



# FINANCING SMALL BUSINESSES IN BARBADOS

# FINANCING VEHICLES

Credit Guarantee Scheme for Businesses

VAT Receivables Guarantee Facility

VAT Receivables Liquidity Facility\*

Enhanced Credit Guarantee Fund\*

Trade Receivables Liquidity Facility

# CREDIT GUARANTEE SCHEME

Security for business credits

Working Capital: \$300,000

Fixed assets: \$700,000

Maturity: 3 – 15 years/ Moratorium – 2 years

Guarantee Premium – 0.75%

# VAT RECEIVABLES GUARANTEE FACILITY

Credit Support for Small & Medium-sized Businesses

Must have approved but unpaid VAT refunds

Eligibility confirmed by the Small Business Development Unit

Refunds range from \$3,000 to \$100,000 per refund.

Guarantees outstanding shall not exceed \$200,000

Guarantee Premium and interest payable for 90 days.

# VAT RECEIVABLES LIQUIDITY FACILITY\*

Liquidity Support for Businesses

Must have approved but unpaid VAT refunds

Refunds of up to \$150,000 per quarter.

Admin Fee of 1.25 payable

Payments made by CBB to account of the business

# Enhanced Credit Guarantee Fund\*

Funded by IADB and Chinese.

Uses only Banks and Finance Cos

Firms in the productive sector

Ceiling: \$7.5m Maturity: 10 years

Premium: .75% | Interest Variable

# Enhanced Credit Guarantee Fund

Maximum Loan per project: \$2.5M

Maximum Loans per business:\$7.5M

Use for Agriculture, commerce, services, etc

Equipment, real estate, technology, etc

Online application: Intermediaries approve.

# TRADE RECEIVABLES LIQUIDITY FACILITY

Small business owed money by Government

Register with Business Development Unit

Ceiling: \$200,000 per transaction per quarter

Discounted by interest and guarantee premium

Payment made through intermediaries



# INFORMATION REQUIRED

Project Overview

Project Cost and Financing Plan

Management Summary

Marketing / Sales Plan

Financial Analysis

Bank's credit Assessment

Financial Projections

# INFORMATION REQUIRED

Environmental Assessment – Special Projects

Details of Security

Project Benefits

Financial Statements

Statement of Affairs

Copies of Confirmed Orders

# THE PROCESS

Business applies through CBB or to a bank credit

Bank appraises application and approves

Bank applies to CBB for loan or guarantee

CBB reviews, approves and sends approval documents

Bank disburses loan and sends details to CBB



**QUESTIONS?**