FORM NO. EFG 100

CENTRAL BANK OF BARBADOS

FOREIGN EXCHANGE & EXPORT CREDITS DEPARTMENT
P. O. BOX 1016, BRIDGETOWN, BARBADOS

PROPOSAL FOR AN EXPORT FINANCE GUARANTEE

We, …… located at
(Name of Bank)

………
(Address of Bank/Branch)

the bankers of ……
(Name and Address of Exporter)

hereby apply to the Foreign Exchange & Export Credits Department, Central Bank of Barbados, for an Export Finance Guarantee in respect of the credits which we propose to extend to the above-mentioned Exporter for the purposes specified herein.

GENERAL INFORMATION

1. Any exporter on whose behalf a proposal for an export finance guarantee is made must be the holder of a valid export credit insurance policy or must have applied for such a policy.

2. An export finance guarantee provides for pre-shipment and/or post-shipment coverage of credits granted to an exporter.

3. **Pre-Shipment Coverage** is given in respect of any credits granted by a bank to an exporter for the purpose of manufacturing, processing, purchasing, and/or packing of goods for export against a firm contract or agreement of sale with a foreign buyer.

4. **Post-Shipment Coverage** is given in respect of any credits granted by a bank to an exporter through the purchase, negotiation or discount of export bills relating to the shipment of goods out of Barbados under contract or agreement of sale with a foreign buyer.

5. The Central Bank of Barbados will guarantee losses in respect of credits granted under an export finance guarantee as follows:-
   Pre-Shipment Loss: – **A minimum of 75% of the loss incurred.**
   Post-Shipment Loss: – **90% of the loss incurred.**

6. This application must be accompanied by a non-refundable fee of:
   $25.00 – for a loan/credit facility to be guaranteed which does not exceed $250,000, or
   $50.00 – for a loan/credit facility to be guaranteed which is in excess of $250,000.

PARTICULARS OF THE EXPORTER

1. Is the exporter the holder of a valid export credit insurance policy? YES ☐ NO ☐

   If yes, give (a) **Policy No:** ___________________ (b) **Expiry Date:** ___________________

   If no, indicate whether the exporter has applied for export credit insurance coverage. YES ☐ NO ☐

2. Is the exporter a new customer? YES ☐ NO ☐

   If no, since when has exporter been your customer? ……………………………………………………………………………………

3. (a) Describe the type of goods being manufactured for export: ……………………………………………………………………

   ………

   ………

   (b) State the number of years the exporter has been in this line of business: ………………………………………………

   (c) State the number of years the exporter has been in the export market: …………………………………………………

   (d) State the exporter's turnover for the past three (3) years:

   Year …………… …………… ……………

   Value of Goods Exported $...................... $....................... $.......................

   Countries to which goods were exported: ……………………………………………………………………………………

   ………

4. (a) Total indebtedness of the exporter to your bank (Excluding the current request for credit).

Type of Loan	Amount	Are repayments Current	or In Arrears?
1………………………………………………........	$............................	☐	☐
2………………………………………………........	$............................	☐	☐
3………………………………………………........	$............................	☐	☐
4………………………………………………........	$............................	☐	☐
5………………………………………………........	$............................	☐	☐

(b) Other banks or financial institutions to which the exporter is indebted:

Name of Bank/ Financial Institution	Amount	Are repayments Current	or In Arrears?
1………………………………………………........	$............................	☐	☐
2………………………………………………........	$............................	☐	☐
3………………………………………………........	$............................	☐	☐
4………………………………………………........	$............................	☐	☐

5. (a) State the highest amount of pre-shipment or post-shipment credits ever granted to the exporter by the bank.

BDS$..

(b) State the type and value of any security obtained or to be obtained by your bank in respect of:

(i) The current loan application: …………………………………………………………………………………………………

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(ii) Current loans outstanding: ………………………………………………………………………………………………..

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(c) Give an assessment of the creditworthiness of the exporter:.…………………………………………………………...…….…..

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6. This proposal must be accompanied by **at least** one or more of the following statements. (Please indicate your submission (s) by marking X in the appropriate box. If any of the required information is already in the possession of the Central Bank please mark ✓ in the appropriate box).

☐ The latest audited financial statements of the exporter.

☐ The latest accounting statements as prepared by the exporter or a practicing accountant.

☐ A cash budget of the exporter's operations for at least the ensuing six-month period.

☐ A cashflow projection of the exporter's operations for at least the ensuing six-month period.

GUARANTEE COVERAGE

7. Indicate below the type of guarantee coverage required.

☐ Pre-shipment and Post-shipment Coverage.

☐ Pre-Shipment Coverage.

☐ Post-shipment Coverage only.

PRE-SHIPMENT PROPOSAL

8. (a) Total value of sales contracts or orders on hand for which pre-shipment financing is required: BDS$..............................

(b) Value of export orders for which immediate pre-shipment financing is required: BDS$..

(c) Details of pre-shipment financing: (Attach separate list if necessary):

Name of Overseas Buyer	Country	Value of Order (s) BDS$	Pre-Shipment Financing Required BDS$	Scheduled Date of Shipment of Goods	Terms on which goods are to be shipped
……………………………………………….	……………………	……………	……………	……………	……………
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9. (a) Total amount of pre-shipment financing required: BDS$ ……………………………………………………………………………….

(b) Rate of interest to be charged on pre-shipment loan: ………………………………………………………………………………...

