



**CARIBBEAN ASSOCIATION OF
SMALL & MEDIUM ENTERPRISES INC.**

Facilitating the Growth & Development of SMEs in the Region

**Seminar on Financing and Guarantee Systems
to Support SMEs in the Caribbean**

October 15-16, 2015

The Jamaica Pegasus Hotel, 81 Knutsford Blvd,

Kingston, Jamaica





- The Caribbean Association of Small and Medium Enterprises (CASME) incorporated in 2005 by Small Business Associations (SBAs) to act as the Umbrella Organization for SME interventions to interact with, regional (CARICOM/Governments) and international partners to enhance the development and growth of the sector in CARIFORUM countries.

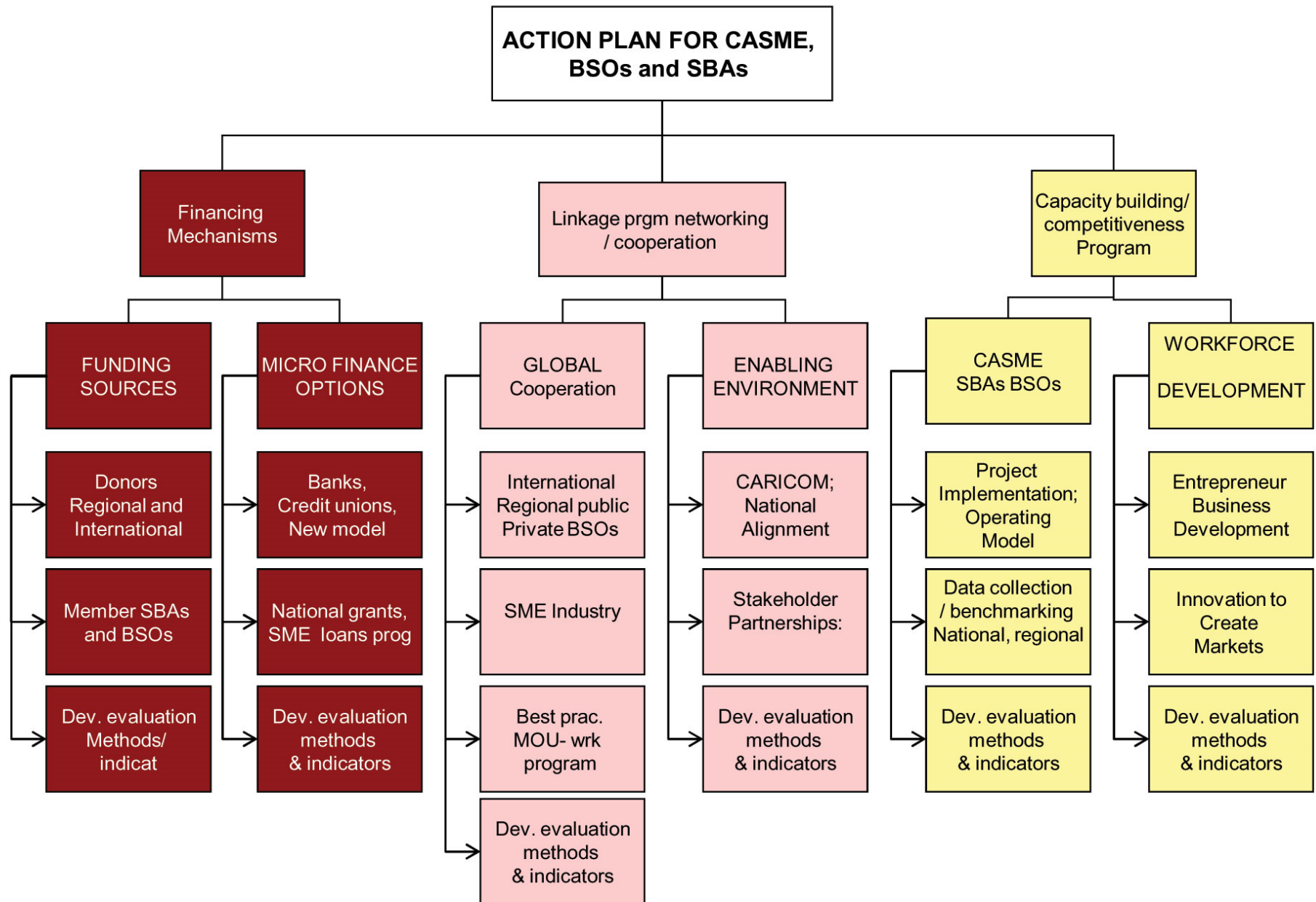
Current membership includes:

