

Frequently asked questions about The Industrial, Investment and Employment Fund

What kinds of projects does the IIEF finance?

The IIEF provides financing to local manufacturing companies. Companies can access funds for working capital purposes, to acquire and install equipment and to rehabilitate, relocate or construct a manufacturing facility.

Does the IIEF provide debt consolidation loans?

Up to a maximum of 25% of the proceeds of an investment can be used to liquidate existing debt of the company. This is only done to smooth out debt service payments or if required to give EGFL the first charge over a company's assets.

How much funding can my business receive from the IIEF?

Your business may qualify for up to \$2 million in loan, line of credit and/or equity financing.

How can my business qualify for funding from the IIEF?

Your business must:

1. be incorporated with the majority of its shares owned by Barbadian residents;
2. demonstrate the potential to add significant value to the Barbadian economy;
3. provide EGFL with proof that, (a) all statutory payments (N.I.S, P.A.Y.E. taxes, etc.) are current, or (b) that satisfactory arrangements have been made to bring any arrears current.

What is the procedure for applying for funding?

Submit a business plan that includes:

- information on the company's financial and management structure;
- strategic plans (including marketing plans) for the next 3 to 5 years;
- current and/or most recent audited financial statements, and
- realistic financial projections (balance sheets, income and cash flow statements) for 3 to 5 years.

Is collateral required to get IIEF funds?

Collateral is required for the debt portion (loan and line of credit) of an IIEF investment but not the equity portion.

Who makes the loan/investment decisions?

All investment decisions are made by the Board of EGFL.

How long does it take to get a loan/investment decision?

EGFL strives to get investment decisions within 4 to 8 weeks after the receipt of an application. However, the actual time taken depends on the quality and completeness of information submitted by applicants.

Is there an interest charge on IIEF loans/investments?

The interest rate on IIEF loans/investments is variable and is currently 5.5% per annum

What is the repayment/redemption period for an IIEF loan/investment?

Repayment periods are normally 10 years or less for capital projects. However, loans may be granted for up to 15 years; while equity investments are expected to be redeemed within 7 years. Loans attract a higher interest rate in years 11 to 15.

Are moratoria on the repayment of loans offered?

Moratoria periods, during which only interest payments are due and payable, are offered as follows for:

1. the length of the construction and/or installation contract if that contract is less than one year;
2. a maximum of 1 year for loans that are 5 years or less;
3. a maximum of 2 years for loans over 5 years but less than or equal to 10 years; and
4. a maximum of 3 years for loans over 10 years;