



FINANCIAL SCHEMES AVAILABLE TO SMALL & MEDIUM TOURISM BUSINESSES IN JAMAICA

(ANNEX TO MANUAL 4 – PREPARING TO ACCESS FUNDING)



In partnership with



Please note the information provided in this Annex is current as of October 2022. By clicking on the links provided in the document, you can view the most up-to-date information for each scheme. The content of this Annex is intended as information only and does not constitute endorsement or advice.

EXIM Bank Jamaica

SME GROWTH INITIATIVE

Borrow up to the Jamaican equivalent of US\$500,000 to purchase equipment and to improve and upgrade your existing facilities. You may also use the funds for working capital, market research and a portion may even be used for debt financing.

Maximum 5 years inclusive of 12 months moratorium on principal only, applied on an 'as required' basis.

Companies must be:

- Established and operating in Jamaica
- Earn less than J\$360 million annually
- Have a net worth below J\$100 million
- Be a producer of goods or services

Eligible applicants must also satisfy at least one of the following:

- Total fixed and current assets is less than or equal to JA\$300 million
- Number of employees less than or equal to 50 persons
- Total sales (annual turnover) not to exceed JA\$425 million

Online application form available on the EXIM Bank website. Businesses can also access the fund through their commercial bank's facility.

www.eximbankja.com/loans/sme-growth-initiative/



EXIM EXPRESS / RECEIVABLES FINANCE

EXIM Express is a loan facility for small and medium-sized businesses who need working capital to continue operations. If all conditions are met, it will allow companies to leverage their receivables by releasing resources needed to finance the daily activities of the business. With a turnaround time of 7 working days, businesses may receive up to 75% of receivables for up to 90 days. Businesses may borrow as low as \$2 million and up to \$10 million.

Benefits of EXIM Express

- No Traditional Collateral required
- No financial statements needed
- 7-Days turnaround time
- Competitive Interest rates
- Financing available for up to 75% of receivables

Requirements

- Business registration (both trading as and limited liability registration)
- Proof of income (recent copies of audited financial statements, bank statements, cash flow projections, pay slips, etc.)
- Proof of collateral (cash, securities, assigned life insurance policies, shares, real estate, motor vehicle title, plant & machinery, etc.)
- Business and/or strategic plan may be required.
- Applicant's ID & TRN
- Regulatory approvals (where applicable)

Contact Winston Lawson - 867-630-1400 - wlawson@eximbankja.com

Download application form, credit bureau consent form, customer agreement form and personal financial statement form on EXIM Bank website - <https://www.eximbankja.com/exim-express-financing/>

Complete forms and submit/upload to info@eximbankja.com



EXIM EXPRESS
RECEIVABLES FINANCING

NO Financials needed
Collateral needed
GET CASH IN 7 DAYS

2.75%
PER 90 DAYS
*CONDITIONS APPLY

The advertisement features a blue background with a world map. On the right, there is a silver stopwatch and a stack of yellow banknotes. The EXIM Bank Jamaica logo is in the top left corner.

4.5% SMTE LOAN

A special loan facility crafted by the Tourism Enhancement Fund (TEF) has crafted this special loan facility for members of the tourism sector and its linkages. Potential to borrow up to J\$25 million, at an interest rate of 4.5% per annum with up to 7 years to repay and up to 12 months moratorium on principal payments.

Purpose:

- Upgrade or Increase your room capacity
- Enhance & Expand your Attractions, Tours & Events
- Finance Infrastructure Development & Maintenance
- To finance working capital

Who is eligible?

Qualified businesses within the Tourism Sector, the Tourism Linkages Networks and to Manufacturers and Suppliers to Hotels. Some of the categories covered include:

- Small Accommodations
- Attractions, Domestic Tours, Bike & Car Rentals
- Gastronomy – Coffee shops & Restaurants
- Produce Suppliers to Hotels
- Shopping, Galleries
- Sports & Entertainment
- Manufacturers & Suppliers of goods & services to the tourism sector.

