

Sell more with a Buyer Credit Guarantee

A Buyer Credit Guarantee gives you the opportunity to offer your foreign customer long-term credit for a specific order.

A Danish or foreign bank provides your customer with credit. We guarantee the main part of the payments so that the bank is willing to provide credit. It means that we will pay compensation for the main part of the bank's loss if, contrary to expectations, the customer does not pay as agreed.

For example, if your customer is unable or unwilling to pay, if the money cannot be transferred out of the country, or if war or civil war breaks out in the country.

What are the advantages of a Buyer Credit Guarantee?

Financing for your customer

You can help your customer obtain credit for placing orders with you. With a Buyer Credit Guarantee, your bank will be happy to give your customer credit.

Use credit as a competitive parameter

You can use a financing solution actively to promote sales. You are one step ahead of your competitors if you are able to offer your customer an attractive financing solution.

You have no financing risks

As the exporter, you have no financing risks, as you are not a party to the financing. You will also receive your money as soon as you fulfil the order.

No maximum amount

Buyer Credit Guarantees are subject to no maximum amount and can therefore be used to cover large, million-figure orders.

What does a Buyer Credit Guarantee cover?

Application

Credit for your customer

Cover

Your bank's loss if your customer does not pay as agreed

Guarantee percentage

95 %

Amount up to

Unlimited

Credit period up to

10 years (For water and renewable energy projects the credit period is up to 18 years.)

Requirement

Down payment of at least 15%

What are the steps in the process?

Clarification

Offer

Guarantee

Need

You wish to offer your customer credit but you do not wish to provide it yourself.

1

Offer

If we are willing to cover the transaction, we make an offer and send it to the bank.

Acceptance

The bank and the borrower negotiate the loan agreement based on our offer.

Yes!

We issue a Buyer Credit Guarantee. You get paid on delivery of goods. The borrower repays the credit to the bank without you being involved.

Contact

You have a Danish or foreign bank that is willing to provide credit but wants additional security. This we can provide.

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Yes!

Credit assessment

The bank sends us an application for a Buyer Credit Guarantee. We assess the project and the borrower.

3

Three practical questions

How much?

As the exporter, there is no cost involved for you; however, your customer pays a premium to us. The premium is calculated on the basis of

- > your customer's creditworthiness
- > the political situation in the customer's country
- > the credit period.

In addition, the customer pays loan interest and costs to the bank.

What does it require?

You have to be a Danish exporter.

Your customer must be creditworthy.

Your company must help generate economic growth in Denmark.

What can you do?

Contact your bank for an immediate application.

Contact us for more information on Buyer Credit Guarantees.

For credit screening purposes, you can obtain the annual accounts of your customer for the last three years.

Visit www.eifo.dk for information on success stories, requirements and terms.