

**ENHANCED LANDBANK-TAPI INNOVATION AND TECHNOLOGY (I-TECH)
LENDING PROGRAM**

PROGRAM FEATURES

<p>1. Eligible Borrower</p>	<p>The following are criteria for eligible borrower:</p> <ol style="list-style-type: none"> a. The borrower must be a corporation or partnership that is at least 60% Filipino-owned and controlled. b. The inventor(s) must be a major stockholder of the corporation or the managing partner of the partnership, regardless of the type of partnership. c. The borrower must be seeking to commercialize technology that qualifies as Filipino technology and hold active intellectual property (IP) registration. d. The intellectual property rights (IPR) must have at least one (1) year remaining in their validity at the time of application e. The inventor and the company must not have no outstanding obligation with DOST-TAPI <p><i>Conditions for Applicants with Pending IPR Applications:</i> For purposes of application, a Registered Business Enterprise (Corporation/Partnership) with an active intellectual property rights (IPR) application filed with IPOPHL may submit an application, provided that financial loan assistance shall be disbursed only upon submission of the Letters Patent, Certificate of Registration for Industrial Design, or Certificate of Registration for Utility Model, as applicable. Furthermore, the intellectual property registration must have a minimum remaining validity of one (1) year at the time of the release of funds, and the proponent must perform due diligence to ensure that this one-year validity requirement is met at the time of the anticipated disbursement.</p>
<p>2. Eligible Projects</p>	<p>Any viable project/business activities that fall within the industries/sectors defined by the Department of Science and Technology - TAPI as follows:</p> <p>Commercialization/production of patented inventions that: (page 6, Section 6.2.1 of the 2005 IRR of R.A. 7459)</p> <ol style="list-style-type: none"> a. Conserve, save or substitute fossil energy; b. Promote or increase Philippine exports; c. Result in import substitution/dollar saving; d. Produce gadgets or other products that increase efficiency and/or lower cost of productions; e. Enhance use of technology to agricultural/industrial areas; f. Result in increased productivity in primary industries; g. Increase local material imported/ manufactured items; h. Contribute to the improvement of the environment; and i. Other projects that fall under the priority sectors.

3. Loan Purpose	<p>The loan may be utilized for the acquisition of Property, Plant, and Equipment (PPE), which includes tangible assets that are either purchased, constructed, developed, or otherwise acquired and/or Working Capital, which are limited to raw and packaging materials only.</p> <p>These assets must be held for use in the production or supply of goods or services, or to generate program outputs</p> <p>The funding provided under this program is restricted to business operations or projects conducted within the Philippines only.</p>
4. Credit Facilities	<p>a. Long Term Loans b. Short Term Loans/Lines</p>
5. Loanable Amount	<p>Up to 85% of the total project cost, subject to the following:</p> <p>a. Availability of funds; and b. Evaluation of LBP</p> <p>Borrower's equity is at minimum 15%, in cash or in kind.</p> <p>On acquisition of land, loanable amount shall be based on the following:</p> <p>a. For stand-alone – 80% of the total cost of land, provided that the following conditions/requirements are met:</p> <p>i. There is sufficient source of income to service the loan; ii. There is a clear use of land in the next one (1) year.</p> <p>b. For projects where land acquisition is a component, the Bank may finance land acquisition up to 80% of the land but should not exceed 20% of the total project cost</p>
6. Interest Rate	Zero Interest
7. Loan Tenor	<p>For Short Term Loan/Line: Via up to 360 days Promissory Note (PN), depending on the project's cash flow.</p> <p>For Term Loan:</p> <p>a. On Fixed Asset Acquisition/ Capital Expenditure / maximum of ten (10) years or based on the projected proposed project's cash flow, inclusive of grace period of up to one (1) year on principal repayment, but not to exceed the economic useful life or the remaining useful life of the fixed asset or validity of the letters of patent/patent certificate, utility model registration certificate and Industrial Design Registration, whichever is lower.</p> <p>b. Working Capital – limited to purchase of production material only. Maximum of three (3) years based on borrower's cashflow.</p>

