



A. Purpose of Documents Required From New Applicants

1. Application Letter:

- › This is a formal request in writing indicating the amount of the loan together with its intended use or purpose and project address.
- › The purpose of this document is to indicate that there is a genuine loan interest from the applicant's side.

2. Temporary or permanent work permit (for foreign investors):

- › A work permit is the permission to take a job within a foreign country. Ethiopian law allows foreigners to be employed in Ethiopia provided that they acquire work permit from the concerned government organ.
- › The purpose of the work permit is to insure the legality of the foreign employees recruited.
- › It helps to identify the expatriates permitted to work in the project and the government organ which issued the permission.

3. Investment certificate

- › Investment Certificate/permit is a document which gives an individual/Company proof of having an investment.
- › The document serves as a proof for the legality of the investment being undertaken.
- › Investment Certificate also serves to accept the tax free pro-forma invoice of the applicant in appraising the project.
- › Moreover, the stamp duty payment amount of the applicant during loan contract signing is determined based on the investment certificate.

- › The certificate shows the sector of the investment and its capital.

4. Commercial registration certificate:

- › This is a certificate given to any natural or legal person engaged in commercial activities for which the Ministry of trade issues licenses.
- › As per PROCLAMATION Number 67/1997, no person shall engage in any commercial activity unless registered in a commercial register.
- › The purpose of the commercial registration certificate is to insure the legality of the envisaged investment from the registration aspect of the commercial activities of the investment.
- › Moreover, the certificate uses to know the operating area of the project.
- › It shows the registered capital of the applicant.

5. Tax payer identification number (TIN):

- › Applicants are required to submit their TIN and spouse's TIN for Married sole proprietors and shareholders' TIN for Companies.
- › The Tax Identification Number (TIN) is a unique identifier issued by the Ethiopian Revenues and Customs Authority to a taxpayer.
- › The Ethiopian government proclamation number 286/94 required all tax payers to register their businesses with the Ethiopian Revenues and Customs Authority (ERCA) office, submit the business owner's finger print, and obtain a Tax Identification Number (TIN).
- › The purpose of the TIN is to ensure that the envisaged investment is registered with the ERCA and obtained a proper identification number. Besides, the same document is used to obtain credit information of the applicant and its related parties from the NBE's Credit Reference Bureau.

6. Land lease agreement

- › Applicants are required to submit contractual land lease agreement that extends to at least 5 years beyond the repayment

period of the loan or a title deed certificate or proof of land ownership approved by the appropriate Government authority.

- › The contractual land lease agreement is required in order to ensure legality of ownership and for registration as collateral and to determine the costs related to land acquisition.
- › The lease agreement shows the lease cost, term of payment, conditions etc.
- › The lease agreement also shows the rights and obligations of the lessor and the lessee.

7. Title Deed

- › This is a document that proofs the ownership of a land
- › The purpose of the document is
 - To confirm the ownership of the land holding.
 - To define the exact location of the project.
 - To know the size of land holding.
 - To know the purpose of the land.
 - To register the collateral as pledge.

8. Approved Blue prints

- › These are technical documents related with building and construction and civil works. These documents include Architectural, Structural, Electrical and Sanitary design blue prints.
- › The Documents help the Bank to know the size, shape and design of the construction, and to determine material requirement of the construction. It is important to review construction units in line with the project nature.
- › Moreover, the Bank ensures the acceptance and approval of the designs by the concerned government body.

9. Bill of Quantity (Both Hard & Soft Copy)

- › This is cost break down of the civil works, building and constructions which shows quantities, units and unit rates.
- › The Bank uses this document to determine the cost of the civil works, buildings and constructions and to allocate appropriate budget.

10. Takeoff sheet (Both Hard & Soft Copy)

- › Reduces the time taken to calculate the material requirement of the construction and avoid overlooking of some construction parts when construction cost is determined.
- › The type and quantities of materials to be used in the construction and civil work can be viewed.

11. Construction Permit

- › This is an authorization letter to undertake a construction work.
- › It helps to avoid risk from an illegal construction.
- › To get appropriate compensation in case the government needs the area for other purpose.

12. Pro-forma Invoices

- › Customers need to submit single Pro-forma invoices from legitimate suppliers for the major items to be procured by the applicant.
- › The pro-forma invoices are used by the Bank to determine the machinery and equipment requirements of the project and their respective costs. The Pro-forma invoices also serve as a means to check overpricing and under pricing.
- › The pro-forma invoices include the detail of the supplier or manufacturer, machinery specification and catalogue. As a result, the Bank can obtain information like country of region, machinery capacity, durability of the machinery etc.

- › However, during procurement i.e. after the loan is approved, the client is required to present three pro-forma invoices for each item to be procured.

13. Utilities

- › Applicants are required to submit confirmation letters from concerned authorities regarding the availability of the utilities.
- › The purpose of the confirmation letter is to ensure the availability of utilities as they play crucial role in the implementation and operations of projects. Moreover, the letter serves for budgeting purpose of the associated costs of utilities.

