



Sell more on the export markets

Help your customers abroad with long-term financing and boost your sales

Before you can transact sales in export markets, your customers may need to obtain financing to cover their purchase. EIFO can provide your company's foreign customer with financing that can be used to buy your goods, but without you having to take needless risks yourself.

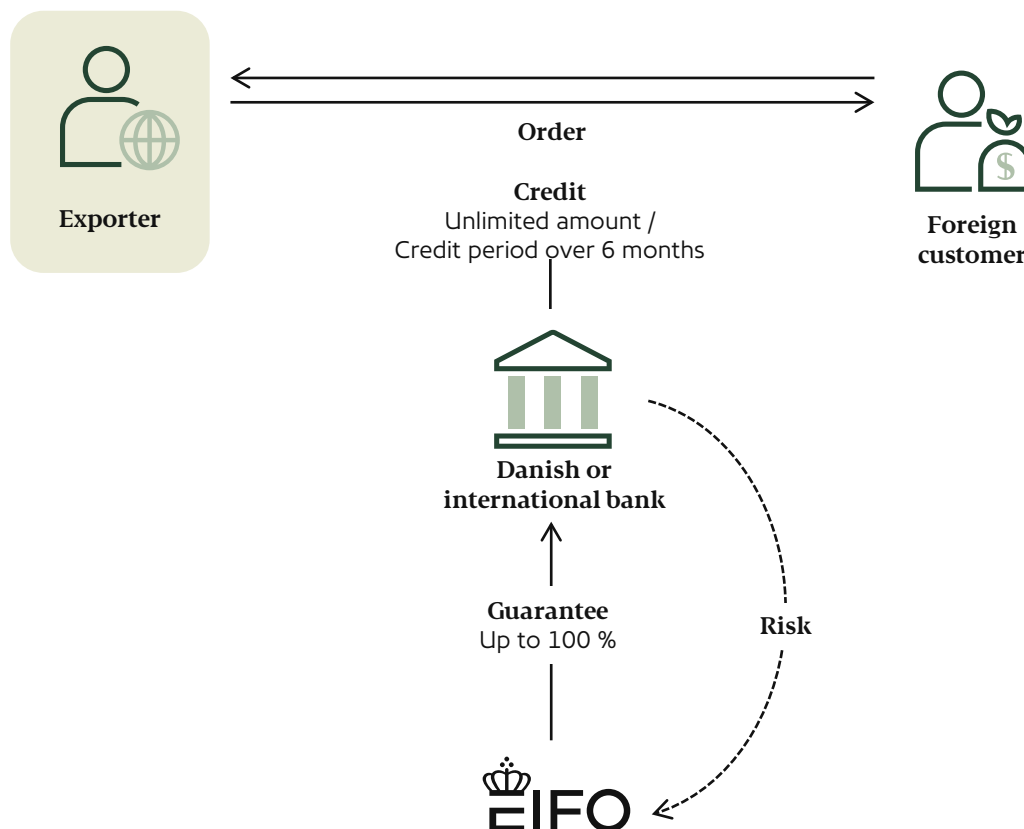
Steps in the procedure

If you want to offer your foreign customer financing in association with EIFO, what we do is to provide a guarantee for that financing arrangement. The financing for your customer can be provided by your own company covered by EIFO insurance against loss, or by a Danish or overseas bank that is willing, with the protection of an EIFO guarantee, to provide the financing your customer needs.

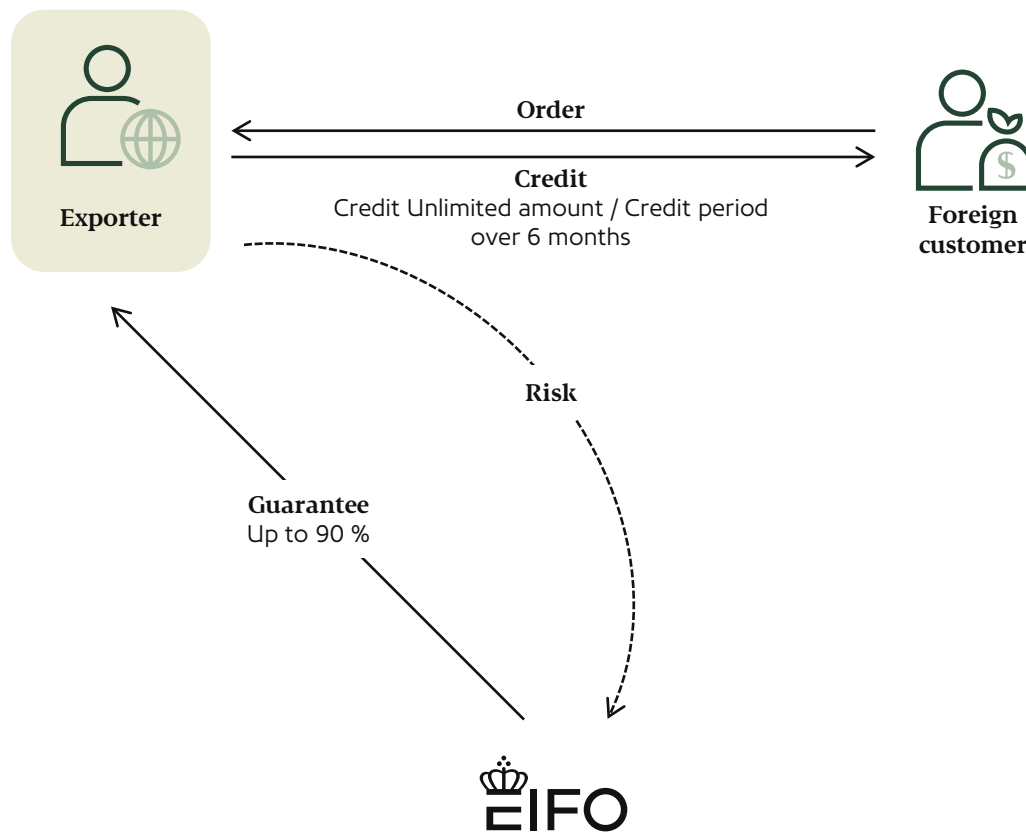
If, contrary to expectations, your customer does not pay as agreed, we will compensate your company or the bank for most of the loss incurred if, for example, your customer is unable or unwilling to pay, if money cannot be transferred out of the country, or if war or other armed conflict breaks out in the region.

