Exporter Questionnaire and application form

These guidance notes have been developed to help bank representatives explain the above documents to an exporting customer. They are designed primarily to answer the question: 'why is this information required?' They can be read in conjunction with both the exporter questionnaire and both application forms: either the stand alone guarantee form used for single export contracts or the facility line form for use with multiple contracts. Some of the language is designed to be readily used by a bank representative speaking to a customer.

UKEF is helping the bank provide support under the Bond Support and Export Working Capital Schemes. It may have no prior relationship with the exporter and therefore needs to undertake some due diligence, both to understand the company and the export contracts it is seeking to support.

Exporter questionnaire

This document is designed to gain an understanding of the company and its track record in exporting.

Sections 1-6

These sections seek to capture core information that will be known to the bank, but not UKEF. They seek to capture the minimum required for UKEF to understand the structure of the company, key personnel, its core business and track record in exporting.

Section 7

This details UKEF’s commitment in relation to confidentiality. The exporter needs to understand how the information provided is protected.

Section 8

The information requested is designed to provide an up to date picture of how the company is performing. The final question about corporate structure helps us understand more fully potentially important inter-relationships and ensure we have a clear picture of the entities we are potentially supporting.

Section 9

We place considerable reliance on the information provided and therefore seek this warranty.
Section 10

UKEF needs to understand how referrals are generated and this section is to help us understand this better.

How often do need to complete this form?

This form is required the first time UKEF is approached for support under these schemes.

However, it is envisaged that most of this information will be valid for a while, meaning the bank will only be required to resubmit a completed Exporter Questionnaire with subsequent applications when:

• one calendar year has passed since the last completed Exporter Questionnaire, or;

• there has been a material change in the details captured in the current Exporter Questionnaire.

Stand Alone Guarantee Application Form

Unlike the Exporter Questionnaire the Application Form is required each time UKEF is asked to support a contract. Whilst the core information about the company may stay the same for a period, each contract is different.

Section 1

This section captures the minimum information required to link the application back to the original Exporter Questionnaire. Knowing the date the Exporter Questionnaire was completed allows UKEF to be confident the information provided in the Exporter Questionnaire remains valid.

Section 2

These questions are designed to gain an understanding of the contract UKEF is being asked to support.

Section 3

Each contract contains performance obligations. A key part of UKEF’s assessment requires an understanding of these.

Section 4

This section only needs to be completed if the application is under the Bond
Support Scheme. If so, it is important to understand the detail of the bonds to be supported and the exporter’s experience with contract bonding. It is helpful to understand the stages to a contract, and the terms and dates that trigger stage payments. UKEF can then judge best how progress can be monitored, plus the potential profile and term of the exposure.

Section 5

This section only needs to be completed if the application is under the Export Working Capital Scheme. The information requested enables UKEF to judge best how progress can be monitored, plus the potential profile and term of the exposure. An example of a Trade Timeline is shown below to help demonstrate the information required, which is designed to help understand the stages of the underlying contract.

A Simple Trade Timeline

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Day 25</th>
<th>Day 40</th>
<th>Day 60</th>
<th>Day 90</th>
<th>Day 135</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order placed with supplier</td>
<td>Goods dispatched</td>
<td>Supplier invoice due</td>
<td>Goods arrive</td>
<td>Sale</td>
<td>Sale proceeds received</td>
</tr>
<tr>
<td>Transit period</td>
<td></td>
<td></td>
<td></td>
<td>Debt period</td>
<td></td>
</tr>
<tr>
<td>Manufacturing period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme Loan Debited</td>
<td>In stock or manufacturing starts</td>
<td>Invoice on 45 day terms</td>
<td>Applied to Scheme Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 6

At the beginning of the Application Form there is an explanation about corruption and money laundering and related legislation. The use of agents is normal practice in trade. However, UKEF needs to undertake due diligence on any agents identified, where a contract is supported, and also confirm that the agents’ fees are appropriate to the market in which they are being used.

Sections 7 and 8

The questions about Code of Conduct and charges and convictions are again related to due diligence on corruption and money laundering.

Sections 9 and 10

These sections are designed to be specific about the interpretation of terms used in
the document and to outline the rights UKEF requires in terms of its access to information, should the need arise.

**Section 11**

The final section captures the exporter’s certificate in relation to the application, the contract and the information provided.

All remaining sections are for completion by the bank.

**Facility Line Application Form**

**Section 1**

This section captures the minimum information required to link the application to the original Exporter Questionnaire. Knowing the date the Exporter Questionnaire was completed allows UKEF to be confident the information provided in the Exporter Questionnaire remains valid.

**Section 2**

This is an instruction that buyers and agents need to be nominated in schedule A of the application form.

**Section 3**

The questions are designed to gain an understanding of the nature of the goods and or services that UKEF is being asked to support.

**Sections 4 and 5**

The questions about Code of Conduct and charges and convictions are related to due diligence on corruption and money laundering.

**Section 6**

This section is designed to be specific about the interpretation of terms used in the document and to outline the rights UKEF requires in terms of its access to information, should the need arise.

**Schedule No [1, 2, 3 etc]**

These questions are designed to gain an understanding of each nominated buyer/s. The schedule should be completed and signed for each nominated buyer.

UKEF requires information on any and all agents the Exporter intends to involve in
any of the contracts covered by the UKEF Facility Line, in order to carry our anti-
bribery and corruption due diligence.

Part B

All remaining sections are for completion by the bank.