

Exports Development

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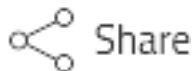
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Export Guarantees

This section aims to support the Saudi Exports Program through the provision of the information.



Export Credit Insurance and Guarantee Services are intended to support Saudi exporters by reducing their risk of not getting paid for their exports whether such default is due to commercial or political risks.

Further, the service gives additional security to commercial banks and reduces their risk when financing exports by assigning policyholders rights to a commercial bank. Banks, also, can benefit from the L/C confirmation guarantees that can help expand their limits on qualified foreign banks.

The Importance of the Service to Exporters

- Enables exporters to expand their exports in the existing markets.
- Enables exporters to penetrate new markets.
- Allows exporters to consider dealing with new importers.
- Helps exporters in receiving better bank facilities and financing rates on their exports.
- Enhances trust between exporters and importers.
- Increases the competitiveness of the exporter and reduces transaction cost by avoiding the usage of L/Cs
- Provides policyholders with, up-to date, real-time information on their portfolio of importers through accessing a huge database that contains data on more than 45 million clients worldwide.

The Importance of the Service to Banks and Financial Institutions

Bank's acceptance of SEP's policy as an additional security, when financing an export transaction, allows the bank to broaden its client base and expand its exposure on each client.

Based on the direct services available for banks and financial institutions by SEP, banks can boost their business with foreign banks and increase credit limits extended to each of the foreign banks it deals with.

Banks could also benefit from the exchange of credit information with SEP based on the services available for banks and financial institutions too.

Types of Policies

A. Whole Turnover

The policy covers 90 % of the non-payment risk. The validity of the policy is one year and it is normally, automatically renewed unless one of the parties decides not to renew. Under this policy, coverage on revolving credit limits is granted for a portfolio of buyers.

B. Specific Transaction

This policy covers up to 90 % of the non-payment risk. The validity of the policy is dependant on the transaction period where it, typically, covers short and medium term transactions. Under this policy, credit limit is granted for a single buyer and can revolve during the period of the policy, based on the nature of the transaction.

Eligibility Conditions

Eligible goods or services should include Saudi added value of 25% or more. The Program does not provide cover for crude oil exports.

Service Cost

The cost of the service is considerably low especially when compared with conventional modes of payment such as L/Cs and L/Gs while benefits are similar, if not even better.

Application Procedure

The exporter should send a letter, fax or an e-mail indicating his desire in obtaining a guarantee to cover his non-payment risk associated with his exports together with a filled out application (available at SEP's website).

After completing the necessary analysis of all potential buyers, originally, targeted by the exporter, results are forwarded to the exporter as well as an offer inclusive of all credit limits and guarantee premiums.

A policy is signed and applied by both SEP and the policyholders.

Application

Please download the application forms from [here](#).

Approved Bodies for providing Exports Guarantees

Saudi Exports Program

www.sep.gov.sa

The Islamic Corporation for the Insurance of Investment and Export Credit

www.iciec.com

Arab Investment & Export Credit Guarantee Corporation

www.iaigc.net

The International Finance Corporation

www.ifc.org

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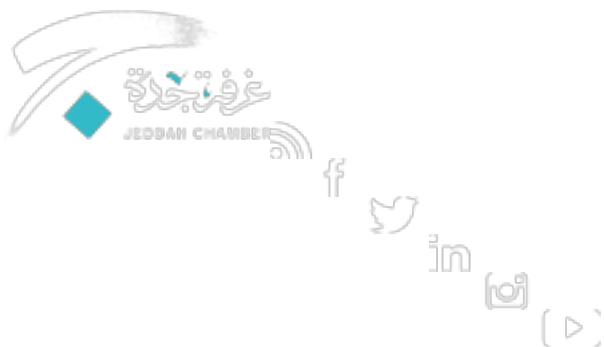
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