



CBC Barter Capital

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Barter Capital is Equity

In December 2003, after years of official government scrutiny, the first corporation with barter capital from American venture investors was founded and entered in the German commercial register as liable equity.

A requirement for entry in the commercial register was that this risk capital was generated in accordance with the principles of the International Accounting Standards (IAS). It is freely tradable and can be transferred to third parties.

These IAS have been integrated into European commercial law by the legislator and oblige companies to prepare their balance sheets in accordance with IAS. The registered office of the IAS is in London/United Kingdom.

1. CBC

CBC is an American barter company and finances companies with barter capital (called BC).

2. DEFINITIONS AND EXPLANATIONS

2.1 BARTER

The word "BARTER" has its origin in English and means: "EXCHANGE". Terms like compensation, countertrade, reciprocal trade, trade exchange are also common for this type of business.

Barter are transactions in which payment can also be made in part with products/services. The difference is paid in cash. Barter transactions are executed/settled using barter accounts. These are technically identical to bank accounts. According to the American journal "BarterNews", approx. 600 billion US dollars are turned over each year by international active barter- and barter finance companies.

2.2 BARTER CAPITAL

CBC Barter Capital (BC) is generated from completed and fulfilled third party purchase contracts according to the rules of "IAS". Barter Capital is not cash.



Barter Capital is a contribution in kind that increases the liable equity of a company.

2.3 BARTER ACCOUNTS

All European CBC barter accounts are held and managed at the European CBC Barter Clearing (www.cbc-barter.com).

All U.S. CBC barter accounts are maintained and administered at U.S. CBC Barter Clearing (www.cbc-barter.us).

Each CBC barter customer has one Euro barter account and one US \$ barter account. Barter transfers between both currencies are possible. Exchange rate conversions (EUR/USD and USD/EUR) are displayed.

CBC is the first company worldwide whose barter customers can transfer barter amounts directly from the European CBC to the American CBC. The reverse is of course also possible.

2.4 RISK CAPITAL

If a company has received barter capital from CBC, it has become risk capital for the barter capital lender (refinancer), as there will no longer be any so-called "Insolvency Insurance" in the case of insolvency of the barter capital borrower from 2023. That means: CBC has to pay more to its refinanciers, as they bear the full risk of default. For the customer, this means higher payments.

The amount of the payment will be decided on a case by case basis by CBC in consultation with their refinanciers. Then the interested party can decide whether he wants barter capital or not. If he wants, he becomes a customer with all advantages and obligations.

3. OPTIONS FOR EUROPEAN CUSTOMERS

3.1 EQUITY INCREASE

CBC barter capital is an asset that has to be balanced. Especially for medium-sized companies, the equity ratio is always very low. The average ratio is well below 20%. In some cases and depending on the industry, the ratio is even below 10%. Banks, leasing companies and other lenders expect at least 30%. Here, barter capital is a solid way to realize these expectations.

3.2 CAPITAL RESERVES

Shareholders can provide their company with CBC barter capital to form a so-called capital reserve. This capital reserve can improve the equity ratio in the



balance sheet and thus makes the company more valuable.

3.3 SHAREHOLDER LOAN

In many cases, the company does not increase its equity capital, but the shareholders provide their company with so-called shareholder loans. There is a risk of over-indebtedness. Exchanging shareholder loans with BC can be a safe solution to the problem, as this type of capital injection increases equity. The safest method is to exchange shareholder loans with BC when business is good, because this reduces the risk that the company will have to file for insolvency in an emergency.

3.4 FUNDING PROGRAMS

Many companies need loans to realize their projects and investment plans. In addition to traditional bank loans, sponsors or development programs may be considered for some individual projects in order to obtain financial support. BC can make the implementation of various funding programs much easier.

Funding programs always require a minimum amount of equity. If the applicant cannot prove that they have sufficient equity, they will be denied access to the funding.

In the areas of energy and energy efficiency alone, there are a large number of grant programs. In addition, state and federal banks can offer loans with reduced interest rates, along with liability reductions, to encourage meaningful projects. But the energy sector is not alone in having access to subsidies.

For example:

Any small or medium-sized business or investor, from business start-ups to established companies looking to invest in expansions, can access diverse sources of funding. All of them are potentially eligible for reduced interest rates and loans to support the projects with the help of public funding programs, as long as they meet the relevant requirements. Other European countries also offer similar funding programs.

3.5 PPP-PROGRAMS

The above also applies to so-called PPP (Private Public Partnerships) project companies in Germany and also beyond the country's borders. In March 2003, the EU Commission published the "Guidelines for Successful Private-Public Partners". In the special report 09/2018, the guidelines were clarified once again. To establish these PPPs, special operators are usually set up to bring the public agencies and the private companies to the table to realize the common business goal.



4. OPTIONS FOR AMERICAN CUSTOMERS

For many medium-sized US companies, the European market is becoming increasingly interesting and important. Investments are safe, good European manufacturers and new sales markets are plentiful.

4.1 ACCESS TO THE EUROPEAN MARKET

The European capital market is organized differently from the American capital market. Not every European country has the same regulations. The explanations under text numbers 1 to 3 correspond to the German regulations and can therefore be used as initial "basic information".

For company-related questions/topics the CBC consulting company is always at your disposal.

4.2 COMPANY FORMATION WITH CBC BARTER CAPITAL

Company formations in Europe are also subject to different regulations. In the USA, companies are founded quickly. In Europe, many steps are required and it takes considerably longer.

The explanations under text numbers 1 to 3 correspond to the German regulations and can therefore also be used as initial "basic information".

4.3 FINANCING VIA EUROPEAN BANKS

In America, no one gets a loan without a positive "FICO score history". If a foreigner comes to America and wants a bank loan, either for himself or for his new company, this fails because of the missing score history. CBC has found a legally correct way to open this possibility for its barter customers with the help of the barter capital. This also applies to their American customers.

5. APPLICATION

To receive Barter Capital (BC), an application is required to: info@cbc-barter.us which includes the following.

- a) Short letter explaining how and in what amount the BC is to be used
- b) Copy of the ID card (Passport or driver license)
- c) Commercial register, list of shareholders, bylaws of the company
- d) FICO Score (personal/company information)



6. LEGAL INFORMATION

CBC continuously reviews and updates the statements made in this exposé. However, despite the greatest care, the information may contain errors or require updating. Consequently, we can not guarantee or assume liability for the timeliness, accuracy and completeness of this information. CBC reserves the right to make changes or additions at any time.

7. CONTACT INFORMATION

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