Working Party on Export Credits and Credit Guarantees

NOTIFICATION OF CHANGES IN THE EXPORT CREDIT SYSTEM

Note from Canada

This document reports changes notified by Canada to its existing export credit system: EDC medium- and long-term support to banks.

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NOTIFICATION OF CHANGES IN THE EXPORT CREDIT SYSTEM

NOTE FROM CANADA

CHANGES TO EDC MEDIUM- AND LONG-TERM SUPPORT TO BANKS

1. EDC has announced updates to its Bank Guarantee Program which aim to leverage the financial capacities of EDC and Canadian and international financial institutions to provide Canadian exporters with incremental medium- and long-term financing for their foreign buyers in developing markets.

2. The program has been updated in an effort to provide a clear and predictable vehicle to support transactions on OECD Arrangement-compliant terms. Support will be structured on terms comparable to those offered by other export credit agencies and represents an increase in the loan coverage ratios previously offered by EDC. The changes introduced signal to banks that EDC is actively looking to work with them to increase the array of competitive solutions available to Canadian exporters.

3. Under the revised program, EDC will provide a guarantee with coverage in the range of 90% to 100% on 85% of the export contract value. 100% coverage will be available in situations where the bank finances on an uncovered basis at least 15% of the export contract value. Premium will be no less than the applicable OECD minimum premium rates. For financed amounts of USD10 million or less, the minimum coverage will be 95% and the bank will determine the spread on the loan. For financing amounts above USD10 million, the minimum coverage will be 90% and the spread on the loan will be determined jointly by EDC and the bank.

4. More details on the program, including pricing, will be made available on EDC’s web site.

5. The press release announcing these changes can be accessed at the following address: