



# Finance for International Business – for investors

*Commissioned by the ministry of Foreign Affairs*

**Are you considering to finance business opportunities of Dutch SMEs in emerging markets? Then the Finance for International Business (FIB) scheme may be of interest to you. Under the FIB scheme, the Dutch government acts a co-financier and provides 35% of the required financing. The remaining 65% must be provided by you and possibly other finance companies or the**

## What does the FIB scheme entail?

FIB provides the SME with 35% of the financing required in order to expand their business, by means of a loan. A maximum of EUR 875,000 may be provided per enterprise per country. The remaining financing needs to be provided by one or more third-party financiers. These may be banks or investment companies, but informal investors, family offices and shareholders may also provide the remainder. The sole condition is that the largest financier has been accredited by RVO.nl.

## Conditions for SMEs and the expansion plans

In order to qualify for a FIB loan both the enterprise and the expansion plans need to satisfy a number of conditions:

- The SME and the expansion plans have sufficient potential in terms of profitability and continuity.
- The desired financing must be used for investments in one of the 25 FIB countries. The term “investments” includes expenditure on business assets and working capital for example for production facilities and sales offices in the target countries.
- The investment needed represents “fresh money” for the company and cannot be used to pay off existing debt.
- During the 12 months before the application for a FIB loan, no excessive withdrawals were made from the company.

- SMEs active in the following sectors are excluded from the FIB scheme:

- Banking, insurance and, investment activities
- Real estate investments
- Child labour and/or forced labour may not be used for the activities in the target countries.

## Conditions for the finance company

Regarding the risk assessment of the FIB application the government relies largely on the expertise of the professional lead investor. This financier therefore needs to be accredited by RVO.nl. Financiers who are already accredited for the Growth Facility automatically qualify for the FIB scheme. Other financiers may be accredited through a one-off assessment process (by RVO.nl) of their expertise, reliability and financial stability.

Apart from the accredited financier, other parties as well as the entrepreneur may also contribute towards providing the remaining 65% of the financing required for expansion, as long as the accredited financier provides the largest part of the financing. An accredited financier may also take advantage of the available Dutch guarantee schemes such as the Growth Facility or the SME Loan Guarantee Scheme for its share in the financing, resulting in a further reduction of the residual risk. By offering these structuring possibilities, the government wants to contribute towards removing financing barriers and give solid expansion plans a chance.

*>> Sustainable. Agricultural.  
Innovative. International.*

## Who should be interested?

The Finance for International Business scheme can be applied for by Dutch SMEs for investments in the following countries:

- Azerbaijan
- Argentina
- Bahrein
- Brasil
- Chili
- China
- Iraq
- Kazakhstan
- Kuwait
- Malaysia
- Mexico
- Ukraine
- Oman
- Panama
- Qatar
- Russia
- Saudi-Arabia
- Singapore
- Serbia
- Turkey
- United Arab Emirates
- South Korea

## Conditions for a FIB loan

- Financing is provided to Dutch SMEs.
- No security or collateral is demanded.
- A five year term loan is issued which will be redeemed in whole at the end of the period.
- No repayments during the term of the loan. Interest is payable on a yearly basis.
- Possibility of postponing repayments for up to two years.
- The remuneration fee consists of two components:
  - Interest: fixed percentage, to be paid annually in arrears.
  - Equity Kicker: profit sharing, to be paid once at the end of the term of the loan.

Because of this remuneration structure, the interest charges during the term of the loan remain lower and the resulting liquidity may be used for the development of the company. Should the results be less than foreseen, the resulting total financing charges will also be lower. In exchange for this, the government will also profit in case results of the company are above expectations.

The remaining 65% of the financing must be provided on the same conditions or be subordinated to the FIB loan (at least pari passu).

## FIB application procedure

Dutch SMEs may contact RVO.nl for application apply for a FIB loan. The application may be sent as soon as the other financier intends to provide the 65% share in the financing required. RVO.nl welcomes any consultation with the SMEs and financier(s) beforehand, in order to coordinate the application.

In case of a positive assessment, RVO.nl will agree to issue a FIB loan under the condition that the 65% share of the financing is provided and that the expansion plans are actually carried out. It normally takes 3 weeks for an application to be processed.

If you would like to know more about the other criteria and whether your application might be eligible, please contact one of our advisers at RVO.nl (+31 88 602 8600 or [fib@rvo.nl](mailto:fib@rvo.nl)).

RVO.nl is an agency of the Ministry of Economic Affairs. RVO.nl carries out policy for various authorities when it comes to sustainability, innovation and international business and cooperation. RVO.nl is the number one contact point for businesses, knowledge institutions and authorities for information and advice, financing, networking and laws and regulations.

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This publication was commissioned by the ministry of Foreign Affairs  
© Netherlands Enterprise Agency | July 2014

Publication number: RVO-080-1401/FS-INT

NL Enterprise Agency is a department of the Dutch ministry of Economic Affairs that implements government policy for agricultural, sustainability, innovation, and international business and cooperation. NL Enterprise Agency is the contact point for businesses, educational institutions and government bodies for information and advice, financing, networking and regulatory matters.

Netherlands Enterprise Agency is part of the ministry of Economic Affairs.