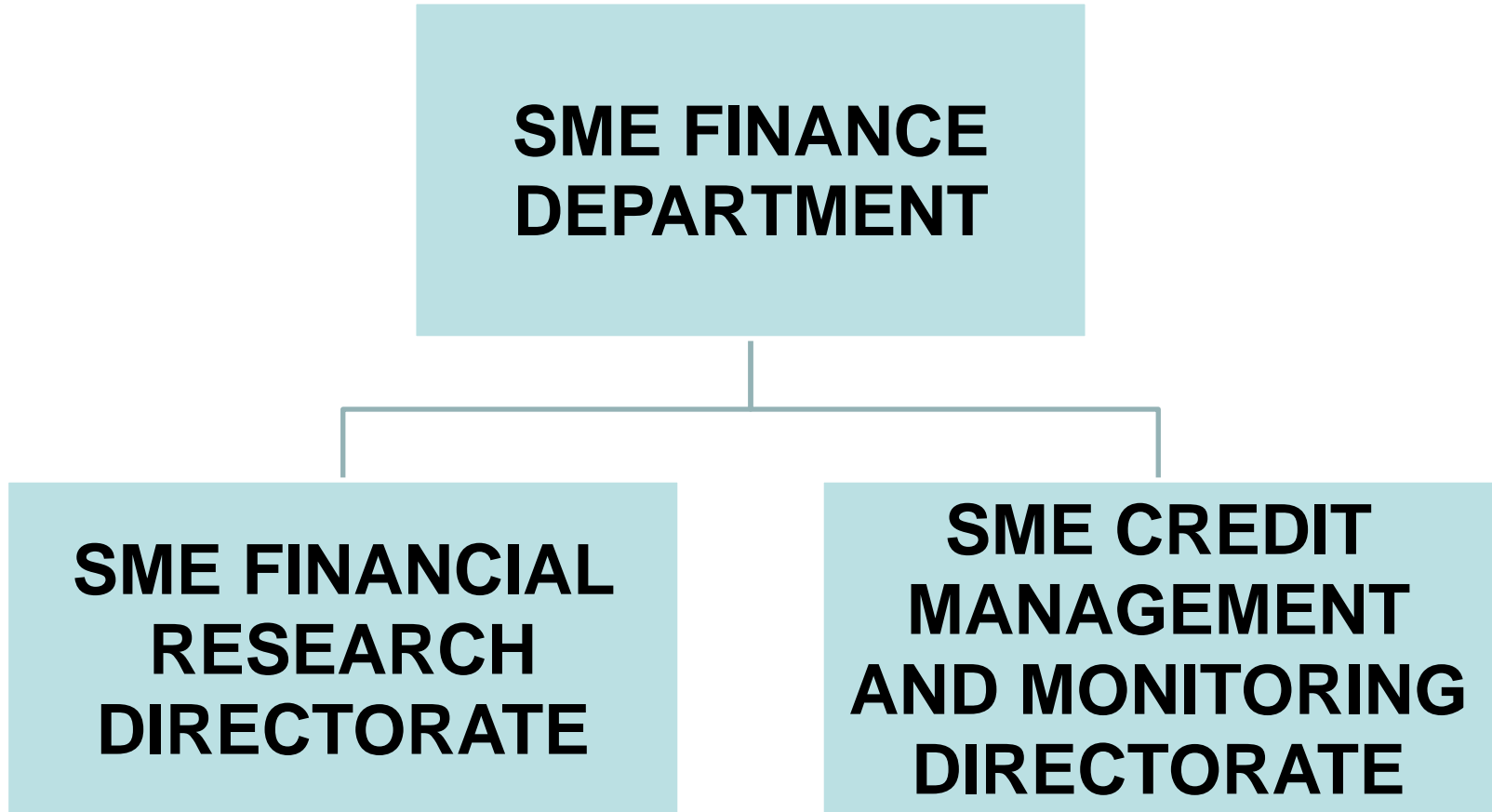
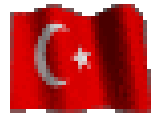
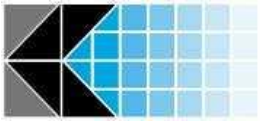
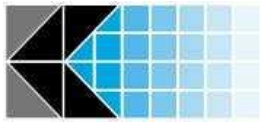