Eligibility criteria - Businesses must:

- Fall in one of the sectors/networks identified
- Be in operation for at least 2 years
- Prove that they provide goods/services to the tourism sector
- Prove that 25% of their revenues are generated from services to the tourism sector
- Demonstrate that the loan funds will enable their operations to contribute to the expansion of local tourism, employment and generate economic growth and sustainable development

Get application form and checklist at: <https://www.eximbankja.com/loans/smte/>



Development Bank of Jamaica (DBJ)

CREDIT ENHANCEMENT FACILITY (CEF)

The CEF is a risk-sharing arrangement under which the DBJ provides partial guarantees to financial institutions. This is a partial loan guarantee that helps Micro, Small and Medium-sized Enterprises (MSME) without adequate collateral to access loans from financial institutions. The primary objective of the CEF is to reduce the risk exposure normally associated with small business lending, thereby allowing eligible MSMEs with viable projects to access term loans.

Amount: Collateral support up to J\$30 million available. The CEF guarantee amount and percentage coverage are:

- General MSME loans – 80% of the loan up to a maximum of J\$30 million
- Small loans of J\$11.11 million or less – 90% of loan up to a maximum of J\$10 million
- Start-up businesses in operation up to 24 months also benefit.
- Guarantees have a maximum term of 10 years.

Interest rate: An annual fee of 2% plus General consumption tax (GCT) is payable on the amount guaranteed.

Who is eligible? MSMEs who:

- Are earning less than J\$425 million in gross annual sales
- Are registered as a sole trader, partnership, limited liability company or with the Rural Agricultural Development Authority (RADA)
- Have access to a valid Tax Compliant Letter (TCL)
- Are operating in the traditional or emerging sectors
- Are operating legally and in an environmentally sound manner
- Are socially responsible
- Contribute to the local economy through: job creation, foreign exchange earnings, promoting linkages, assisting the development of new industries, compliance with social and environmental regulations.



The graphic features a blue background with a white and yellow tractor tire in the upper right and a smiling man in a suit in the lower left. The text is arranged in a grid-like fashion.

General MSME loans	Small loans of J\$11 or less	Term
80% of the loan up to a maximum of J\$30 million	90% of loan up to a maximum of J\$10 million	Guarantees have a maximum term of 10 years

CREDIT ENHANCEMENT FACILITY (CEF) (continued)

Eligibility criteria: Funds must be needed to support:

- Construction of structures (for productive purposes)
- Establishment of crops and livestock enterprises
- Expansion or modification of structures
- Purchase of machinery and equipment
- Purchase of moveable fixed assets
- Permanent working capital
- Rehabilitation of existing enterprises
- Energy conservation and renewable energy
- Tourist attraction and wellness projects
- Working capital &/or fixed asset purchases for enterprises involved in value added activities
- Farming activities.

How to apply: 8 steps:

1. Applicants visit their preferred bank
2. Talk to their business banker at the branch
3. Provide all the requested documents
4. Discuss ability to repay
5. The bank will review the application based on their credit adjudication policies
6. The bank will appraise the project proposal
7. The bank is responsible for assessing the application and may approve or decline based on its credit adjudication policies
8. If the proposal is seen as favorable it will be approved and a recommendation will be made to DBJ for the CEF.

Note: With the recent upgrades, CEF applications from a partner bank are automatic and are done in real time. Same-day approval may be facilitated subject to all necessary documentation being received by the applicant's bank and submission of the approved application sent to the DBJ.

Website link:

Information on the CEF is available at:

<https://www.dbjcef.com/home/>

Main website:


<https://dbankjm.com/>

MSME RECOVERY LOAN

Requirements

- Business registration (both trading as and limited liability registration)
- Proof of income (recent copies of audited financial statements, bank statements, cash flow projections, pay slips, etc.)
- Proof of collateral (cash, securities, assigned life insurance policies, shares, real estate, motor vehicle title, plant & machinery, etc.)
- Business and/or strategic plan may be required.
- Applicant's ID & TRN
- Regulatory approvals (where applicable)

Contact Michael Panday - 8769742301 - mpanday@parabizsolutions.com



DBJ MSME RECOVERY LOAN

Pool of funds available for on lending:
JMDS 2B
For MSMEs earning up to JMDS 425M p.a.

