



Bank of St. Helena Ltd.

[www.sainthelenabank.com](http://www.sainthelenabank.com)

# **Business Loan Application Sole Traders and Partnerships SHORT-TERM CONTRACT FINANCE**



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[Bank of St Helena Ltd](https://www.linkedin.com/company/bank-of-st-helena-ltd)

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Established and regulated under the Financial Services Ordinance, 2008, the Financial Services Regulations, 2017 and the Company Ordinance, 2004



## TERMS AND CONDITIONS

### Updated September 2024

#### 1 General

- 1.1 These Terms & Conditions apply to all Short-Term Contract Finance facilities.

In these Terms & Conditions:

- 'Applicant' and 'Borrower' shall be construed in the plural in the case of joint applications.
- 'Facility' shall be construed as any form of Short-Term Contract Finance applied for.

- 1.2 These terms and conditions form part of the contract between the Bank and the borrower.

#### 2 Eligibility

- 2.1 Any business that meets the following criteria is eligible to apply for financial assistance:

- Is currently operating or plans to operate a business on St Helena
- Is registered by the Companies Registrar of St. Helena if the businesses legal form is that of a company
- Is a St. Helena-based voluntary organisation (e.g. clubs, societies and charities) whose legislation/ordinance allows them to borrow money from the Bank
- Is registered with the Commissioner of Income Tax on St Helena
- Has a current business account with the Bank of St. Helena Ltd

#### 3 Application

- 3.1 Every application must be made on the Bank's standard Short-Term Contract Finance application form, which must be completed in full and signed by the applicant or an authorised signatory, in which case Power of Attorney forms will need to be submitted.

- 3.2 The purpose of the facility must be clearly stated within the application form and the loan funds must be used for the purpose for which it was approved.

- 3.3 Applications must be supported by a cover letter detailing the type/purpose of business and reasons for applying for the facility and a copy of the contract which the funding is being applied for, which clearly states the payment terms and end date.

#### 4 Qualification

- 4.1 The applicant agrees that the Bank may take whatever steps it considers necessary to satisfy itself as to the creditworthiness of the applicant,

and the applicant agrees to provide the Bank with whatever additional information it considers necessary in order to assess the application. The applicant may withdraw this consent at any time before an application is approved, whereupon the application will be deemed to have been withdrawn.

- 4.2 The Bank reserves the right to decline applications at its sole discretion, without the requirement to provide a reason for doing so.

- 4.3 Applicants should not assume that meeting the requirements laid out in these Terms and Conditions automatically means approval of their application. Further analysis of the supporting data will be carried out to ensure the creditworthiness of the business and its ability to afford the repayment of the facility.

#### 5 Conditions of approval

- 5.1 Approval of a facility will be communicated by way of letter, email or telephone. Any additional or varied conditions will be clearly stated in a formal letter.

- 5.2 To accept the facility offer, the applicant must sign and have witnessed in duplicate the facility letter.

- 5.3 Joint borrowers and guarantors are all responsible for ensuring that the facility is repaid and all conditions of the facility letter are met without default.

- 5.4 The borrower undertakes not to borrow further sums from any other source without the consent of the Bank whilst any amount of the facility remains outstanding.

- 5.5 If the facility is not utilised within six months of the approval date it will become void.

#### 6 Facility period

- 6.1 The facility will be for a specified period of time which will be the term determined by the Bank, not to exceed 4 months.

#### 7 Discount Charges

- 7.1 Discount charges will be applied to Short-Term Contract Finance facilities at a rate that has been set by the Bank.

- 7.2 By accepting the facility, the borrower authorises the Bank to vary the discount charge, whether occasioned by a change to the Base Rate or for other published reasons.

#### 8 Repayment of facility

- 8.1 The borrower must ensure that all outstanding balances are repaid in full on or prior to the agreed expiry date of the facility.



8.2 Payment/s in respect of contract for which the funding is being applied for, must be paid into the agreed BoSH Business Account to settle the facility within the specified agreed period.

8.3 If payment is not received due to non-compliance to the terms and conditions of the contract, the borrower must clear the outstanding balance in full on or prior to the agreed expiry date of the facility.

8.4 If payment in respect of the contract is received before the agreed expiry date, as soon as the amount is credited to the business Bank account the facility will be removed in full and without notification.

8.5 Should there be insufficient funds in the Business Account on the agreed expiry date, the facility will be removed and an unauthorised overdraft will be created. The Bank will then attempt to contact the borrower to advise of this unauthorised overdraft and request that it is cleared immediately. The account holder will be unable to draw cash or make payments from the Business Account until this overdraft has been cleared. Unauthorised overdrafts are deemed an event of default and will attract additional charges and/or interest at a higher rate.

8.6 The Bank reserves the right of set-off, i.e. the Bank may move money from other accounts held by you, jointly or personally, without notice, to repay an unauthorised overdraft and the overdraft interest thereon.