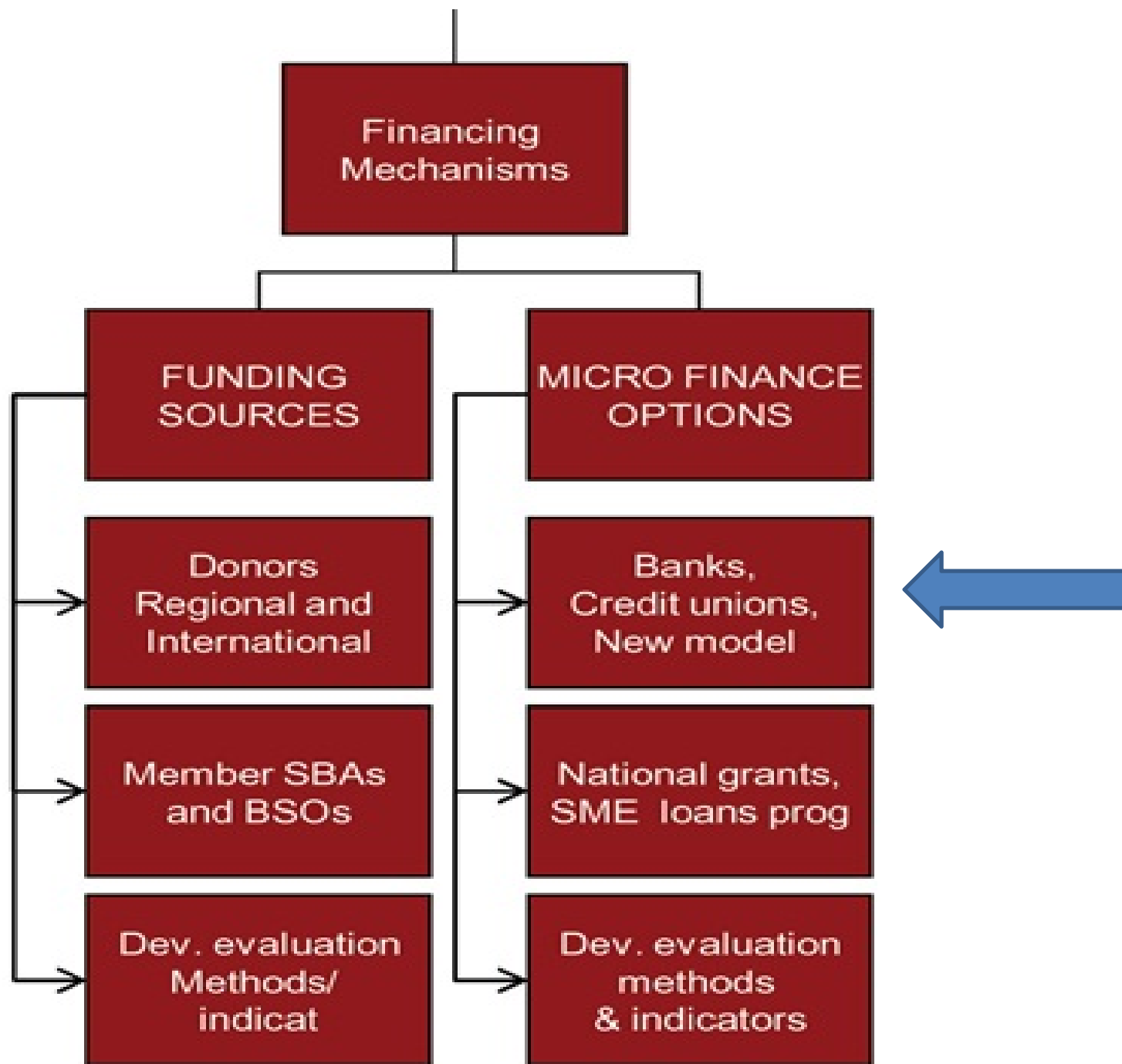
- ANTIGUA
- BARBADOS
- BELIZE
- DOMINICA
- GRENADA
- GUYANA
- HAITI
- JAMAICA
- MONSTERRAT
- ST KITTS AND NEVIS
- ST LUCIA
- ST VINCENT
- SURINAME
- TRINIDAD
- DOMINICAN REPUBLIC