Financing from EIFO can be structured in different ways. It depends on the value of the order, whether or not a bank is involved, and, if so, whether the bank is Danish or international. Contact us to find out more about pricing, coverage and terms & conditions applicable to the various solutions we offer. Regardless of which solution is used, the procedure is essentially the same – see the illustrations.

Long-term financing for customers abroad in cooperation with EIFO and a bank



Long-term financing for customers abroad with no bank, only in cooperation with EIFO



Benefits of the solution

- › You can help your customer secure long-term financing for placing an order with you even if the customer's own bank, for example, declines to finance the purchase.
- › You can get your customer credit-rated in advance. That way, at your sales meeting, you will be able to offer a great product and a financing option, too. This makes it possible for your customer to say yes immediately without having to check with their bank first.
- › You can use the offer of a financing solution actively in your export sales. By offering an attractive financing solution you will be one step ahead of the competition.
- › Even though your customer obtains financing and pays over an extended period, you receive your payment as soon as you fulfill the contract with your customer.
- › EIFO can also insure you against loss if you opt to provide the financing without involving a bank.

Note: Financing for foreign customers is primarily used in connection with the sale of capital goods and with credit periods of six months or more. EIFO generally requires 15% self-financing from the buyer and a 10% deductible for the exporter.

The process

Clarification

1. You would like to offer your customer financing.
2. Either a bank offers your customer the financing, or you do so yourself. Regardless of who provides the financing, your company/the bank will want added protection from EIFO.
3. EIFO runs a credit-rating check on the customer.

Offer

4. If we wish to cover the transaction we send you/the bank an offer.
5. You or the bank negotiate the details of the financing with your customer based on the offer from us.

Guarantee

6. We issue a guarantee. If the financing is provided by a bank, you receive your payment upon delivery of the goods, and your customer repays the purchase sum to the bank in instalments, with no further involvement on your part. If you have provided your customer with financing, you yourself retain any interest and you also benefit from EIFO's risk cover on most of the amount.

Three practical questions

What does it cost?

EIFO provides advice free of charge, and a guarantee offer is also provided free of charge.

EIFO charges a premium for guaranteeing the financing for your customer. The premium depends on the country and your customer's creditworthiness. The premium is collected from whoever provides the financing to the customer, that is, either from you or from the bank involved. Alternatively, if you let the customer pay the premium as part of the financing, it will not cost you anything to help your customer finance their purchase.

If a bank provides the financing, the customer must pay interest and administrative fees to the bank. Your bank can advise you of the total cost.

What are the eligibility requirements?

Your customer is from abroad and must be creditworthy.

The credit covers one single order.

Your company must help generate economic growth in Denmark.

Order fulfilment must be environmentally sound and socially responsible. For transactions with a low ESG risk and worth no more than DKK 25 million, a declaration and a limited amount of documentation will typically suffice. Businesses exposed to higher ESG risk and transactions worth more than DKK 25 million require a more in-depth ESG assessment by EIFO.

What can you do?

You can contact your bank or one of EIFO's advisers to discuss the options.

You can obtain information about your customer's creditworthiness, including your customer's financial statements for the last 3 years.

You can visit www.eifo.dk/en and read more about financing for foreign customers.

About EIFO

EIFO is the Export and Investment Fund of Denmark, and we are with you all the way – from igniting the spark for Denmark's entrepreneurs to opening doors for Danish companies' global business. With long-term financing and risk coverage, we act as a driving force and an enabler for new ventures and trade between Danish companies and their partners worldwide. EIFO has more than 5,000 customers and a total business volume of around DKK 150 billion. With our willingness to take risks in financing, EIFO paves the way for those who dare to think bigger.