

ROLES AND PROCESSING DOCUMENTS PER PRODUCT

KNOW YOUR CUSTOMER (TO BE UPLOADED BY LOAN OFFICERS)

A) Business Entities

- (a) Company registration certificate
 - (b) Articles of association
 - (c) Stamped PACRA Print out/Form3
 - (d) Tax Clearance certificate
 - (e) Certified copy of NRCs each shareholder/director of the business
 - (f) 2 x passport size photos of each shareholder/director of the business
 - (g) Proof of residential address of directors
 - (h) Confirmation of operating address for company
- ❖ ***KYC documents are checked and validated Credit Analyst.***
 - ❖ ***They are the same for all loan products except Consumer Loans.***

B) Individuals

- (a) Certified copy NRC and 2 x Passport size photos
- (b) Proof of residential address

(A) PRODUCT - INVOICE DISCOUNTING

I. WHERE PADDC HAS MOU WITH OFF-TAKER

1) Sales (Loan Officer) - Initiate Loan Application

Loan Officers make no approvals. They only collect required documents from clients, upload them on the LMS and email relevant documents to clients;

- (a) Receive Application letter
 - (b) Receive Copy of Invoice
 - (c) Receive Board Resolutions to borrow
 - (d) Receive Supplier's Irrevocable Assignment of Receivables letter to Off taker
- ✓ ***Above documents are sent to the Credit Analyst***
 - ❖ ***After confirmation of invoice and acknowledgement of assignment of receivables by Off-taker;***
 - (e) Send Facility Agreement and Guarantee form to client for signing
 - (f) Receive and upload Facility Agreement and Guarantee form signed by client

2) Credit (Credit Analyst)

Credit Analysts cross-check the validity, correctness and completeness of documents uploaded by Loan Officers;

- (a) Send **template of Letter of confirmation of invoice**, and **copy of invoice** to Off-taker for confirmation
- (b) Send **template of Letter of Acknowledgement of Assignment of Receivables** Off-taker for completing
- (c) Receive **signed Letter of confirmation of invoice, and Letter of Acknowledgement of Assignment of Receivables** from Off-taker
- (d) Send **Facility Agreement** and **Loan Guarantee form** to Loan Officers for onward conveyance to client for signing
- (e) Receive **signed Facility Agreement and Guarantee form**
- (f) Send signed Facility Agreement, Guarantee form, Application letter, Copy of Invoice, Board Resolutions to borrow, Supplier's Irrevocable Assignment of Receivables letter to Off taker, Letter of confirmation of invoice, and Letter of Acknowledgement of Assignment of Receivables from Off-taker, and KYC documents to Funding partner for disbursement
- (g) Receive and send **Proof of Payment** to Client
- (h) Update client's statement
- (i) Update Off-taker's invoice statement
- (j) Remind clients of due dates for repayment.
- (k) Confirm and marry receipts to clients and Off-takers, and accordingly update client statements and schedule of collections.
- (l) Submit to Management for approval, a **schedule of funds due to the funding partner** against each invoice.
- (m) Submit to management for approval, **schedule of net amounts (after repayment of interest and principal) due to clients** whose invoices would have been paid by the Off-taker to PADDC (complete with bank details)

3) Accountant (Accounts)

Accountants have no approval. They only create payments on the banking platform and advise when funds are disbursed to clients or when repayments are received;

- (a) Create payments on banking platform based **approved applications** and client's bank details provided by Credit
- (b) Send **disbursed funds list** and **Proof of payment** to Management and Credit
- (c) Advise Credit department when funds are received (reflect in the PADDC designated bank account) from clients and Off-takers.

- (d) Create payment on banking system based on approved schedule of funds due to funding partner
- (e) Send **proof of payment of funding partner** to Management and Credit
- (f) Create payment on banking platform based on approved schedule of schedule of net amounts (after repayment of interest and principal) due to clients whose invoices would have been paid by the Off-taker to PADDC
- (g) Send **proof of payment of clients** to Management and Credit

4) Operations & Credit (Operation & Credit Manager)

- (a) Operations and Credit Manager approves **documents processed by Credit Analysts** before they are disseminated.