VISION / MISSION

- **Our Vision**
- Be the premier organization that coordinates and promotes regional trading activities and facilitates sustainable growth and development of SMEs in CARIFORUM countries.
- **Mission**
- To excel in the establishment of a strong network of SMEs through the medium of advocacy, trade, educational and policy support for sustainability and harmonization of CARIFORUM SMEs growth and development.

WORK BREAKDOWN STRUCTURE CHART







The European Union's FRAMEWORK CONTRACT BENEFICIARY LOT 10 Programme

**FEASIBILITY STUDY
FOR THE
ESTABLISHMENT OF A
MUTUAL GUARANTEE COMPANY
IN JAMAICA**

**This project is funded by the
European Union**



A project implemented by



ACE ASESORES DE COMERCIO EXTERIOR S.L.

AECM, European Association of Guarantee Institutions

AECM's member organisations support SME access to finance

AECM's member organisations support healthy SMEs with a sound business project, who would otherwise not be able to access loan finance due to a lack of collateral and own funds. By granting a guarantee, guarantee societies provide a substitute for the missing collateral and allow the credit institution to grant the loan by sharing in the default risk.

In this way, guarantee societies make a major contribution to economic growth, social cohesion and regional development in the European Union, since SMEs represent over 98% of all companies and provide a large part of GDP and employment.

Guarantee schemes in Europe

Given the economic importance of SMEs, guarantee organisations have been set up in nearly all European Member States as well as in Montenegro, Russia and Turkey. In addition, guarantee schemes also exist beyond Europe, e.g. in the US, Latin America, Asia and the Mediterranean region.

AECM, as the European association of mutual guarantee societies, represents the interests of its national members towards the European institutions and multilateral bodies, such as the OECD, the World Bank and the Bank of International Settlement. AECM also acts as a platform for exchange between its members and provide technical information about the guarantee sector.

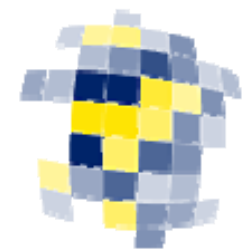
Our Mission

AECM has 41 member organisations operating in 20 EU countries, Bosnia and Herzegovina, Kyrgyz Republic, Russia and Turkey. Its members are mutual, private sector guarantee schemes as well as public institutions, which are either guarantee funds or Development banks with a guarantee division. They all have in common the mission of providing loan guarantees for SMEs who have an economically sound project but cannot provide sufficient bankable collateral.

Our Members



[All AECM Members >](#)



aecm
EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS



About SPGM

History



The launch of a Mutual Guarantee System in Portugal aimed to create the conditions necessary to reduce the costs of financing companies, especially SMEs, as well as a better balance of their finance structure. In particular, the acquisition of guarantees, which allow them access to loans with suitable

terms - easily adapted to their exploration cycles and to the types of investments these enterprises have to make in order to develop themselves.

