with direct during the 12 month period operating and bankable 1 · Banks will apply to BECI prior to 3 April 2020: Government year prior to 3 April 2020 for the guarantee. • P0-2m (turnover upto P5m) shareholding and P5m (turnover upto P10m) Government aided 19 has disrupted their P10m (turnover upto P25m) entities such as NGOs • P25m (turnover P50-100m) Parastatal companies provide a sustainable business model

Our Advisory team can assist your business to assess, plan and source working capital requirements. Contact Arindam Ghosh (+267 74 258 331 / arindam.ghosh@bw.gt.com).

Visit our website for insight on how to manage the impact of COVID-19 on your business: https://www.grantthornton.co.bw/campaign/manage-the-impact-of-COVID-19/

The Resilience Wheel

Where to focus your business in stressed or distressed conditions

Checklist: Building business resilience

Questions designed to help businesses develop their response plan for COVID-19

© 2020 Grant Thornton Botswana. All rights reserved.

Disclaimer: Our publications are information resources developing / compiling / summarizing business insight for our clients and other interested parties. This document is intended as a guide only and the application of its contents to specific situations will depend on the particular circumstances involved. While every care has been taken in its presentation, personnel who use this document to assist in evaluating their business should have sufficient training and experience to do so. No person should act specifically on the basis of the material containined herein without considering and taking professional advice. Neither Grant Thornton nor any of its personnel nor any of its member firms or their partners or employees, accept any responsibility for any errors this document might contain, whether caused by negligence or otherwise, or any loss, howsoever caused, incurred by any person as a result of utilizing or otherwise placing any reliance upon it. Any reader intending to base a decision on information contained in this publication is strongly advised to consult a Grant Thornton partner before proceeding. "Grant Thornton refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and / or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firms a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of and do not obligate one another and are not liable for one another's acts or omissions.