5) Management (Directors And CEO)

- (a) **Set lending limits** for the respective off-takers.
- (b) Approve **schedule of funds due to the funding partner** against each invoice.
- (c) Approve **schedule of net amounts (after repayment of interest and principal) due to clients** whose invoices would have been paid by the Off-taker to PADDC (complete with bank details)
- (d) Authorise payments to funding partners and clients on the banking platform

II. WHERE PADDC HAS NO MOU WITH OFF-TAKER

1) Sales (Loan Officer) - Initiate Loan Application

Loan Officers make no approvals. They only collect required documents from clients, upload them on the LMS and email relevant documents to clients;

- (a) Receive **Application letter** (stating supplier's Assignment of Receivables to PADDC)
 - (b) Receive **Copy of Invoice**
 - (c) Receive Board Resolutions to borrow
 - (d) Receive **Business plan/Company Profile**
 - (e) Receive **Audited Financial Statement/Management accounts or Bank statements on business account for the past 4 months**
 - (f) Receive **6-12 months cash flow projections**
- ✓ **Above documents are sent to the Credit Analyst**

❖ **After confirmation of invoice with Off-taker;**

- (g) Receive **Proof of Collateral** (document supported by physical verification or Post-dated Cheques or Co-signatory on bank account or Letter of consent to use property in case of third party owns collateral)
- (h) Receive **Letter giving PADDC right to liquidate collateral** in case of default

❖ **After Credit assessment and approval by Management;**

- (i) Send **Facility Agreement** and **Guarantee form** to client for signing
- (j) Receive and upload Facility Agreement and Guarantee form signed by client

2) Credit (Credit Analyst)

Credit Analysts cross-check the validity, correctness and completeness of documents uploaded by Loan Officers;

- (a) **Confirm validity of invoice with Off-taker via email.**
- (b) Conduct credit assessments
- (c) Generate and upload a **Credit Report** for clearance by Operations and Credit Manager
- (d) Send Facility and Loan Guarantee form to Loan Officers for onward conveyance to client for signing
- (e) Receive **signed Facility Agreement and Guarantee form**
- (f) Receive and send Proof of Payment to Client
- (g) Update client's statement
- (h) Update Off-taker's invoice statement
- (i) Remind clients of due dates for repayment.
- (j) Confirm and marry receipts to clients and Off-takers, and accordingly update client statements and schedule of collections.
- (k) Submit to Management for approval, **a schedule of funds due to the funding partner** against each invoice.

3) Accountant (Accounts)

Accountants have no approval. They only create payments on the banking platform and advise when funds are disbursed to clients or when repayments are received;

- (a) Create payments on banking platform based approved applications and client's bank details provided by Credit
- (b) Send **disbursed funds list** and **Proof of payment** to Management and Credit
- (c) Advise Credit department when funds are received (reflect in the PADDC designated bank account) from clients and Off-takers.
- (d) Create payment on banking system based on **approved schedule of funds due to funding partner**

- (e) Send **proof of payment of funding partner** to Management and Credit

4) Operations & Credit (Operation & Credit Manager)

- (a) Review each application
- (b) Review and approve **Credit Report** for each application
- (c) Submit Credit Report to Management

5) Management (Directors And CEO)

- (a) **Set lending limits** for the respective off-takers.
- (b) Review Credit reports
- (c) Approve **loan applications**
- (d) Approve **schedule of funds due to funding partners.**
- (e) Authorise **payments to funding partners and clients** on the banking platform

(B) PRODUCT – ORDER FINANCING

1) Sales (Loan Officer) - Initiate Loan Application

Loan Officers make no approvals. They only collect required documents from clients, upload them on the LMS and email relevant documents to clients;