# KOSGEB

## FINANCIAL SUPPORT PROGRAMS DEPARTMENT OF SME FINANCE

*Ufuk ACAR*  
April 28, 2014  
ANKARA

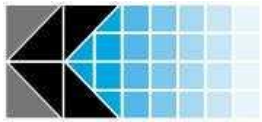




## **COMMON CHARACTERISTICS OF KOSGEB SME CREDIT INTEREST SUPPORTS**



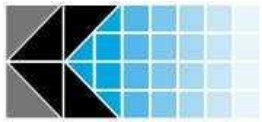
- ❖ **In every phase of the certain program, it should be obeyed the related existing legislation such as;**
  - **KOSGEB Establishment Law,**
  - **Cabinet Decisions,**
  - **KOSGEB Executive Committee Decisions,**
  - **KOSGEB's SME Credit Interest Support Regulation,**
  - **Banking Law and Foreign Exchange Law.**
- ❖ **All the enterprises registered in the Enterprise Data Base of KOSGEB can benefit from the programs.**



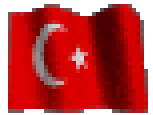
# COMMON CHARACTERISTICS OF KOSGEB SME CREDIT INTEREST SUPPORTS



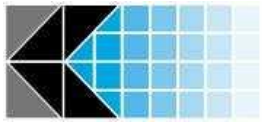
- ❖ **For every program a Protocol is signed by KOSGEB President, General Directors of the participating Banks and Credit Guarantee Fund's General Manager.**
- ❖ **Credits are given within the certain conditions and if the enterprises do not complied with these conditions, this amount of support is to be collected back from the enterprise together with the legal interest.**



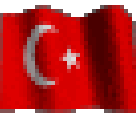
# COMMON CHARACTERISTICS OF KOSGEB SME CREDIT INTEREST SUPPORTS



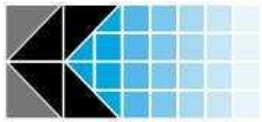
- ❖ **The Banks cover the risk of the principal amount.**
- ❖ **In most cases, the credit interest support offered to SMEs includes payment holiday for 6 months for the SME then a repayment period of 18 months (e.g. For Emergency credits these payment periods are extended to 12 months and 36 months respectively).**
- ❖ **Zero or low interest credit programs on the part of SMEs. The interest rate of the programs were paid by KOSGEB to the banks on behalf of the enterprises.**
- ❖ **KOSGEB's interest supports used from KOSGEB's budgetary sources.**
- ❖ **The application and approval process of every program are being carried out by the web based special software program.**



# COMMON CHARACTERISTICS OF KOSGEB SME CREDIT INTEREST SUPPORTS



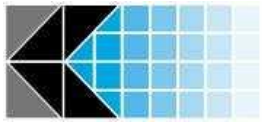
- ❖ **This software program allows on-line approval and monitoring of the credit applications and it's possible to produce various reports related to the credit process.**
- ❖ **To benefit from credit programs, the enterprises should document that they haven't tax and/or social security debt. The enterprises can pay their debt with the credit, for that reason the bank receive petition including the sum of the debt and bank account from the enterprise during application.**
- ❖ **Since 2009, KOSGEB arranged the credit programs to reinforce women enterprises, they are positively discriminated by applying 10% more guarantee for women entrepreneurs.**
- ❖ **KOSGEB also initiated the emergency support credits for the SMEs to cope with the natural disasters effects damaged their firms.**



# WORKFLOW OF A TYPICAL SME CREDIT INTEREST SUPPORT



- ✓ **Preparation of the protocol after KOSGEB Executive Committee Decision**
- ✓ **Preparation of the web-based software program**
- ✓ **Implementation of the protocol**
- ✓ **Application of the enterprises to the determined banks.**
- ✓ **Approval of KOSGEB's Service Center (pre-approval)**
- ✓ **Bank approvals**
- ✓ **KOSGEB's approval (SME Finance Dept.)**
- ✓ **Finalization of the credit usage of the enterprise (within the time constraints determined in the protocol)**