8.7 Early settlement of the facility is permitted but must be confirmed by the borrower in writing.

## 9 Disbursement

9.1 Upon approval of a Short-Term Contract Finance facility the Bank will notify the borrower. Once the facility letter has been signed, the agreed facility limit will be placed on the borrower's account. The borrower need not supply documentation to support expenditure, but must demonstrate that all business transactions are operated through this designated account.

## 10 Events of Default

10.1 The events that would cause a facility to be considered 'In Default' will be notified to the borrower in the facility letter.

10.2 In the case of an event of default, action (which may include legal action) will be taken to obtain payment.

10.3 Any event of default will affect your credit rating with the Bank and subsequent lending applications.

## 11 Fees

11.1 Applicants will be subject to the following fees:

- Application fee – Payable upon submission of your application form
- Administration fee – Payable on the date of signing your Facility letter

11.2 Applicants can be subjected to the following additional fees:

- Reminder Letter fees – in the event of default, a reminder letter will be sent and the applicable fee will automatically be debited from your Bank Account.
- Cancellation fee – if the lending approval process is completed and you notify the Bank that the facility is no longer required; the applicable fee will automatically be debited from your Bank Account.

## 12 Other conditions

12.1 The applicant may use the services of third parties to assist in completing the application forms and required supporting data. However, the accuracy and completeness of the application remains the sole responsibility of the applicant.

12.2 The Bank reserves the right to monitor the use of funds by the borrower in order to evaluate compliance with the provisions of the facility agreement and as such will carry out site visits from time to time. Notice will be given to the borrower prior to any site visits being undertaken.

## 13 Amendment

13.1 The Bank reserves the right to revise these terms and conditions at its sole discretion, at any time, without notice. Revisions will apply to new and existing borrowers. Existing borrowers will be informed of any material changes.

## General Advice to Borrowers

**Bank of St. Helena attempts to establish that facilities it makes are affordable to the borrower. However, the Bank recognises that circumstances may change unexpectedly. In the event that a borrower is likely to be unable to meet the repayments on a facility s/he should contact the Bank as soon as possible to discuss the situation, preferably before any payments are missed, so that a satisfactory solution can be agreed.**

# **A GUIDE FOR APPLICANTS**

## **March 2022**

Bank of St. Helena has a flexible package of loans available for businesses.

Appropriate borrowing can allow a business to seize opportunities and grow, but inappropriate borrowing can cause a business to fail. When assessing an application for lending the Bank aims to ensure that the business does not take on debt that it cannot manage to repay and that all documentation provided demonstrates methodical preparation and realistic targets. The information required allows the Bank to form its judgement on whether this is the case.

**Any event of default, including your account becoming overdrawn due to insufficient funds being available to settle your Short-Term Contract Finance Facility on the agreed expiry date, will affect your credit rating with the Bank and subsequent lending applications.**

### **1 Requirements for Short Term Contract Finance:**

- Completed Application Form
- Cover letter detailing the type/purpose of business and reasons for applying for the facility
- Copy of contract which funding is secured upon, which clearly states the payment terms and end date
- Copy of Tax Certificate

### **2 Application Format**

All applications for commercial lending must be made in writing, on the appropriate Bank of St Helena Ltd, Business Loan Application form. An application and supporting documents can be faxed or emailed but must be signed by authorised signatories, appropriate to the legal form of the borrower.

The Application Form should be accompanied by Company Documentation (where applicable). and Tax Registration Certificate.

### **3 Obtaining Assistance**

Applicants may require assistance in preparing some or all of the documentation specified above.

The Bank can provide some help to applicants, mostly in terms of identifying areas of the application that are of concern to it and suggesting how these areas might be better researched. Note however, that the Bank cannot give advice on the actual underlying business planning.



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# **APPLICATION FORM**

## **Sole Traders and Partnerships**

### **SHORT-TERM CONTRACT FINANCE**

## SECTION 1 DO YOU HAVE THE RIGHT FORM?

This form should be used when a **Sole Trader or Partnership business** wishes to apply for a Short-Term Contract Finance facility.

## SECTION 2 BUSINESS DETAILS

Name of Business:	
Business Type:	Sole Trader / Partnership ( <i>Delete as appropriate</i> )
Business Bank Account No.:	

## SECTION 3 APPLICANT DETAILS

If the business has more than two owners, please provide further details on a separate sheet.

