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For Immediate Release

CFSC LAUNCHES MAJOR SMALL BUSINESS PROGRAMME

Caribbean Financial Services Corporation (CFSC) today launched its Accounts Receivable Factoring Programme, which is specifically designed for small businesses.

Speaking at a News Conference at the Accra Beach Hotel, Mr. Anthony Maughn, President of CFSC, said the Programme is in keeping with the Corporation's commitment to developing creative ways to assist small businesses in finding solutions to their financing problems.

Mr. Maughn explained that the objective of the Programme, in which a company sells its accounts receivable in the form of outstanding invoices at a discount to a third party, is to provide small and medium sized enterprises in Barbados and the OECS with working capital support to facilitate the availability of generated cash flows for daily operations.

Mr. Maughn commented: "We want to encourage the development of small enterprises in Barbados and the OECS and we are equally committed to building the capacity of small business persons, not only by improving their cash flows, but also through the continuing relationship to facilitate the availability of technical assistance for improvement and growth of their businesses."

"Sectors to benefit from the Programme will include agriculture/livestock, agro-industries, manufacturing, tourism and tourism-related industries and varied services."

In explaining how the Programme is expected to work, Mr. Maughn told the journalists that the factor, or CFSC, provides cash to the small business in the amount of the net proceeds of submitted invoices that have been appropriately discounted. The discount takes into consideration the potential for a significant delay in payment or the risk that the receivable may be uncollectible from the small business' customer. The Programme is structured as "non-recourse" factoring, in that CFSC will assume the risk of the transaction and will not revert to the business for non-payment of the invoice. CFSC will therefore be focusing its due diligence efforts on the business' customers and the quality of the receivables. The transaction is settled when the customer pays CFSC the full value of the invoice in the agreed time period.

Mr. Maughn indicated that the Programme was well received by representatives of both the public and private sectors in Barbados, at two special consultation sessions, convened over the past week by CFSC.

Mr. Maughn concluded by saying: “At CFSC, we are serious about our commitment to the development of small business in Barbados and the region and we will seek to assist any viable small business to participate in the factoring process. We will be dedicating an officer to deal exclusively with the Programme and, while we will have policies guiding the execution of the Programme, we will treat with every client on a case by case basis.”

Please click on the following links to view the [Accounts Receivable Factoring Presentation](#) and [Accounts Receivable Factoring Brochure](#).