(c) Period for which pre-shipment coverage is required: …………………………………………………………………………...........

(d) Percentage of pre-shipment loss to be guaranteed:

75% ☐ 80% ☐ 85% ☐ 90% ☐

(e) Maximum amount of pre-shipment loss to be guaranteed: BDS$...

10. State the value of any pre-payments received by the exporter and/or the value and type of any letters of credit opened by the overseas buyers in favour of the exporter: ………………………………………………………………………………………………..

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11. **SUPPORT DOCUMENTATION:** This proposal for pre-shipment guarantee coverage must be accompanied by the following: (Please indicate your submission in the box provided).

(i) ☐ Copies of the confirmed export orders and/or sales contract.

(ii) ☐ A statement or statements containing relevant financial information about the exporter as per **Item No. 6** above.

(iii) ☐ Bank reports and/or credit information from other sources on the creditworthiness of the overseas buyers.

(iv) ☐ Any other pertinent information or documentation which may be considered necessary or relevant, or which may be requested by the Central Bank.

POST-SHIPMENT PROPOSAL

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12. (a) Indicate the purpose for which post-shipment is required:

(i) ☐ Only for the financing of those transactions for which pre-shipment financing has been requested as per 8(c) above.

(ii) ☐ For financing of the transactions listed in 8(c) above plus other post-shipment transactions.

(iii) ☐ For financing of other post-shipment transactions only.

(iv) ☐ For financing of all post-shipment transactions of the Exporter.

(b) Period for which this post-shipment coverage is required: …………………………………………………………………………

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13. (a) Exporter's highest level of export receivables outstanding at any one time during the past year: BDS$ …………………………

(b) For how long were the export receivables stated in (a) above outstanding: ……………………………………………………………

14. (a) Total value of goods to be shipped during the period of post-shipment guarantee coverage:……………………………..

(b) Normal terms on which goods are to be shipped: ………………………………………………………………………………………

(c) What is the **Maximum Liability** of the exporter's credit insurance policy? BDS$...

15. (a) Amount of post-shipment financing required: BDS$...

(b) Rate of interest to be charged on post-shipment credit: ……………………………………………………………………………

(c) Maximum amount of post-shipment loss to be guaranteed: (i.e. 90% of 15(a)): BDS$ ……………………………………………

16. **SUPPORT DOCUMENTATION:** (To be completed only if Section 11 above has not been completed)

This proposal for post-shipment guarantee coverage must be accompanied by the following: (Please indicate your submission in the box provided).

(i) ☐ Copies of the confirmed export orders and/or sales contract.

(ii) ☐ A statement or statements containing relevant financial information about the exporter as per **Item No. 6** above.

(iii) ☐ Bank reports and/or credit information from other sources on the creditworthiness of the overseas buyers.

(iv) ☐ Any other pertinent information or documentation which may be considered necessary or relevant, or which may be requested by the Central Bank.

We have read the undertakings attached to this **Proposal** and have agreed to abide by them.

Date: ………………………… AUTHORISED SIGNATURE: ………………………………………………..

U N D E R T A K I N G S

(i) In support of this proposal we undertake to obtain from the Exporter or other sources all relevant information and documentation, including written confirmation of orders, terms of payment and delivery schedule, before granting any pre-shipment credits to the Exporter.

(ii) We undertake to obtain from the exporter, prior to granting post-shipment credit, all relevant export documentation including a bill of lading or airway bill, a commercial invoice, insurance certification and a negotiable bill of exchange drawn on an overseas buyer.

(iii) We have applied sound banking criteria to the request(s) submitted to us by the Exporter and have determined that the prerequisites for granting credit under an **Export Finance Guarantee** have been duly met. We shall exercise reasonable care and prudence in granting credits to the Exporter.

(iv) We undertake to open pre-shipment and/or post-shipment accounts in the name of the Exporter and to monitor these accounts for the duration of the credits and for any further period for which it may become necessary.

(v) We undertake to sign a recourse agreement with the Exporter and the Central Bank to ensure that any claim paid by the Central Bank under the Guarantee may be duly recovered from the exporter by the Central Bank.

(vi) We undertake to submit to the Central Bank any required periodic declarations and the payment of fees and premiums in accordance with the terms and conditions of the Guarantee.

(vii) We undertake to comply with any directives which may be issued by the Central Bank from time to time for purposes of administering the Guarantee.

(viii) We undertake that, if the Exporter at any time fails to repay any pre-shipment or post-shipment credits on the due dates we shall take all steps which may be necessary or expedient, or which the Central Bank may request, for the purpose of effecting recoveries from the Exporter or from any other person from which such recoveries may be made.

(ix) In the event of the payment of a claim under the Guarantee by the Central Bank, we undertake that all monies recovered after the payment of claim shall first be deposited with the Central Bank.

(x) We agree that subject to the deduction of recovery expenses, all recoveries shall be divided between the Central Bank and ourselves in the ratio in which loss or losses was/were shared.

(xi) We hereby declare that all the representations and statements made herein by us are true to the best of our knowledge and belief and that we have not misrepresented or omitted any material fact which has bearing on the Guarantee requested.

(xii) We agree that this declaration and proposal and all representations and statements and undertakings contained herein shall form the basis of and be incorporated in the Guarantee and that the truth of such representations and statements and the due performance of each and every undertaking contained herein or in the Guarantee shall be a condition precedent to any liability of the Central Bank under the Guarantee and enforcement thereof by us.