

Protect your exports with a Contract Guarantee

A Contract Guarantee is an insurance covering your loss if you are prevented from completing a project and getting paid for your deliveries. The guarantee covers your expenses related to producing goods that you have not yet delivered, and your expenses related to having equipment and machinery dismantled and shipped back home.

For instance, your company's deliveries may be prevented by unrest in the country during which an embargo is imposed on exports or the country's authorities may prevent deliveries from being made. The guarantee also covers your loss if the foreign buyer is unable or unwilling to pay.

What are the advantages of a Contract Guarantee?

We cover your loss

We cover a large share of the lost working capital tied up in your order and customer non-payment if your order is cancelled.

Covers the entire process

The guarantee covers the entire process from project commencement through manufacturing of the individual sub-deliveries and until the customer has paid for the deliveries.

Sales to less secure markets

A Contract Guarantee removes the main part of your credit risk on the customer. This allows you to bid for major export contracts in markets where you would otherwise be reluctant to do business.

Backed by the Danish government

In the event of loss, the demand for payment against the foreign customer is backed by the Danish government. That makes a difference when recovering claims.

A supplement to the Contract Guarantee

You can extend your cover with a supplement, which will provide you with more options in case your customer, contrary to expectations, does not pay as agreed. Contact EIFO for more information.

What does a Contract Guarantee cover?

Application

Projects abroad involving one or several deliveries

Cover

Your loss on export orders as a result of political or commercial risks

Guarantee percentage

90 %

Amount up to

Unlimited

Credit period up to

The credit period of the project

Terms of payment

Payment in instalments

Risk period above

180 days

What are the steps in the process?

Clarification

Offer

Guarantee

Need

Your company has been contracted to supply a project abroad and you need to cover your risk. We can help.

1

Offer

In case we wish to cover the transaction, we will issue an offer containing the terms and premium.

Acceptance

If you find the offer acceptable, you simply ask us to issue a Contract Guarantee.

Yes!

We issue a Contract Guarantee and charge a premium. You can start to supply to the project.

Contact

You fill in an application on our website and submit it to us.

2

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5

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Credit assessment

We conduct a credit assessment of your customer and the project. We evaluate your customer's creditworthiness, environmental issues, your deliveries etc.

3

Yes!

Three practical questions

How much?

EIFO charges a premium for issuing a Contract Guarantee. We calculate the premium on the basis of the overall risk of the specific export transaction, taking into consideration,

- › the credit period of the guarantee
- › the buyer's credit rating
- › the political conditions in the buyer's country.

What does it require?

You have to be a Danish exporter.

We have to accept the risk on your buyer.

Your company must help generate economic growth in Denmark.

You have to sign a declaration stating that the process of filling the order is conducted in an environmentally and socially responsible manner.

You must be able to obtain an enforceable legal decision in case of a possible dispute between you and your buyer.

What can you do?

Contact us for an immediate application.

Visit www.eifo.dk and read about success

stories, terms and requirements. Fill in applications and declarations on our website for preparation.