The Mutual Guarantee System in Portugal arose from public initiative, by means of the IAPMEI, an institute that supports SMEs. In 1992, following what had already been carried out in other countries of the European Union where this financial support mechanism was already working, this organization decided to start studying the possibility of launching a pilot project in this area. The central idea was that it would be the charge of public entities to take the first step in promoting this initiative. The second step - the leadership and distribution of the project - would then be taken by the private sector, headed by the respective businessmen and enterprise associations, i.e. the ones who are interested in the benefits that such a System can render to its enterprises...

Therefore, a pilot society was created, the SPGM, whose main objective was to test the interest of this project in relation to the market. To do so, it built guarantee operations and other services aimed at SMEs, using frameworks similar to those of the future Mutual Guarantee Societies (MGSs). This society also had the mission of preparing a legal framework that would come to



About SPGM

Mutual Guarantees

How to join?

News

Portugui

How to join?

How to join?



Any enterprise can consult any of the Mutual Guarantee Societies in order to study the execution of a certain operation, even if it's not mutualism based. However, for that enterprise to be able to obtain a guarantee, it is absolutely necessary for it to be a shareholder of an SGM, a mutualism based society. A society can be described as a mutualist when shareholders are the only ones who can profit from its benefits. This means, the capital of a Mutual Guarantee Society should be mostly built by enterprises which benefit from its services (the mutualists).

After the enterprise becomes the mutualist of an SGM (in most cases becoming closer to the Society which is geographically closest to or which has the ability to help it), it can count on the allowance of guarantees in favour of any credit institution, national or international, in association with banking loans. It can also request the SGM to emit guarantees of other kind, equally necessary to the prolongation of the activities of micro- enterprises and SMEs. The entity in favour of which the guarantee is emitted does not necessarily have to be a shareholder of the SGM itself.



Garar
Cresça com

About SPGM

Mutual Guarantees

How to join?