14. Power of Attorney

- › All loan applications submitted through agents or third party require power of attorney.
- › The power of attorney is required to check if the Bank is dealing with an authorized agent/third party or not.

15. Business Track Records

- › Business track records of the applicant should be submitted if the applicant has other businesses or if the application is for an on-going business concern in order to:
 - i. Check experience, business status and performance (both operational and financial) of applicant in the businesses involved;
 - ii. Know the capacity of the applicant to raise the required equity contribution.

16. Credit History

- › Credit history of the applicant, spouse or major shareholders must be submitted to the Bank.

- › The document helps the Bank to assess the creditworthiness of the applicant and its repayment performance with the status of the debt.

17. Tax Clearance:

- › Applicants with on-going business concerns need to submit tax clearance
- › This document is provided by the ERCA for fulfilling one's tax and customs duty obligations.
- › The purpose of the document is to insure that the applicant has duly met all applicable tax accrued to it.

18. Social Interaction or Importance of the Applicant:

- › This is a document showing the recognition of the applicant from the residential area or locality for his/her/its social relationship or social contributions to the community.
- › The document uses to check whether the applicant is socially recognized in his/her/its surrounding and his/her/its acceptance.

19. Environmental Friendliness Proof:

- › The applicant should present confirmation letter from the concerned body stating environment friendliness of the project.
- › The document is necessary to check the impact of the project on the environment and the planned environmental management to overcome the adverse effect if there is any.

20. Management CV:

- › Applicants need to submit company and project managers' CVs complete with list of referees helps the Bank to assess their managerial ability, competency, educational background, experience and technical knowledge on the specific project.

21. Source of Equity:

- › Applicants are required to avail the source of fund to be used as equity contribution. It could be in the form of Mobilized savings by the applicant, Bank statements of the applicant, Audited or provisional financial statements of the applicant.
- › The purpose of this document is to clearly identify the source of the fund to be availed by the applicant. By doing this the Bank checks the source and legality of the fund to be utilized as equity contribution and sees the capacity of the applicant as well.

22. Project Feasibility Study:

- › Applicants need to submit a well articulated and standardized project feasibility study prepared by licensed consulting firms.
- › The submitted project feasibility study will be used by the Bank to clearly see existence of a business case to be financed and the underlying justification for the financial request. Moreover, the project feasibility study demonstrates the applicant's knowledge and understanding in the area of the targeted project.
- › The contents of the Project feasibility study would be as stipulated on the Bank's Brochure.

23. Marriage Certificate Or Document showing Marital

Status of the applicant:

- › For sole proprietorship businesses the applicant should submit a marriage certificate for married individuals and a document that proofs the applicant is single during the loan processing for unmarried individual applicants. Divorced applicants should submit divorce certificate.
- › All evidences should be authenticated by the relevant body.
- › The document helps the Bank to protect the Bank from lawsuit by other spouse on common property.

- › It helps to avoid seizure of the project due to dispute of the couples.
- › The Bank also uses the opportunity to attract the family attention to project success or to create belongingness of the project among family members.

24. Climate: rainfall and temperature data (Agricultural projects):

- › This is a conformation letter from metrological stations for data like rainfall and temperature for at least five years.
- › It is used by the Bank to check if the selected area is suitable for the intended crop.

25. Water Supply: Availability & test for salinity (Agricultural projects):

- › This document is required to check the availability and suitability of water for both domestic and irrigation purpose.

26. Soil test(Agricultural projects) :

- › Soil is important to plants as it stores nutrients and serves as a medium of growth. It is an anchor for roots and also holds water needed by plants for moisture.
- › The soil test Analysis data from concerned government body checks the suitability of the soil for the intended crop to be grown.

27. Deposit Confirmation Letter (Mining Projects):

- › Reserve or deposit amount is a major defining factor in the life of a mining project.
- › Applicants are required to conduct exploration to determine the reserve and submit reserve confirmation letter from the concerned government organ.

28. Contract Agreement:

- › As per the Ethiopian Building Proclamation No 624/2009, applicants are required to employ qualified registered professionals who have renewed licenses for each type of design required for the category of buildings and retain their services for the purposes of supervising the erection thereof.
- › The applicant shall submit contractual agreement and payment arrangements made with the registered professionals and contractors.
- › It helps to ensure that the applicant acts in compliance to the proclamation.

29. Value Added Tax (VAT) Registration Certificate:

- › The applicant should submit value added tax registration certificate before loan contract signing to reduce the risk from seizure of the project in relation to VAT.

30. Article & Memorandum of Association:

- › The applicant (company) should submit Article and Memorandum of Associations to reduce risks associated with the legality and formation of the company.
- › The Article and Memorandum of Association
 - Help to know the members of the company.
 - Help to know the business sectors in which the company is engaged.
 - Help to know the establishment objective of the company.
 - Help to know the power, responsibilities and duties of the general manager/CEO.
 - Show the amount and number of shares that each share holder has in the company.

