**Product Features**

In order to provide self-employment opportunities to unemployed youth, Government of Pakistan had launched “Prime Minister’s Kamyab Jawan SME Lending Program” across the country in Jul-2019, which was later renamed as Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme (PMKJ-YES) in Jul-2020. Bank Alfalah has been nominated as Participating Bank in Phase-2 launched on 12-Aug-2020.

**Loan Structure**

* Long Term Loan / Working Capital Loan including Murabaha and leasing/ financing (for Machinery/Equipment & locally manufactured vehicles (one vehicle per borrower))

|  |  |  |  |
| --- | --- | --- | --- |
| **Tier** | **Limit Caps (PKR)** | **Pricing** | **Debt/Equity Participation** |
| Tier 1 (T1) | From 0.100M to 1.000M | 3.00% p.a. | New Businesses: 90:10  Existing Businesses: Nil |
| Tier 2 (T2) | From 1.001M to 10.000M | 4.00% p.a. | New Businesses: 80: 20  Existing Businesses: Nil |
| Tier 3 (T3) | From 10.001M to 25.000M | 5.00% p.a. |

**Loan Tenor**

Upto 8 years with maximum grace period of upto one year.

**Security Requirements**

* Security arrangements will be as under:
* T1 loans: Clean; however only personal guarantee of the borrower
* T2 & T3 loans: As per bank’s own credit policy
* Vehicle financed under T1, T2 and T3 to serve as collateral

**Gender Equality**

* 25% of the loans will go to women borrowers.

Eligibility Criteria

* All men/women/transgenders holding CNIC, aged between 21 and 45 years for individual/sole proprietor or any one of the stakeholders (however 18 for IT professionals/E-Commerce) with entrepreneurial potential.
* Small and medium enterprises (startups and existing businesses) as per definition of SBP and owned by youth as per above-mentioned age brackets are also eligible.
* For IT/E-Commerce related businesses, at least matriculation or equivalent education will be required.

Target Market

All business segments/sectors spread across Pakistan, including Agriculture.

Registration Process

* Apply through PMKJ-YES Online Portal (www.kamyabjawan.gov.pk) with an application processing TAT of 30 days.

-Terms and Conditions Apply.

FAQs

**What is the Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme?**

In order to provide self-employment opportunities to unemployed youth, Government of Pakistan has launched “Prime Minister’s Kamyab Jawan SME Lending Program” across the country in Jul-2019, which was later renamed as “Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme” (PMKJ-YES) in Jul-2020. The scheme is similar to “Prime Minister’s Youth Business Loan” (PMYBL) scheme, which ceased to exist upon launch of new initiative.

**How and where can I get information about this scheme?**

All the information regarding loan scheme is available on https://kamyabjawan.gov.pk/home/yesprogram. Besides, you can contact nearest branches of participating banks for guidance and assistance.

**Who can apply?**

* All men/women holding CNIC, aged between 21 and 45 years with entrepreneurial potential are eligible. For IT/ E-Commerce related businesses, the lower age limit will be 18 years.
* Small and medium enterprises (startups and existing businesses) as per definition of SBP and owned by youth as per above mentioned age brackets are also eligible.
* For IT/E-Commerce related businesses, at least matriculation or equivalent education will be required.

**How can I apply for this loan?**

Simply fill the form at the following link/ address and submit:

<https://kamyabjawan.gov.pk/bankform/newapplicantform>

[**Ineligibility for the financing scheme?**](https://kamyabjawan.gov.pk/bankform/newapplicantform)

* Any borrower having any age deviation from the SBP policy.
* Non-resident Pakistan Nationals
* Serving Government Employees
* Close Blood Relatives of Bank Employees or themselves at same bank
* Any borrower not compliant with SBP/BAFL’s AML/KYC/Credit policies or expressing inability to comply.
* Forged / Mis-stated information submitted during application process.
* Enterprises in which any of the Bank’s director, major shareholder holding 5% or more of the share capital of the Bank, its Chief Executive or an employee or any family member of these persons is interested.
* Loan Defaulters not meeting the BAFL’s policy parameters
* Legally incapacitated person.
* Credit SWAP Customers i.e. existing borrowers availing financing facilities from same / other banks shall not to be shifted under PMKJ-YES.

**Do borrowers have to submit any written application at certain Bank?**

No, all borrowers have to submit online applications over Official PMKJ-YES Portal at following URL, by opting the Bank of Choice from a drop-down menu & fill all details:<https://www.kamyabjawan.gov.pk/BankForm/newApplicantForm> (Detailed Manuals annexed)

**Who are Executing Agencies (EA) (Banks)?**

Presently, following 21 Banks are participating as Executing Agencies (EA) in order to avail financing under the Scheme, Bank Alfalah being one of them.

* Allied Bank Limited
* Albaraka Bank Limited
* Askari Bank Limited
* Bank Al Falah
* Bank Al Habib
* BankIslami Pakistan Limited
* Bank of Khyber
* Bank of Punjab
* Dubai Islamic Bank Limited
* Faysal Bank Limited
* First Woman Bank Limited
* Habib Bank Limited
* Habib Metropolitan Bank Limited
* JS Bank Limited
* MCB Bank Limited
* Meezan Bank Limited
* MCB Islamic Bank Limited
* National Bank of Pakistan
* Sindh Bank Limited
* Soneri Bank Limited
* United Bank Limited

**How applicant can check the status of application?**

* The applicant can access official PMKJ-YES website at following URL to check present application status; (<https://www.kamyabjawan.gov.pk/home/TraceApplication>)
* Furthermore, the applicant shall be receiving an SMS update form official PMKJ number, whenever application status is changed i.e. (Submitted (Over Portal), In Process (Marked by Bank), Approved or Rejected (Marked by Bank)). The applicant may also contact the concerned bank official, who shall initiate the correspondence upon receipt of application at the Bank.