News

Português

Mutual Guarantees

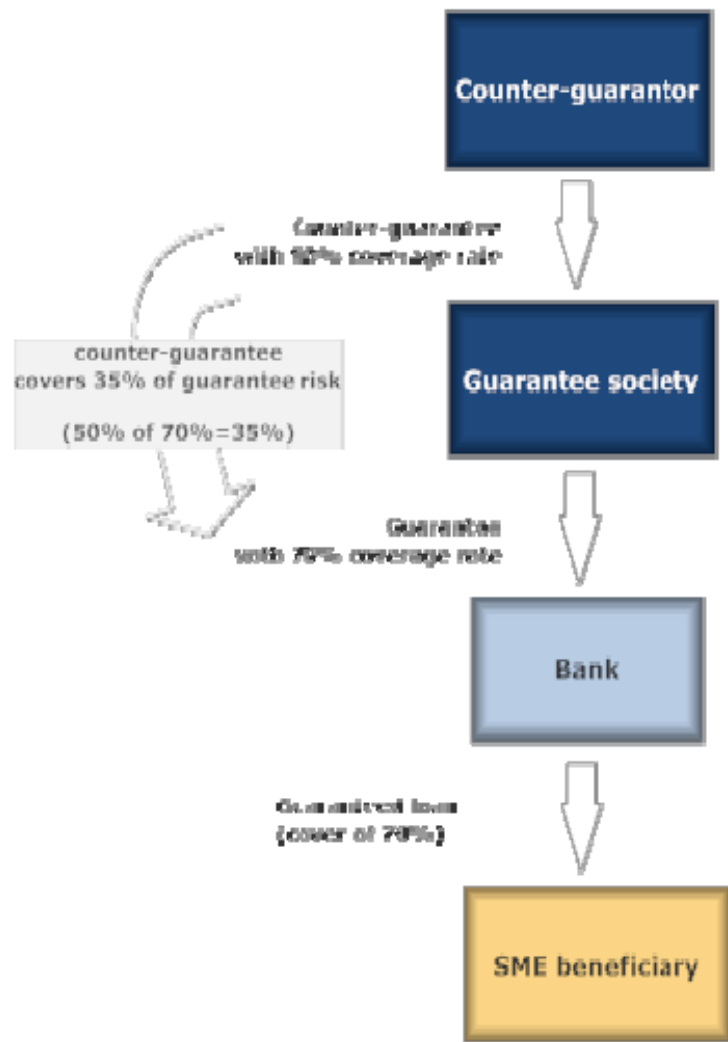
Main Numbers



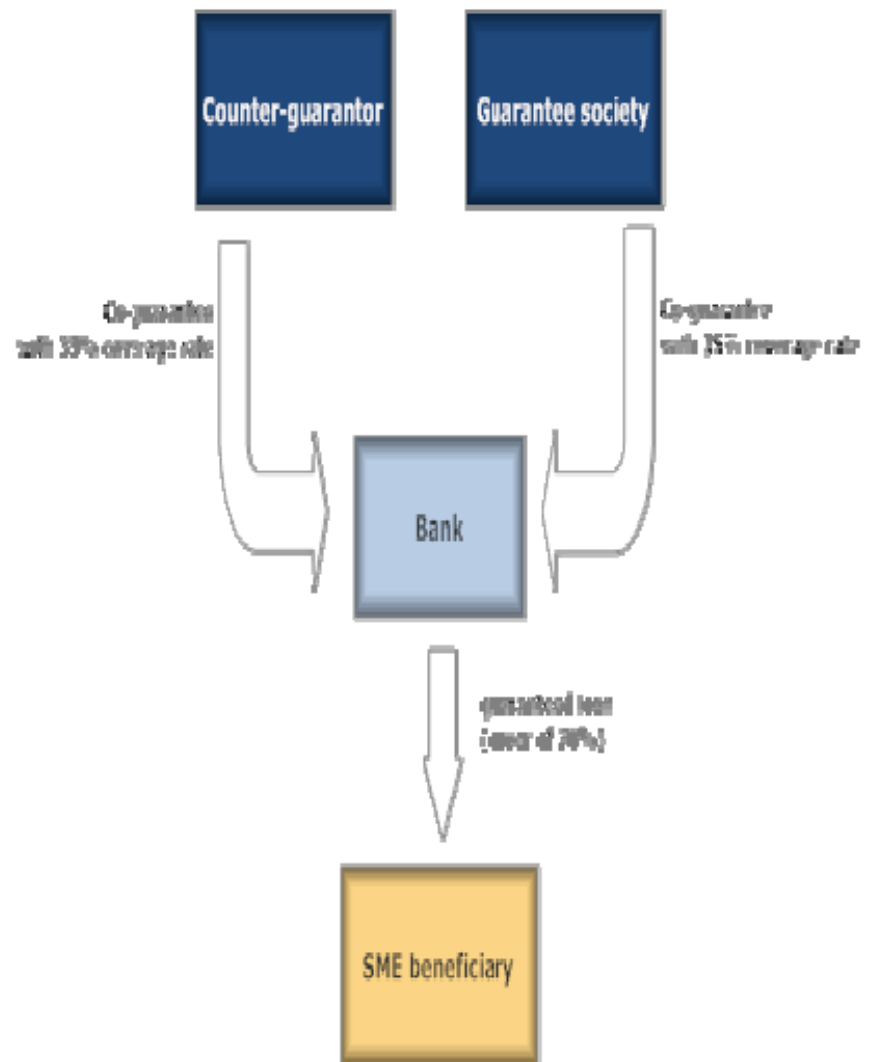
The Mutual Guarantee System has reached never before seen levels of activity. According to the first indicating figures calculated by the SPGM – Sociedade de Investimentos, S.A., which fronts the System, the Agrogarante, the Garval, the Lisgarante and the Norgarante have given the micro and the SMEs accumulated guarantees of more than 5,5 billion Euros.