8. Repayment Term	<p>For Short Term Loan/Line</p> <ul style="list-style-type: none"> ▪ Principal payment shall be payable on or before PN maturity date. <p>For Term Loan</p> <ul style="list-style-type: none"> ▪ Principal repayment shall be structured based on the Borrower's cash flow could be payable monthly, quarterly, semi-annually or annually.
9. Fees and Charges	Standard fees and charges required by LANDBANK per prevailing Credit Bulletin, at the time of availment.
10. Penalty Rate	6% per annum of payment due in arrears shall be charged
11. Collateral Cover	<ul style="list-style-type: none"> ▪ Loans up to P10 Million shall require the following collaterals: a. IP Assets b. Proceeds from Credit Insurance ▪ Loan more than P10 Million shall require any of the collaterals stated in this IRR
12. Collateral Requirements/ Loan Securities	<ol style="list-style-type: none"> 1. The object of financing or the Financed Asset 2. Personal property (movable assets) other than those mentioned in item (1) that can be registered such as car or equipment, typically used in Chattel Mortgage; 3. Real property such as land, house, or other real properties, typically used in Real Estate Mortgage; 4. Assignment of Contract of Receivables or the transferring of rights to collect to the lender; 5. Assignment in favor of the lender of the subject technology for loan amount of not more than Php200,000.00. 6. Holdout on Deposits, which involves using the borrower's bank deposits as security, which are restricted from withdrawal or use by the borrower until the loan is fully repaid. 7. Intellectual Property (IP) assets formally appraised by reputable IP valutors, at the expense of the IP owner, subject to acceptance by DOST-TAPI and in accordance with industry-accepted valuation standards to be determined or adopted by DOST-TAPI thereafter. 8. IP assets other than the IP asset being financed under this loan may be used as collateral for the loan. 9. Credit insurance or loan insurance, which shall cover the lender in case the borrower is unable to repay the loan. 9. Other collateral acceptable to the bank.
13. Risk Asset Acceptance Criteria	Per existing LANDBANK Credit Policy Issuance (CPI) on RAAC at the time of availment.

14. Other Terms and Conditions	Should there be any conflict between LANDBANK's CPI and any contract or agreement executed pursuant herein, LANDBANK's CPI shall prevail
15. Pre-processing Documentary Requirements	<p>SC Requirements:</p> <ul style="list-style-type: none"> a. Application letter addressed to SC b. Project Proposal with Business Plan (including financial projections, source of equity, list of suppliers/markets or buyers with required volume and frequency of production, and contact numbers) c. Valid and active certificate of IP registration from the Intellectual Property Office of the Philippines (IPOP HL). In cases where the IP has been filed but not yet granted, the application must have been active for at least one (1) year from the date of filing d. SC Form (Annex B) e. SC Form (Annex C) <p>TAPI Requirements:</p> <ul style="list-style-type: none"> a. Application Letter addressed to DOST-TAPI Director b. SC Certification c. Any valid government-issued ID bearing the age of the applicant of each of the Board of Directors (BOD)/ Partners d. Duly signed Data Privacy Consent Form e. If Borrower is an Assignee of an IP registration, IPOP HL Notice of Recordal of Deed of assignment, if applicable f. Business registration papers (i.e. Mayor's/Business Permit, BIR registration, SEC Registration) g. Valid certificates/permits/licenses/clearances from concerned government agencies <p>LANDBANK Requirements:</p> <ul style="list-style-type: none"> a. TAPI endorsement Letter including the agency's requirements b. Financial documents - Financial statements (FS)/interim FS for the existing business or feasibility study/project details for start-up business <ul style="list-style-type: none"> For Income below P3.0 Million, in-house FS For income 3M and above, audited FS c. Duly filled-out Application Form with Statement of Asset and Liabilities (SAL). d. Collateral documents <ul style="list-style-type: none"> • Loan security acceptable to the Bank (e.g. Receivables, other Contract Agreements, Purchase Orders, etc.) e. Other documents as may be required by LANDBANK and/or approving official/s (of LANDBANK/DOST-TAPI) in relation to the Borrower and nature of the business applied
16. Loan Approving Authority	Approval of loans shall be DOST-TAPI Execom upon endorsement of LANDBANK Lending Centers/Units