- (a) Receive **Application letter** (stating purpose for funds and proposed repayment period)
- (b) Receive **Copy of Purchase Order**
- (c) Copy of **pro-form invoice from supplier**
- (d) Receive **Board Resolutions to borrow**
- (e) Receive **Business plan/Company Profile**
- (f) Receive **Audited Financial Statement/Management accounts or Bank statements on business account for the past 4 months**
- (g) Receive **6-12 months cash flow projections**

✓ ***Above documents are sent to the Credit Analyst***

❖ *After confirmation of Purchase Order with Off-taker;*

- (h) Receive **Proof of Collateral** (document supported by physical verification or Post-dated Cheques or Co-signatory on bank account or Letter of consent to use property in case of third party owns collateral)
- (i) Receive **Letter giving PADDC right to liquidate collateral** in case of default

❖ *After Credit assessment and approval by Management;*

- (j) Send **Facility Agreement and Guarantee form** to client for signing

- (k) Receive and upload Facility Agreement and Guarantee form signed by client

2) Credit (Credit Analyst)

Credit Analysts cross-check the validity, correctness and completeness of documents uploaded by Loan Officers;

- (a) Confirm validity of Purchase Order with Off-taker via email.
- (b) Confirm validity of Pro-forma Invoice with Supplier via email.
- (c) Conduct credit assessments
- (d) Generate and upload a **Credit Report** for clearance by Operations and Credit Manager
- (e) Send Facility and Loan Guarantee form to Loan Officers for onward conveyance to client for signing
- (f) Receive **signed Facility Agreement and Guarantee form**
- (g) Receive and send **Proof of Payment to Client and the Supplier**
- (h) Update client's statement
- (i) Remind clients of due dates for repayment.
- (j) Confirm and marry receipts to clients, and accordingly update client statements and schedule of collections.
- (k) Submit to Management for approval, a **schedule of funds due to the funding partner**.

3) Accountant (Accounts)

Accountants have no approval. They only create payments on the banking platform and advise when funds are disbursed to clients or when repayments are received;

- (a) Create payments on banking platform based **approved applications** and client's/supplier's bank details provided on the Supplier's pro-forma invoice
- (b) Send **disbursed funds list** and **Proof of payment** to Management and Credit
- (c) Advise Credit department when funds are received (reflect in the PADDC designated bank account) from clients.
- (d) Create payment on banking system based on **approved schedule of funds due** to funding partner
- (e) Send **proof of payment of funding partner** to Management and Credit

4) Operations & Credit (Operation & Credit Manager)

- (a) Review each application
- (b) Review and approve Credit Report for each application
- (c) Submit **Credit Report** to Management

5) Management (Directors And CEO)

- (a) Set **lending limits for purchase orders**.
- (b) Review Credit reports
- (c) Approve **loan applications**
- (d) Approve **schedule of funds due to funding partners**.
- (e) Authorise **payments to funding partners and clients/suppliers** on the banking platform

(C) PRODUCT – SME LOAN

1) Sales (Loan Officer) - Initiate Loan Application

Loan Officers make no approvals. They only collect required documents from clients, upload them on the LMS and email relevant documents to clients;

- (a) Receive Application letter (stating purpose for funds and proposed repayment period)
 - (b) Receive **Board Resolutions to borrow**
 - (c) Receive **Business plan**
 - (d) Receive **Audited Financial Statement/Management accounts or Bank statements on business account for the past 4 months**
 - (e) Receive **6-12 months cash flow projections**
 - (f) Receive **Proof of Collateral** (document supported by physical verification or Post-dated Cheques or Co-signatory on bank account or Letter of consent to use property in case of third party owns collateral)
 - (g) Receive **Letter giving PADDCC right to liquidate collateral** in case of default
- ✓ ***Above documents are sent to the Credit Analyst***

❖ ***After Credit assessment and approval by Management;***

- (h) Send **Facility Agreement and Guarantee form** to client for signing
- (i) Receive and upload Facility Agreement and Guarantee form signed by client

2) Credit (Credit Analyst)