5.5
BILLION
EUROS

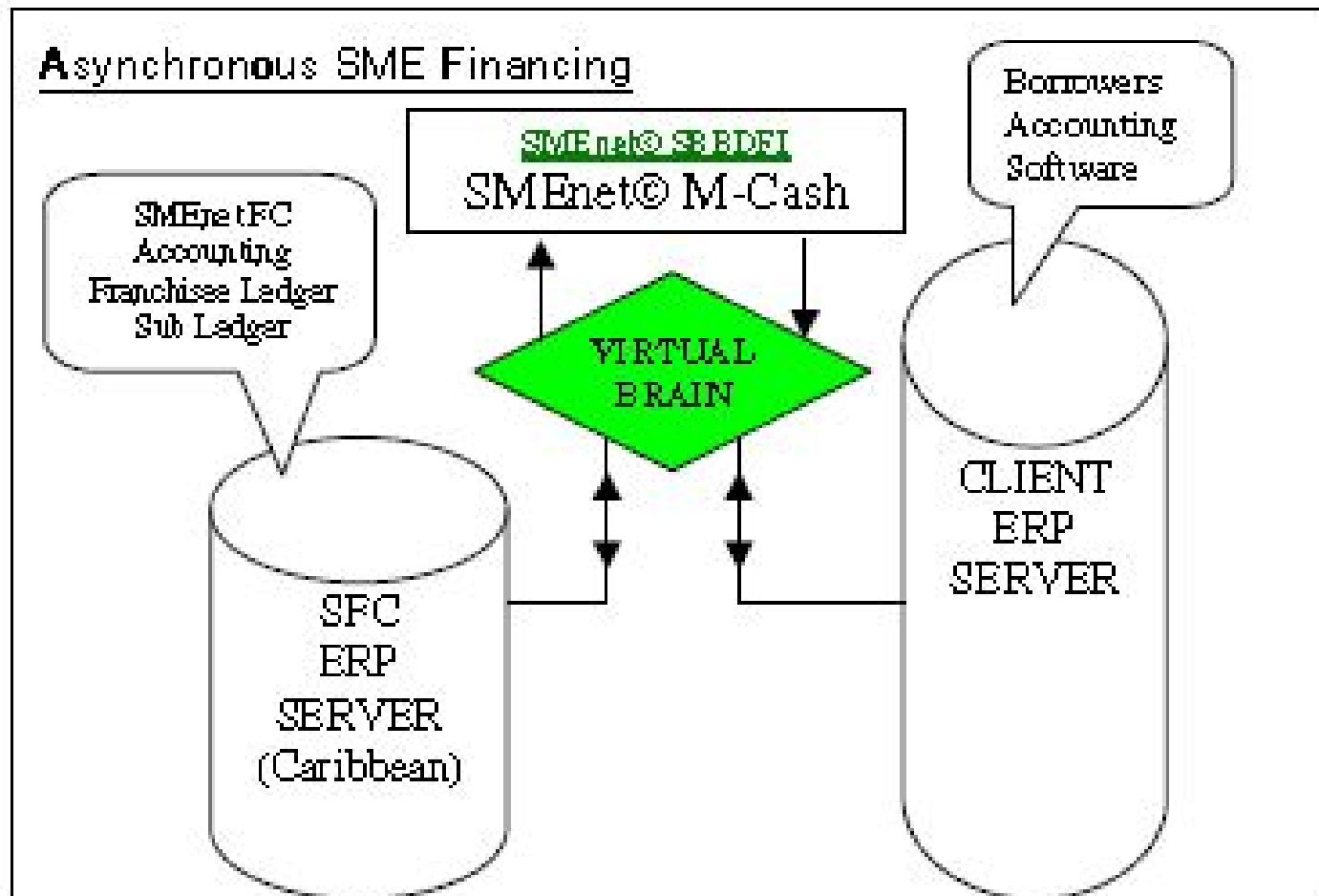
Counter-guarantee mechanism

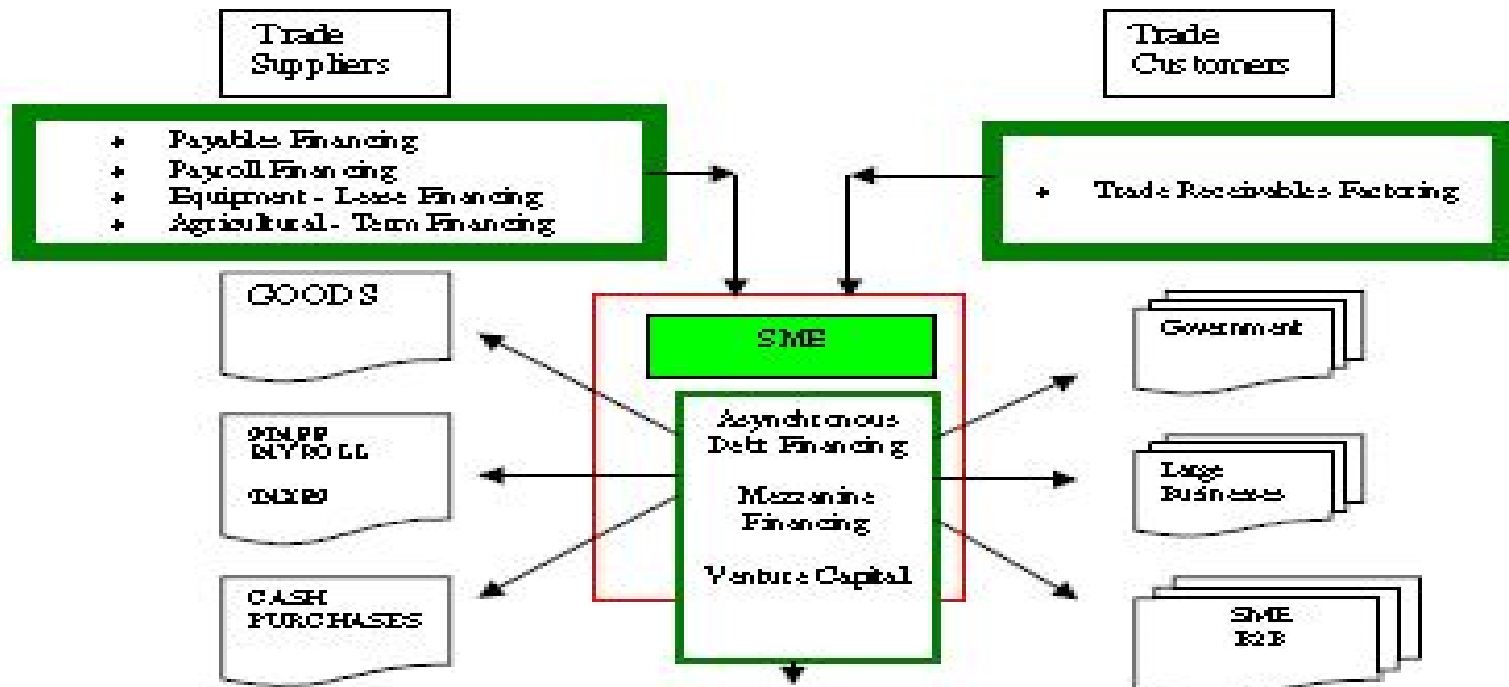


Co-guarantee mechanism



(Proprietary Intellectual Property of EDWARD CHINMOOK)





Asynchronous Banking - Mitigating SME Financing Risk Real Time Mode



Asynchronous SME Financing
SMEnet@ Virtual Relations Facility

- + Operating System
- + Virtual Brain

ERP - CRM Accounting (E or rwers)
(Virtual Financial Controller)
(Risk Assessment and Audit Unit)

- + SME Business Workshops
- + Optional Fin. Board Services

Business Planning/Bookkeeping/ Export Concepts/
 Financial Reporting/ Standards Certification Process/
 Audit/Evaluation/ Staff Training/E-Commerce/
 Deployment/ Onp. How/ R. SD

ALL HANDS ON DECK



PUBLIC – PRIVATE SECTOR - PARTNERSHIP



**CARIBBEAN ASSOCIATION OF
SMALL & MEDIUM ENTERPRISES INC.**

Facilitating the Growth & Development of SMI's in the Region

Thank you!

Edward Chin-Mook

chinmook@yahoo.com