

# Enterprise Finance Guarantee

## Factsheet

### This could be the right solution for you

If you are a business customer:

- ◆ looking to increase your working capital funding;
- ◆ looking to start up, expand or diversify your business.

### Key features and benefits

- ◆ A Government guarantee which secures bank loans to any viable business with a sound borrowing proposal but which lacks adequate security.
- ◆ Available for sums of £25,000 to £1,200,000.\*<sup>1</sup>
- ◆ The loan can be repaid over any period between three months and 10 years.\*<sup>1</sup>
- ◆ Individually negotiated interest rates.
- ◆ Choice of fixed and variable interest rates.
- ◆ A quarterly fee (equivalent to 2% per year) is payable to the Department for Business Energy and Industrial Strategy (BEIS). This is in addition to any regular capital, interest and arrangement fee payments that you make to HSBC.
- ◆ An EFG loan may be available to you if you:
  - operate in the UK
  - have an annual turnover of no more than £41m
  - operate in a sector that is eligible EFG\*<sup>2</sup>
  - the purpose of the loan meets the EFG eligibility criteria, for example:
    - starting trading
    - developing a project
    - expanding an existing business
    - purchase of equipment
- ◆ You are responsible for ensuring that you do not exceed the €200,000\*<sup>3</sup> European Community State Aid maximum as a result of taking out an EFG.
- ◆ You are liable for 100% of the loan and HSBC will always seek to recover the outstanding balance from you and the proceeds of any security you have given for the loan.\*<sup>4</sup>

### Next steps

- ◆ Visit the British Business Bank website [british-business-bank.co.uk/ourpartners/enterprise-finance-guarantee](http://british-business-bank.co.uk/ourpartners/enterprise-finance-guarantee).
- ◆ Call us on **0800 0113 317**\*<sup>5</sup> or speak to your Relationship Manager.

### See our other factsheets

- ◆ **Small Business Loan** – finance for sums of £25,000 or less.
- ◆ **Flexible Business Loan** – individually tailored loans to fit your needs.
- ◆ **Commercial Mortgage** – finance for the purchase or re-finance of business premises for your own business use.
- ◆ **Business Overdraft** – to help with cash flow flexibility.

### Important notes

All loans are subject to status. Terms and conditions apply.

The Government of the United Kingdom (including the Secretary of State) does not endorse lenders who participate in the Enterprise Finance Guarantee scheme (the 'Scheme') and the provision of the Scheme should not be construed as an endorsement or a warranty of HSBC UK Bank plc by the Government. It is not necessary for you to hold a Business Current Account with us in order to apply for or maintain this loan, unless we are seeking a debenture or fixed charge over book and other debts as security for the loan.

### Standards of Lending Practice for Business Customers (the "Standards")

We are committed to the Standards of Lending Practice for Business customers (the "Standards").

The Standards are a set of principles of good practice in relation to lending to business customers with a consolidated annual turnover of up to £25m (exclusive of VAT and other turnover related taxes). The Standards apply to products offered for business lending purposes: overdraft, loan, credit card, commercial mortgage and chargecard products across the customer/product lifecycle.

A copy of the Standards of Lending Practice can be obtained at [lendingstandardsboard.org.uk/the-standards-for-business-customers/](https://lendingstandardsboard.org.uk/the-standards-for-business-customers/) and a copy of the Statement of Lenders and Borrowers Responsibilities from our website [business.hsbc.uk/en-gb/gb/generic/lending-standards-board](https://business.hsbc.uk/en-gb/gb/generic/lending-standards-board)

\*1 The £1,200,000 maximum applies to loans with a term of five years or less. The maximum loan amount for a term of 10 years is £600,000.

\*2 Excluded sectors are Banking, Finance & Associated Services (except professional services); Formal Education (except vocational training); Insurance & Associated Services (except brokers & agents); Public Administration, National Defence & Compulsory Social Security; Extraterritorial organisations and bodies; Business, employer and professional, religious and political memberships organisations and trade unions.

\*3 €200,000 is the maximum amount of State Aid that any business may receive in a rolling three year period. Lower levels of State Aid apply to specific industries, for example agriculture, fisheries and road freight transport.

\*4 If HSBC cannot recover all funds, the Government provides a partial guarantee to HSBC to cover the lack of available security.

\*5 Lines are open 8am to 8pm Monday to Friday (except public holidays). To help us continually improve our service and in the interests of security we may monitor and/or record your communications with us.

## Accessibility

To find out more about our accessible services please visit [hsbc.co.uk/accessibility](https://hsbc.co.uk/accessibility) or ask at any of our branches.

**If you'd like this in another format such as large print, Braille or audio, please contact us.**

A textphone service is available for customers with hearing and/or speech impairments. If you use your own textphone you can call us on **03457 125 563 (+44 207 088 2077)** from outside the UK).

BSL Video Relay Service is also available (Monday-Friday 8am-6pm, excluding Bank and Public Holidays) at [hsbc.co.uk/accessibility](https://hsbc.co.uk/accessibility).

## [hsbc.co.uk/business](https://hsbc.co.uk/business)

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