Personal Details:	Applicant 1	Applicant 2
Title:		
First Name:		
Middle Name:		
Last Name:		
Date of Birth:		
<b>Contact Details:</b>		
Home Tele No.:		
Work Tele No.:		
Mobile Tele No.:		
Email Address:		
<b>Current Postal Address:</b>		
Address Line 1:		
Address Line 2:		
Address Line 3:		
<b>Previous Postal Address: (if at current address less than <i>three years</i>)</b>		
Address Line 1:		
Address Line 2:		
Address Line 3:		
<b>Business Postal Address: (if different from above)</b>		
Address Line 1:		
Address Line 2:		
Address Line 3:		

Employment Details (if different to business applying for funding):							
		Applicant 1		Applicant 2			
Employer:							
Position Held:							
If working on contract, what is the remaining term?							
Previous employer: (if in current employment <i>less than 12 months</i> )							
Details of Bank Accounts							
BoSH Account No.							
Details of other Bank Accounts off island (Bank Statements may be required)							
Name of Bank:							
Type of Account:							
Connected Party Disclosure							
Name of Spouse/Partner:							
Does your Spouse/Partner or you own a business on St Helena? (Delete as appropriate)							
Owner:	Spouse/Partner/You	Yes/ No		Owner:	Spouse/Partner/You	Yes/ No	
If Yes, please state the name of the business:							
Name of business:							

#### SECTION 4 DETAILS OF OWNED PROPERTY

Do you currently or have you previously owned any land/building/house/dwelling place or had any previous mortgages individually, jointly or as a business venture?									
		Applicant 1				Applicant 2			
Please tick:		Yes		No		Yes		No	
If yes, please provide details of property currently owned:									
Address									
Leasehold/Freehold									
Mortgage Outstanding									
Approx. Value									
Lender/Mortgagee									
<b>Present property is:</b>		Owned by me		Owned by other		Owned by business		Rented	
Other (Give Details)									

## SECTION 5 DETAILS OF SHORT-TERM CONTRACT FINANCE REQUEST

<b>Purpose of Facility:</b> (choose the applicable)			
Wages		Material Purchase	
Other (Give details)			
<b>Contract Details</b>			
Contractee (Person receiving your services):			
Works being carried out:			
Completion Date (Maximum term 4 months):		Value of Contract: £	
<b>Other details:</b>			
Amount Requested: £		Term Requested: _____ months	

## SECTION 6 BUSINESS FINANCIAL INFORMATION

<b>Statement of Assets and Liabilities:</b>			
Assets	Amount (£)	Liabilities	Amount (£)
Land/Buildings		Existing Mortgage	
Vehicle(s)		BoSH Loans*	
Debtors (Persons who owe you)		Creditors (Persons you owe)*	
Cash in Hand/Bank			
Other Assets			
<b>OFFICE USE ONLY – NET:</b>			
*Please list other creditors hereunder, together with confirmation of amount still outstanding.			
BoSH Facilities	Amount (£)	Name of Creditor	Amount (£)



**SECTION 7 BUSINESS OWNER(S) FINANCIAL INFORMATION**

If the business has more than two owners, please provide further details on a separate sheet.

	Applicant 1	Applicant 2
Net Income:	£ Week/Month	£ Week/Month
<b>Expenses:</b>		
Rent/Mortgage Repayments*:	£	£
Other Loan**:	£	£
Vehicle Costs: Fuel	£	£
Vehicle Cost: (insurance/MOT Fee/Road License)	£	£
Utilities:	£	£
Food:	£	£
Personal: (Clothing/Creché/Maintenance/HTDT)	£	£
<b>Total Expenses:</b>	£	£

<b>Statement of Personal Assets and Liabilities:</b>				
	Applicant 1		Applicant 2	
Land/Buildings				
Vehicle(s)				
Debtors (Persons who owe you)				
Cash in Hand/Bank				
Other Assets				
Existing Mortgage				
BoSH Loans*				
Creditors (Persons you owe)**				
<b>OFFICE USE ONLY – NET:</b>				
*Specify other loans held with the BoSH, together with confirmation of amount still outstanding:				
	<b>Applicant 1</b>		<b>Applicant 2</b>	
<b>Type</b> (Personal/Housing/Commercial)	<b>Amount (£)</b>	<b>Type</b> (Personal/Housing/Commercial)	<b>Amount (£)</b>	
**Specify other creditors hereunder, together with confirmation of amount still outstanding: (overleaf)				

Applicant 1		Applicant 2	
Name of Creditor	Amount (£)	Name of Creditor	Amount (£)

Further information applicants may consider of relevance:

## Declaration

I/We certify that the information provided above is correct:

1. I/We have read and accepted the applicable Terms & Conditions for this loan, and will utilise the loan in accordance with these Terms & Conditions as set by Bank of St Helena.
2. I/We will promptly notify the Bank of any changes in the above details.

If the business has more than two partners, please provide further details on a separate sheet.

	Applicant 1	Applicant 2
Signature:		
Date:		

### OFFICE USE ONLY

Application fee

Up to £5,000	£20	£5,001 to £75,000	£25
£75,001 to £150,000	£30	Over £150,000	£35