



BANK OF INDUSTRY

...transforming Nigeria's industrial sector

**SMALL AND MID-SIZE ENTERPRISE
DIRECTORATE**
Distributor And Supplier Financing Scheme
PRODUCT OVERVIEW

Confidentiality Note

Lorem Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only five centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lorem Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lorem Ipsum.

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Distributor And Supplier Financing Scheme

<p>Product Description</p>	<p>(Operated under the BOI/Dangote Fund)</p> <p>Distributor financing scheme will typically explore the viability of lending money by a company to one of its customers (via the Bank)- so that the customer can buy products from it. By doing this, the company increases its sales even though it is basically buying its own products in a sense.</p>
<p>Eligibility Criteria</p>	<p>This product will be available to:</p> <p>Duly registered companies engaged in the distribution of Made-in-Nigeria fast moving goods or suppliers of raw material input and who can provide verifiable evidence of an existing relationship with the manufacturer.</p>
<p>Target Group</p>	<p>·The product shall be available to distributors/suppliers of FMCG produced by local manufacturers that satisfy the following conditions:</p> <ul style="list-style-type: none"> ● Liquidity ≥ 1.5 ● Positive profitability ● Fast moving products and ● Minimum coverage of at least one of the 36 states of the federation <p>In the case of Bank Guarantee only:</p> <p>Local manufacturing companies that satisfy the following criteria are to apply to BOI on behalf of an individual distributor/supplier or group of distributors/suppliers.</p>
<p>Loan Features</p>	
<p>Single Obligor Limit</p>	<p>In the case of Corporate Guarantee: Maximum of N10.0 million (but not exceeding 80% of the distributor/supplier's annual turnover with the manufacturer).</p>

Pricing	<p>Bank Guarantee: Maximum of N25.0 million (but not exceeding 80% of the distributor/ supplier's annual turnover with the manufacturer).</p> <ul style="list-style-type: none"> ● Interest rate: 5% per annum ● Appraisal Fee: The beneficiary shall pay to BOI an appraisal fee of 1% of the loan value before disbursement. ● Commitment Fee: Nil ● Legal fees: As may have been computed by Legal Division. ● Monitoring Fee: 0.25% per annum
Tenor	<p>Up to twelve (12) months inclusive of maximum six (6) months moratorium (renewable twice only) OR Up to eighteen (18) months inclusive of maximum six (6) months moratorium (renewable once only)</p> <p><i>*In both cases, the maximum permissible loan availability is three (3) years.</i></p>
Moratorium	<p>Up to Six months Moratorium</p>
Security	<p>Security for the facility would be a combination of:</p> <ul style="list-style-type: none"> ● Corporate Guarantee of the manufacturer ● General insurance for fire and peril ● Credit insurance on individual distributor/supplier ● Goods in transit insurance ● Deed of Personal Guarantee of the distributor/supplier <p>OR</p> <ul style="list-style-type: none"> ● Bank Guarantee from an acceptable commercial bank <p>OR</p> <ul style="list-style-type: none"> ● Legal Mortgage on a suitable property located in an urban centre with an acceptable value in respect of the total exposure.

**Initial Documentation
Required**

Application letter, Appointment/Contract Letter, Invoice, MEMART,
Certificate of Incorporation, Form CO2 and CO7.

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