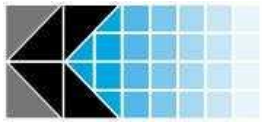


## **WORKFLOW OF A TYPICAL SME CREDIT INTEREST SUPPORT**

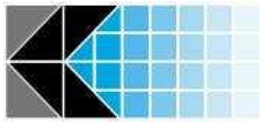


- ✓ **The information related to the completion of the credit usage should be entered into the credit program.**
- ✓ **The reporting of the related data in accordance with the protocol.**
- ✓ **The extract of the bank accounts and KOSGEB records are compared.**
- ✓ **The Protocol's effective date terminated or extended.**
- ✓ **Follow-up the credit procedures based on letter of understanding.**

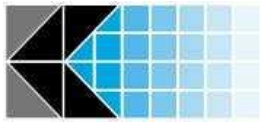




- I- *The credit programs based on letter of undertaking;***
  - 1). Investment Credit Programs**
    - a). Credit for Digital Infrastructures of SMEs (2007-2008)**
    - b). Machinery and Equipment Credit for Food Sector (2007-2008)**
    - c). Credit for Moving the Leather Sector to Industrial Zones (2007-2008)**
    - d). 1000+1000 SME Machinery-Equipment Support Credit (2008)**
    - e). Machinery Equipment Credit for the Southeastern Anatolia Project (GAP) Provinces (2009)**

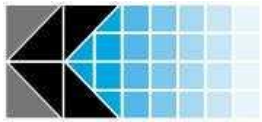


- I- *The credit programs based on letter of undertaking;*
  - 2). **Employment Credit Programs**
    - a). **SME Employment Support Credit (2005-2006)**
    - b). **SME Registered New Employment Support Credit (2007-2008)**
  - 3). **Export Promotion Credit Programs (2004-2011/ 5 times)**



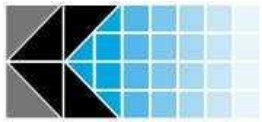
## **II- *Enterprise Development Credit Programs***

- 1). SME Support Credit (2003-2005)**
- 2). Express SME Support Credit (2003-2004)**
- 3). Manufacturing Tradesmen Support Credit (2008-2009)**
- 4). Employment-Based Manufacturing Tradesmen and SME Support Credit (2008-2009)**

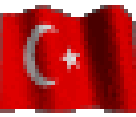


## **II- *Enterprise Development Credit Programs***

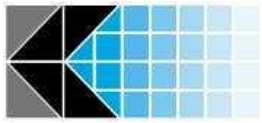
- 5). Zero Interest Rate Diyarbakır Enterprise Working Capital Support Credit (2009-2010)**
- 6). 100.000 SME Support Credit (2009-2010)**
- 7). Emergency Support Credit (2009-2010)**
- 8). Scale-Based Growth Support Credit (2010-2011)**
- 9). Emergency Support Credit (2011)**
- 10).Emergency Support Credit for Van (2011)**
- 11).SME Support Credit for Van (2011)**
- 12).SME Support Credit for Erzurum Tourism Sector (2012)**



# KOSGEB INTEREST SUPPORT PROGRAMS (2003-2011)



<b>YEAR</b>	<b>NUMBER OF BENEFITED ENTERPRISES</b>	<b>AMOUNT OF KOSGEB SUPPORTED CREDIT (TL)</b>
2003	556	45.580.000
2004	2.840	295.475.443
2005	3.753	450.951.799
2006	2.787	322.390.819
2007	9.679	1.009.566.062
2008	23.886	1.789.439.498
2009	69.264	2.798.700.882
2010	43.310	1.912.626.776
2011	48.217	2.602.782.136
2012	7.408	467.122.038
2013	343	29.999.500
2014 (March)	-	-
<b>TOTAL</b>	<b>212.044</b>	<b>11.724.633.953</b>



# KOSGEB FINANCE SUPPORT PROGRAMS



**Thank you for your attention**

**<http://www.kosgeb.gov.tr>**

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