**What is the loan sanctioning process?**

Loan sanctioning process, generally, consists of following stages:

* NADRA Verification of Credentials after online application submission
* Telephonic verification by bank of applicant after initial screening
* Verification of applicants credit history through SBP
* Physical verification of applicant. For new business applicant the proposed site of business along with residence will be verified and for existing business, there business location will be verified.
* Analysis of business feasibility provided by applicant
* Credit decision by bank based on risk analysis
* If approved, then applicant must provide timely security/collateral as well as required equity contribution.

The above processes are given as a general guideline only, the exact process may vary from bank to bank according to their own internal processes. Applicant must prepare themselves accordingly for a vigorous verification procedure. The processing time of an application depends on the volume of applications received by each bank. This is a 5 year program and processing will be done accordingly. New applicants will be processed on first come first served basis. To reduce the time of process, applicants are requested to have themselves prepared for a rigorous verification procedure.

**What type of documents would be required from the applicant?**

The applicant should adhere all documentary requirements (Pre-Submission) while making online application submission at official PMKJ-YES portal (as per provided instruction manuals). The Bank shall require submission of additional documents / information as per their credit policy / discretion to augment the financing request for consideration of approval.

**What would be the disbursement process if the application is approved by the Bank?**

* The sanctioned amount is calculated after an extensive credit decision making process and may be less than the amount applied for by the applicant. After a loan is sanctioned and customer is notified through SMS and applicant has accepted the offer, following steps are required to be taken:
* Applicant has to open an account with the bank
* Deposit required equity
* Provide collateral, if required
* Execute legal forms
* Applicant has to fulfill all pre-disbursement formalities as mentioned in the Offer Letter. Loan shall not be disbursed until all formalities as required in the offer letter are completed.

**What if the application is rejected by the Bank?**

The concerned Bank shall inform the applicant regarding approval or rejection, which may be represented with relevant office for clarification. However, any application under PMKJ-YES should not be construed for approval as a matter of right & shall be reviewed / approved strictly in line with SBP’s directives as well as Bank’s internal credit policy

**If the Bank selected over PMKJ-YES Portal does not have a Branch office near business place?**

The concerned Bank shall inform SBP / PM office regarding non-presence in respective area  who shall redirect the applicant to amend their application. In case, the applicant discovers such fact later, they may amend their application over the portal at their end (subject to availability of option).

**Are there any processing charges by Banks / EAs?**

The EAs / Banks will charge PKR 100/- as loan processing fee for loans under this Scheme.

**Does the scheme encourage Women to avail the financing?**

As per SBP instructions, the scheme shall facilitate women borrowers to avail upto 25% of the overall loans.

**Does the scheme hold a preference for certain business sectors or geographies?**

As per SBP instructions, all business segments / sectors spread across Pakistan, including Agriculture are eligible to apply for the scheme**.**

**What are the major financing features?**

Long Term Loan / Working Capital Loan including Murabaha and leasing/ financing (for Machinery /Equipment & locally manufactured vehicles (one vehicle per borrower))

|  |  |  |  |
| --- | --- | --- | --- |
| **Tier** | **Limit Caps (PKR)** | **Markup Rate** | **Debt/Equity Participation** |
| Tier 1 (T1) | From 0.100M to 1.000M | 3.00% p.a. | New Business: 90:10  Existing Business: Nil |
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| Tier 3 (T3) | From 10.001M to 25.000M | 5.00% p.a. |

The Borrower’s contribution of equity would be in the form of cash or immovable property and will be required after approval of loan.

Security arrangements will be as under:

* T1 loans: Clean; however only personal guarantee of the borrower
* T2 & T3 loans: As per bank’s own credit policy
* Vehicle financed under T1, T2 and T3 to serve as collateral

**What is the repayment tenor for financing scheme?**

The repayment of financing under the Scheme will be allowed up to 8 years with maximum grace period of upto one year (subject to approval).

**What is the markup rate for end users?**

End-User Markup rates would be 3% p.a. fixed (for Tier-1), 4% p.a. fixed (for Tier-2), & 5% p.a. fixed (for Tier-3).

**What is the duration of the scheme?**

Phase-1 of the scheme was launched in Jul-2019 with 03 EAs/Banks, whereby Phase-2 has been launched by SBP on 10-Jul-2020 & formally announced by Federal Government on 12-Aug-2020. The scheme shall remain effective till further instructions from SBP / Federal Government.

**What is the turnaround time for EAs / Banks for loan sanction?**

EAs / Banks shall not take more than 30 working days for credit approval process from the date of receipt of complete information. However, the processing time of an application depends on the volume of applications received by each bank.

To reduce the time of process, applicants are requested to have themselves prepared for a rigorous verification procedure.

**Can a non-resident Pakistani apply?**

No. This scheme is only for resident Pakistanis.

**Can I repay the loan in full before the contracted maturity period?**

An applicant can repay the loan in full any time before the loan maturity date. The penal charges for such early repayment would be subject to terms negotiated with the bank.

**What type of assets can be provided as a security?**

You can offer vehicle, land, ornaments, public security or private security. Public security is investment in government bonds while private security is investment in any bond/company shares. However, the security should be acceptable to the Bank as per their Credit Policy.