

# Timchenko's Oil Trader Uses New Financing Method

By [The Moscow Times](#)

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The oil trader Gunvor Group, co-owned by billionaire Gennady Timchenko, has concluded a deal with GE Capital to sell its receivables for the amount of 225 million euros (\$299 million), a deal it hopes will allow it to expand its German oil refinery business.

The sale of receivables, called factoring, means that when Gunvor sells oil from its refinery it will in turn sell the invoice to GE in exchange for immediate funds. Though common in banking, factoring is uncommon for commodity traders.

The deal is part of a recent strategy by Gunvor and other commodity traders to diversify their sources of financing away from traditional banks, Bloomberg reported Tuesday.

Gunvor, founded in 2000 to trade Russian crude oil, used another form of alternative financing in May by selling \$500 million worth of five-year corporate bonds.

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