SUB-LOAN TERMS

- INVESTMENT**
DBJ funds 90% of the project cost to a maximum of JMDS10M at 9% (fixed) interest rate
- REPAYMENT**
Maximum of 12 months moratorium on the principal. Tenure up to of 8 years to repay
- PURPOSES**
Working Capital
Capital Expenditure
Debt consolidation
Refinancing - Overdrafts, Business Credit Cards
Real Estate (to conduct Business)
- COMMITMENT/ADMIN FEES**
Are at the discretion of the discretion of the FI.

JMMB

SME RECOVERY LOAN: 5% per annum for a maximum period of 96 months, \$10,000,000.00 with solutions tailored for your situation.

Requirements

- KYC Documentation of directors/shareholders of company (ID, TRN, Proof of address, References)
- Registration Certificate
- Letter of Good Standing
- Current Tax Compliance Certificate
- Articles of Incorporation (if not a sole trader)
- Three years audited financials OR Three years in house financials
- Cash Flow Projections
- One year of Bank Statements
- Five years of performance records
- In-term financials depending on the time of year
- Company details - what does the company do, qualifications of directors, etc.
- Proforma invoices/proof of purchases

Contact: Mark McKenzie SME Agent - 876-570-1420, mark_mckenzie@jmmb.com

Jamaica National

Suite of products	Available to/for	Features	Benefits
BIZ START	Access to start-up capital; funds to finance the purchase of equipment and tools of trade, or to even manage operating costs	<ul style="list-style-type: none"> • Affordable interest rates • Preserve your cash for day-to-day operations and emergencies 	<ul style="list-style-type: none"> • Borrow from \$20,000 – \$1.5 million • Repay weekly, fortnightly or monthly • Moratorium available
BIZ GROW	Any business operator who wants to take their start-up business to the next level. Available to businesses operating in the value-added and services sectors, including agriculture, small manufacturing and others.	<ul style="list-style-type: none"> • Borrow from \$10,000 – \$500,000 • Repay weekly, fortnightly or monthly • Moratorium available 	<ul style="list-style-type: none"> • Affordable interest rates • Preserve your cash for day-to-day operations and emergencies • Get funds to complete projects
BIZ GROW PLUS	Available to businesses operating in the value-added and services sectors, including agriculture, small manufacturing and others	<ul style="list-style-type: none"> • Borrow from \$500,001 – \$1.5 million • Repay weekly, fortnightly or monthly • Moratorium available 	<ul style="list-style-type: none"> • Affordable interest rates • Preserve your cash for day-to-day operations and emergencies • Get funds to complete projects or when projects require large cash injection
BIZ BOOST	To expand your business operation and capacity. Available to businesses operating in the value-added and services sectors, including agriculture, small manufacturing and others	<ul style="list-style-type: none"> • Borrow from \$1.5 million- \$15 million • Monthly repayments only • Moratorium available • DBJ/CEF Guarantee Available 	<ul style="list-style-type: none"> • Affordable interest rates • Preserve your cash for day-to-day operations and emergencies • Great option for larger projects requiring greater capital input

For more information contact JN by email: helpdesk@jnbank.com or Tel: 876-906-5343 or visit an agent in branch.

National Commercial Bank

Business Loans and guarantee amounts

- Minimum Loan Amount: J\$ Loans 500,000 | US\$ Loans 3,500
- Maximum Loan Amount*: J\$ 690M | US\$5M
- Maximum Guarantee Amount**: J\$345M | US\$ 2.5M

* Subject to 90% of the total project cost, whichever is lesser.

** Subject to 50% of the loan amount, whichever is lesser.

Details

- Tenure
- Up to 15 years to repay
- Moratorium
- 12 months on principal payments only where required.