- To confirm the capacity of the company capital to cover the equity contribution.
- To know the organizational structure of the company,
- To know the liability of members.

31. Authorization letter from parent company for intended borrowing if the applicant is a subsidiary company:

- › This document uses to check whether the subsidiary company has authorization to process loan from the Bank.

32. Track Record or Profile of the Share Holders:

- › This document identifies the members of the given company are natural or legal persons.
- › The purpose of the document is to identify each member of the company and ensure they are trust worthy. It also helps the Bank to identify the source of the fund by each shareholder. This process protects the Bank from dealing with criminals and illegal entities.

33. Complete CV of Board of Directors, if any:

- › Applicants need to submit Board of Directors CVs complete with list of referees to help the Bank assess their managerial ability, competency and experience.

34. Other project Specific Documents:

- › By their very nature projects are unique; each and every project has its own characteristic. Consequently, as deemed necessary the Bank may require project specific documents based on the nature of the project under application.

B. Purpose of Documents Required from Applicants Desiring to Expand Existing Project

1. Application Letter:

- › This is a formal request in writing indicating the amount of the loan together with its intended use or purpose and project address.
- › The purpose of this document is to indicate that there is a genuine loan interest from the applicant's side.

2. All documents Mentioned above except No. 22

3. Renewed Business License:

- › Any person or Company desiring to engage in a commercial activity shall get a business license from the appropriate authority and renew it every budget year.
- › A valid business license is a business license issued or renewed in a particular budget year or for which the renewal time without penalty has not lapsed.
- › The purpose of the Renewed business license is:
 - To know in which business the applicant is engaged.
 - To confirm the business is legally performing its activity.
 - To know the capital of the applicant and to cross check with equity contribution.

4. Expansion License (as appropriate):

- › A person or a company planning to expand on upgrade an existing enterprise shall get an expansion investment license from the concerned government body.
- › The document serves as a proof for the legality of the expansion being undertaken.

- › The Expansion investment certificate also serves to accept the tax free pro-forma invoice of the applicant in appraising the project.
- › Moreover, the stamp duty of the applicant is determined based on the investment certificate.

5. Capital Increment if the registered capital is not sufficient:

- › This is a document required to attest that the registered capital is up to the equity contribution of the applicant.

6. Audited Financial Statement of the Project for a minimum of the preceding three years if applicable:

- › An applicant who intends to expand an existing business venture needs to submit audited financial statement of the project conducted by a authorized auditor.
- › The purpose of the document is:
 - To evaluate the overall performance of the project
 - To evaluate the financial position of the project
 - To see the capital structure of the project
 - To see the profitability of the project.

7. Detailed Business plan:

- › This a business plan detailed enough to justify the need for the expansion of the project.
- › The Bank uses the Business plan:
 - To understand the overall conditions of the existing project and the plan of the promoters.
 - To check the economic profitability,
 - To assess the social desirability,
 - To check the financial viability
 - To see the environmental aspect, etc

8. Confirmation letter on fulfillment of tax obligation

- › Applicants with on-going business concerns need to submit tax clearance
- › This document is provided by the ERCA for fulfilling one's tax and customs duty obligations.
- › The purpose of the document is to insure that the applicant has duly met all applicable tax accrued to it.

9. Signed Statement stating that all statement represent true financial status of the project:

- › This document is required by the Bank to avoid risk of fictitious documents.

10. CV of the Existing management Staff:

- › The Bank requires CV of the existing management of the project to assess their managerial ability, competency, experience and technical knowledge.

11. Payroll List of the existing employees with their respective salary:

- › It enables the Bank to see the wage bill of the Project.
- › The employment opportunity created by the project.

12. Original Commercial Invoice for all purchased investment items except civil works.

- › These documents are used by the Bank in undertaking cost evaluation of the items.
- › The documents enable the Bank to the ownership of the items.
- › It also enable to see the date of manufacturing
- › It enables to see the capacity of machineries

13. List of Existing Fixed Asset and consumables (stock) including date of purchase and purchase price.

- › The purpose of this document is to enable the Bank not to overlook items during evaluation.
- › It also shows the cost of the items and their purchase date

14. Approved Construction Plan for the existing civil works and approved construction plan and Bill of quantity for expansion of civil works.

- › The Bank uses this document to evaluate the cost of the civil works, buildings and constructions and to allocate appropriate budget.
- › The Documents help the Bank to know the size, shape and design of the construction, and to determine material requirement of the construction. It is important to review construction units in line with the project nature.
- › Moreover, the Bank ensures the acceptance of the designs by the concerned government body.

15. Review of Past Performance of the Business (last three years in terms of production and sales):

- › The document enables the Bank to assess the capacity utilization of the business in the past.
- › It also shows the performance of the business in terms of type and volume of product produced. Besides, it shows the sales performance of the company.

16. Project Specific Documents:

- › The Bank may require project specific documents based on the nature of the project under application as deemed necessary.