Credit Analysts cross-check the validity, correctness and completeness of documents uploaded by Loan Officers;

- (a) Conduct credit assessments
- (b) Generate and upload a **Credit Report** for clearance by Operations and Credit Manager
- (c) Send Facility and Loan Guarantee form to Loan Officers for onward conveyance to client for signing
- (d) Receive **signed Facility Agreement and Guarantee form**
- (e) Receive and send **Proof of Payment to Client**
- (f) Update client's statement

- (g) Remind clients of due dates for repayment.
- (h) Confirm and marry receipts to clients, and accordingly update client statements and schedule of collections.
- (i) Submit to Management for approval, a **schedule of funds due to the funding partner**.

3) **Accountant (Accounts)**

Accountants have no approval. They only create payments on the banking platform and advise when funds are disbursed to clients or when repayments are received;

- (a) Create payments on banking platform based **approved applications**
- (b) Send **disbursed funds list and Proof of payment** to Management and Credit
- (c) Advise Credit department when funds are received (reflect in the PADDC designated bank account) from clients.
- (d) Create payment on banking system based on approved schedule of funds due to funding partner
- (e) Send **proof of payment of funding partner** to Management and Credit

4) **Operations & Credit (Operation & Credit Manager)**

- (a) Review each application
- (b) Review and approve **Credit Report** for each application
- (c) Submit Credit Report to Management

5) **Management (Directors And CEO)**

- (a) Set **lending limits for SME Loans**.
- (b) Review Credit reports
- (c) Approve **loan applications**
- (d) Approve **schedule of funds due to funding partners**.
- (e) Authorise payments to funding partners and clients on the banking platform

(D) PRODUCT – CONSUMER LOAN

1) **Sales (Loan Officer) - Initiate Loan Application**

Loan Officers make no approvals. They only collect required documents from clients, upload them on the LMS and email relevant documents to clients;

- (a) Receive **Application** (stating the amount and proposed repayment period)
- (b) Receive **Bank statements on the salaried account** for the past 4 months
- (c) Received **Post-dated Cheques**

✓ ***Above documents are sent to the Credit Analyst***

❖ ***After Credit assessment and approval by Management;***

- (d) Send **Facility Agreement and Guarantee form** to client for signing
- (e) Receive and upload Facility Agreement and Guarantee form signed by client

2) Credit (Credit Analyst)

Credit Analysts cross-check the validity, correctness and completeness of documents uploaded by Loan Officers;

- (a) Conduct credit assessments
- (b) Generate and upload a **Credit Report** for clearance by Operations and Credit Manager
- (c) Send Facility and Loan Guarantee form to Loan Officers for onward conveyance to client for signing
- (d) Receive **signed Facility Agreement and Guarantee form**
- (e) Receive and send **Proof of Payment** to Client
- (f) Update client's statement
- (g) Remind clients of due dates for repayment.
- (h) Confirm and marry receipts to clients, and accordingly update client statements and schedule of collections.
- (i) Submit to Management for approval, a **schedule of funds due to the funding partner**.

3) Accountant (Accounts)

Accountants have no approval. They only create payments on the banking platform and advise when funds are disbursed to clients or when repayments are received;

- (a) Create payments on banking platform based **approved applications**
- (b) Send **disbursed funds list and Proof of payment** to Management and Credit
- (c) Advise Credit department when funds are received (reflect in the PADDC designated bank account) from clients.
- (d) Create payment on banking system based on approved schedule of funds due to funding partner
- (e) Send **proof of payment of funding partner** to Management and Credit

4) Operations & Credit (Operation & Credit Manager)

- (a) Review each application
- (b) Review and approve Credit Report for each application
- (c) Submit **Credit Report** to Management

5) Management (Directors And CEO)

- (a) **Set lending limits for Consumer Loans.**

- (b) Review Credit reports
- (c) Approve loan applications
- (d) Approve schedule of funds due to funding partners.
- (e) Authorise payments to funding partners and clients on the banking platform