Interest Rate (variable)

- As low as 6.5% on JMD loans
- As low as 5% on USD loans

Requirements

1. Financial statements
2. Valid Tax Compliance Certificate
3. Cash Flow Projections for the first twelve months with appropriate Notes and Assumptions.
4. ID TRN of directors
5. POA for home and business
6. Accounts statements for personal and business accounts
7. Business certificate - registration

Reach out to their customer care at **876-622-3477** and ask for their **Business Funding Department**



**NATIONAL
COMMERCIAL
BANK**
JAMAICA LIMITED

Carbyne Capital

FACTORING: Factoring is a type of asset-financing arrangement in which a company uses its receivables - outstanding invoices or money owed by customers - to receive financing. It is offered under an agreement between the so-called 'factor' and a seller. Factoring can provide higher levels of finance to the user with fewer conditions than comparable traditional methods of funding. In other words, factoring will help firms enhance their financial competitiveness, an essential element in allowing them to thrive and compete in domestic and international markets. Carbyne Capital's factoring explained:

<https://www.youtube.com/watch?v=2K3PSOhAmto>

Benefits

- A source of working capital that doesn't require significant collateral/assets. The level of financing available is directly proportional to the level of sales the business makes.
- A bespoke risk assessment that benefits SMEs participating in established supply chains with recurring contracts
- Credit terms modified based on the payment terms being offered by the buyer
- Quick access to working capital within approved credit limits

Details

- Factor rates ranging from 3% to 6% per 30-day invoice cycle.
- Factor rates determined by bespoke scorecard analysis of the buyer-supplier market.
- Credit terms ranging from 30 - 120 days
- Cash advance of 70% - 90% total invoice value
- Advance processing within 2 business days of buyer notification
- Recourse factoring applicable for each agreement
- Assignment on either Supplier Invoice or Supplier settlement account.
- Supplier statement dispatched at the end of each month.

Requirements

- Company Registration and Articles of Incorporation
- Audited Financials Statements and most recent Management Accounts
- ID of Directors and management profile including contact info, TRN and ID
- Recent Bank Account Statements
- Invoices/PO/Contract to be factored
- Completed KYC Form

Contact: Rajiv, 876-631-7661, info@ccija.com

Untours Foundation

The Untours Foundation supports small, progressive businesses that create jobs and support Fair trade, economic justice, and a green economy. The foundation invests in projects that are forward thinking and replicable, offering financial support and mentorship. Since its founding in 1992, the Untours Foundation has loaned over \$8 million. They seek to fuel projects that are leading-edge, replicable, and green.

By investing rather than giving grants, the Foundation recycles its resources, making capital available again and again to visionary investees. They also advocate for mission-aligned investing in order to more broadly build a just and environmentally sustainable global economy.

Criteria for Investment: Your business must directly connect with the tourism industry. Examples include:

- Hotel, B&B, or other lodging
- Tour guide, host, or facilitator
- Restaurant or catering in which tourists are a primary customer
- Museum, activity, other event space that caters to tourists
- Tourist-based transportation
- B2B – Serves businesses within the tourism industry

Investment Details: Investments may take the form of debt, equity, and revenue-based financing and will range from USD \$5,000-\$100,000. Opportunities from all geographic regions and countries will be considered.

What the investee receives

- Flexible, affordable, and unsecured capital to grow their business.
- Technical assistance and mentorship from Untours Foundation, fund partners, and advisors to both grow the business and increase its positive impact.
- Access to an expansive network of other funders, potential collaborators/partners, and advisors through the Untours Foundation, fund partners, and UF advisors.

Apply here: <https://untoursfoundation.org/apply-to-the-reset-tourism-fund/>

For more information, contact the Reset Tourism Fund at resettourismfund@untours.com



Additional resources

Honeybun Advisory Programme: The Honey Bun Foundation focuses on capacity building of Small and Medium Enterprises, and helping the Creative Industry monetise their natural talents, to help them grow, and as they do, become transformational industries for Jamaica's economy.

Check out their schedule here: <https://calendar.thehoneybunfoundation.com/>

DBJ Serve: The Ministry of Finance and the Public Service in partnership with the Development Bank of Jamaica has allocated J\$3B under the DBJ SERVE Jamaica programme for financing support to MSMEs. The DBJ SERVE Programme acts as a catalyst for the recovery of local economic activity by assisting businesses that have been adversely affected by the COVID-19 pandemic. .

