



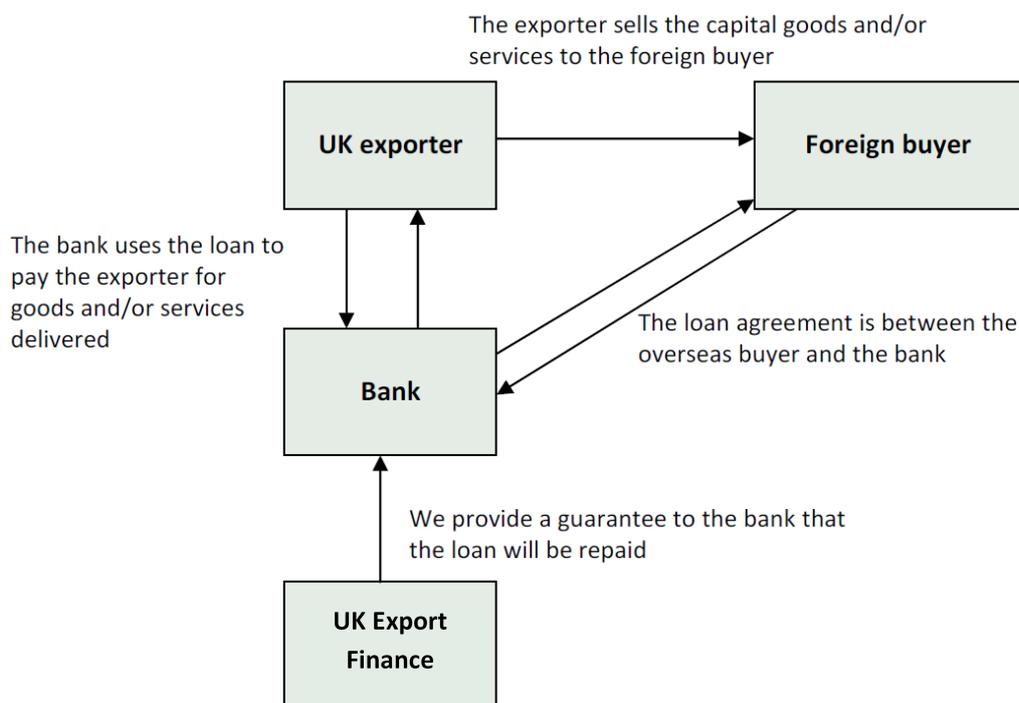
Quick guide to Buyer credit

This quick guide explains what a buyer credit facility is, how it works, its benefits, its key features and how to apply for the facility from the Export Credits Guarantee Department.

What is a buyer credit?

Under a buyer credit facility we provide a guarantee to a bank that makes a loan to an overseas buyer to finance the purchase of capital goods and/or services, worth at least £5 million from an exporter carrying on business in the UK. Loans can be made in the main trading currencies (including sterling, US dollars and euro) as well as some local currencies.

How does it work?



What are the benefits of buyer credit?

The benefits are:

- the exporter is paid as though it has a cash contract;
- the buyer or borrower has time to pay over a number of years and can borrow at fixed or floating rates;
- the lending bank receives a guarantee from us for full repayment of the loan plus interest.

Risks covered

The lending bank is protected against non-payment, for whatever reasons, of the instalments of principal and interest due under the guaranteed loan.

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the export contract must have a value of at least £5 million or the equivalent in foreign currency;
- the bank making the loan must be acceptable to us.

Maximum amount

The maximum amount that can be made available under the loan is 85 per cent of the contract value. A minimum of 15 per cent of the contract value must be paid directly to the exporter by the buyer before the loan starts to be repaid. Of the 15 per cent, a down payment of at least 5 per cent should be received upon contract signature.

We can consider support for foreign content (that is, the cost to the exporter of purchasing goods or services from sub-contractors outside the UK) of up to 80 per cent of the export contract's value.

Term

The period for repayment of the loan must be at least two years.

Cost

There is no fee for the application. The premium payable for our guarantee is determined on a case by case basis.

How to apply

Contact our customer service team to find out what help we can provide with your export contract. Call +44 (0)20 7271 8010 or email customer.service@ukef.gsi.gov.uk

Disclaimer

The information available in this brochure is not intended to be a comprehensive description of our buyer credit facility and many details which are relevant to particular circumstances may have been omitted.

When considering applications, underwriters will look at each case on its merits.

The brochure was last updated in March 2013.