



UK Export Finance

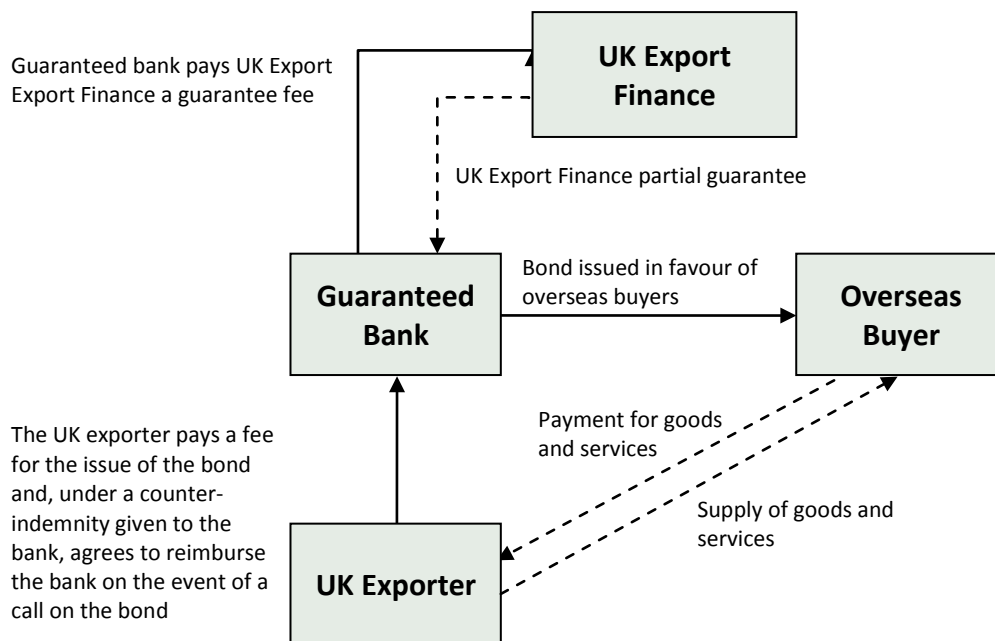
Quick guide for exporters to the Bond Support Scheme

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

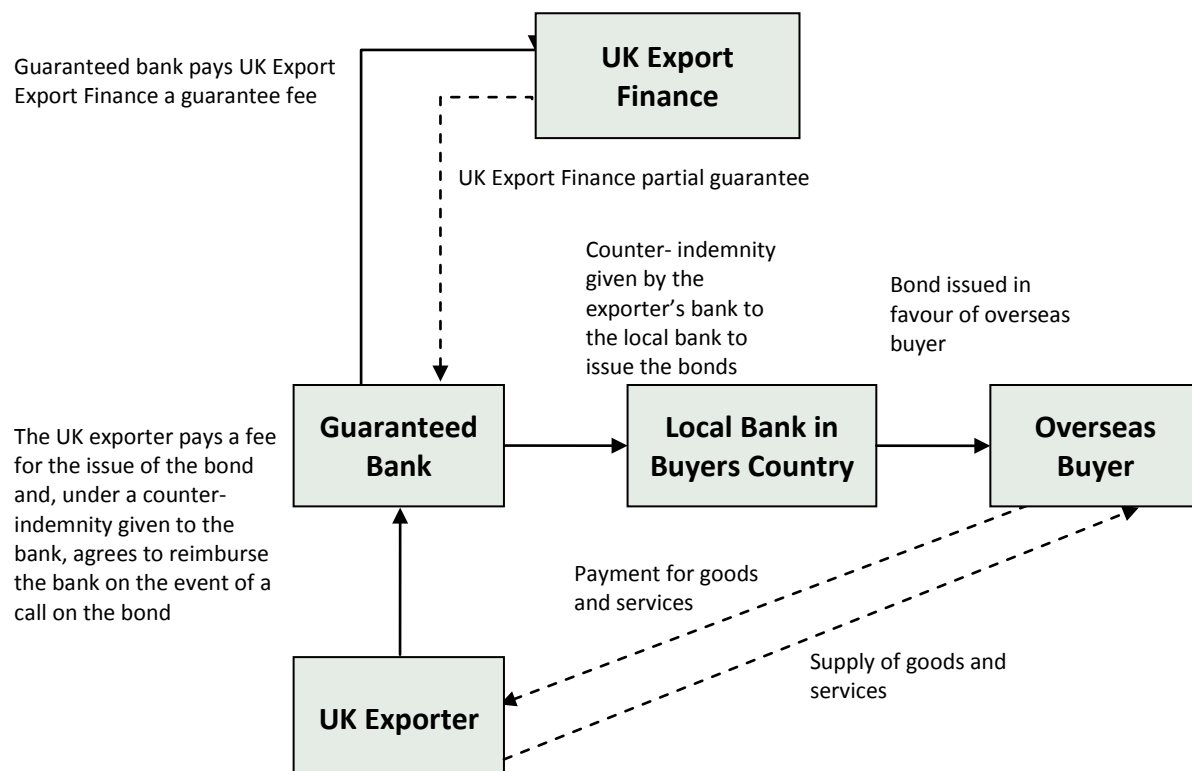
What is the Bond Support Scheme?

Where a bank issues a contract bond (or indemnifies an overseas bank providing the bond) in respect of a UK export contract, UKEF can typically guarantee up to 80 per cent of the value of the bond.

How does it work?



How does it work if a local bank is required to issue bonds?



What are the benefits of the scheme?

The benefits are:

- the guaranteed bank is able to issue the bond, or indemnify an overseas bank providing the bond;
- the bank receives a guarantee from UKEF to cover the percentage of the amount due to it if the exporter fails to reimburse the bank following a call being made on the bond by the buyer;
- the bank may, for the duration of our guarantee, be able to increase its risk appetite for the exporter.

Risks covered

The guaranteed bank is protected against the failure of the exporter to reimburse it under its counter-indemnity if a bond is called and the bank is obliged to pay the beneficiary (buyer).

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the bond 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; and
- the export contract must have a minimum of 20% UK content.

Maximum amount

There is no maximum value for each bond.

Guarantee Period

There is no maximum or minimum term for a guarantee.

Cost

The guaranteed bank pays UKEF a guarantee fee, which is typically a proportion of the fee which the bank receives from the exporter for issuing (or indemnifying the issue of) the bond in question.

How to apply

The scheme is accessed through participating banks that have signed an agreement with us. A list of UK participating banks is on UKEF's website:

<https://www.gov.uk/bond-support-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 bond support scheme and many details which are relevant to particular circumstances may have been omitted.

When considering applications from participating banks, UKEF will look at each case on its merits.

The brochure was last updated in March 2013.