



Quick guide for exporters to the Export Working Capital Scheme

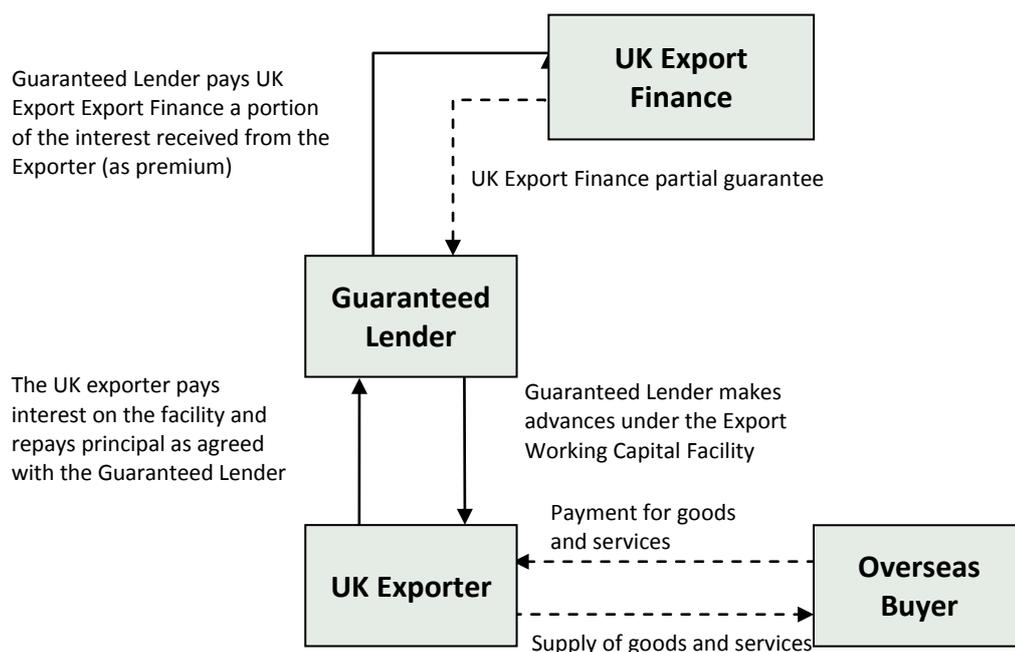
This quick guide for exporters explains the UK Export Finance (UKEF) Export Working Capital Scheme how it works, its benefits, its key features and how to access the scheme.

What is the Export Working Capital Scheme?

The scheme assists UK exporters in gaining access to working capital finance (both pre and post-shipment) in respect of specific export contracts. Under the scheme, UKEF provides partial guarantees to lenders to cover the credit risks associated with export working capital facilities. Where a lender provides such a facility in respect of a UK export contract, UKEF can typically guarantee 50% of the risk, although it may go up to 80% subject to detailed assessment.

The scheme is particularly useful in circumstances where a UK exporter wins an overseas contract that is higher in value than is typical for it or succeeds in winning more overseas contracts than it has done before.

How does it work?



What are the benefits of the scheme?

The principal benefit for the UK exporter is that it is able to obtain the necessary working capital finance from its lender to support an export transaction in circumstances where its lenders may not have sufficient risk appetite for the full facility amount.

Risks covered

The lender is protected, to the extent of UK Export Finance's guarantee, against the failure of the UK exporter to repay amounts due under the working capital facility upon its expiry, cancellation or termination.

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the facility must relate to a contract between the exporter and a buyer carrying on business outside the United Kingdom under which the exporter supplies goods and/or services to that buyer;
- the export contract must have a minimum of 20% UK content;
- advances under the facility must be used to pay, or reimburse the exporter for payment of, expenses incurred in tendering for or performing that export contract;
- the maximum value of the working capital facility cannot be greater than 75% of the export contract's value.

Maximum / minimum facility amount

There is no maximum value for the working capital facility.

Maximum / minimum term

The facility should have a maximum term of no more than two years. There is no minimum term.

Cost

The guaranteed lender pays UKEF a guarantee fee which is typically a proportion of the interest margin received by the lender from the UK exporter for providing the working capital facility.

How to apply

The scheme is accessed through participating lenders that have signed an agreement with UKEF. A list of UK participating lenders can be found on UKEF's website: <https://www.gov.uk/export-working-capital-scheme-overview-and-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 UKEF's export working capital scheme and many details which are relevant to particular circumstances may have been omitted.

The brochure was last updated in April 2014.