Contact Michael Panday - 8769742301 - mpanday@parabizsolutions.com

USAID Grant: USAID helps Jamaica capitalize upon its advanced levels of commitment and capacity to address outstanding development challenges that impede further progress. Areas of focus include: Citizen Security, Disaster Risk Reduction, HIV/AIDS and the novel coronavirus (COVID-19). USAID has strategically chosen to invest in these sectors based on their potential compound effects. To achieve its goal, USAID will employ new models of partnership with Jamaica that leverage greater private sector and Government of Jamaica (GoJ) engagement, mobilize domestic resources, and build upon locally led initiatives. USAID will also identify and support opportunities for Jamaica to share its best practices with other Caribbean countries—thereby furthering Jamaica's ability to play a greater leadership role within the region.

Contact Jason Fraser - 876-702-6444 - kingstondir@usaid.gov

Graft Ventures: Makes growth-stage venture capital investments in Caribbean based businesses. The companies that they work with must be operating for two or more years, already have tech enabled operations, or can significantly benefit by leveraging technology to grow. They know that the Caribbean is a small market, so they expect that most business models will also have export based revenue. They're looking for real businesses that can consistently grow, produce positive cash flows and have a strong competitive advantage. If your business is creating value for customers, can create a positive environmental impact and can generate sustainable profits, they'd like to join you on your journey.

Contact Maria Hetey - 876-840-7812 - maria@graft.ventures

First Angels JA: Invests money in seed, startup and early stage companies as well as time in entrepreneurs and their companies.

For more information on First Angels JA, read through their info deck:

<https://firstangelsja.com/wp-content/uploads/2015/08/what-is-firstangelsja.pdf>

Apply through their website: <https://firstangelsjamaica.proseeder.com/application/start>

Useful information/website links that provide support to SMMEs:

- **Small Business Portal:** This website provides a wealth of information and resources to small business, from funding opportunities to training resources, and more. Visit the site at: <https://www.smallbusinessportal.com/about>
- **JMMB SMME Resource Centre:** Provides customised advice and support to access JMMB's services, identify financial opportunities, develop business plans, structure financial statements and solve business challenges. Visit the site at: <https://jm.jmb.com/sme-ja#Resource>
- **PSOJ Governance Seminars for MSMEs (daily):** <http://www.psoj.org/events/unlock-success-a-corporate-%20governance-seminar-for-msme-sustainability/>
- **Development Bank of Jamaica (DBJ) support for entrepreneurs:** Register to get support at: <http://dbankjm.com/findmystage.dbankjm.com/#intro>
- **First Global Bank SME Hub:** Provides tailored support to help small and medium businesses scale. Visit them at: <https://www.firstglobal-bank.com/fgbsme/about.html>
- **Scotiabank Jamaica:** Tools and advice for small businesses. Resources to help grow, maintain and start a small business. Visit the link at: <https://jm.scotiabank.com/small-business/tools-and-advice.html>
- **JBDC Business Advisory Services:**
- <https://www.jbdc.net/services/business-advisory-services/>
- **JBDC programme:** The Entrepreneur's Journey - shares stories of successful entrepreneurs. View every Friday at 12:00pm on Instagram and YouTube: Instagram - @jbdcjamaica YouTube – jbdcjamaica
- **Tourism Enhancement Fund (TEF):** SMTE Hub offers instructions on how to apply for EXIM Bank and JNSBL tourism loans and other resources relevant to SMTEs. Visit the site: <https://tef.gov.jm/smte-hub/>

Useful definitions:

- For financial content and definitions - investopedia.com
- For projections or financial modeling - causal.app
- Cash Flow Cycle:
<https://www.investopedia.com/terms/c/cashconversioncycle.asp#:~:text=Key%20Take%20aways,into%20cash%20flows%20from%20sales>.
- More on Cash Flow - <https://www.waveapps.com/blog/accounting-and-taxes/cash-flow-formula>
- Bottleneck and Process Mapping I - <https://www.youtube.com/watch?v=1UqWejurWwU>
- Bottleneck and Process Mapping II - <https://www.youtube.com/watch?v=UpPRfDwiR54>



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www.bigupsmallbusiness.org

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