

UKEF – United Kingdom Export Finance

UKEF are the UK's export credit agency and a government department, working alongside the Department for International Trade as an integral part of its strategy and operations.

UKEF helps UK companies of all sizes and in all sectors to export by enabling them to win business, perform contracts and get paid through a variety of guarantee, lending and insurance products.

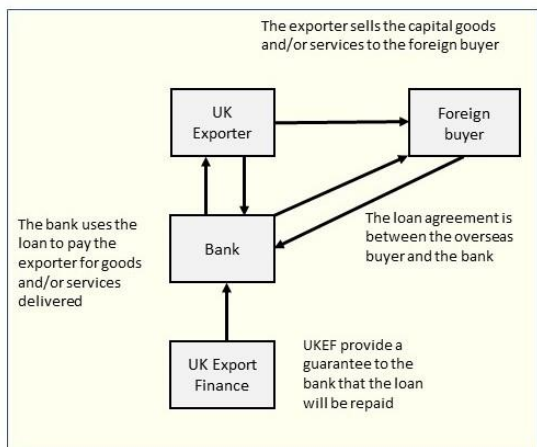
Over the past 5 years, UKEF has provided over £15 billion worth of finance and insurance to help exporters across the UK sell to over 200 countries.

Although there are a variety of facilities put in place by UKEF, here is a summary for “**Buyer Credit Facility**” as one of the most suitable for Turkish importers.

Buyer Credit Facility (BCF)

Under a BCF, UKEF provides a guarantee to a bank making loan to an overseas buyer, so that capital goods, products and/or services can be purchased. Loans can be made in the main trading currencies (including GBP, USD and EUR, as well as TL on case by case basis). This facility enables the exporter to receive payment up-front as though it was a cash contract, while the buyer can access extended repayment terms.

The loan is typically repaid over a period of 2 years or longer by the borrower, while the exporter receives payment via the credit facility as amounts fall due under the export contract.



Eligibility

- The exporter must be carrying on business in the UK (minimum added value %20)

- The export contract must have a value of at least £5M or the equivalent in the foreign currency
- The bank making the loan must be acceptable to UKEF
- The maximum amount that can be made available under Buyer Credit Facility Loan is 85% of the contract value.

At least %15 of the export contract's value must be paid directly by the buyer solely from its own financial resources as an indicator of buyer's balance sheet capability. At least %5 of the contract value must be paid on or before the date on which the export contract becomes effective.

Duration

Expected grace period of the loan is 2+ years, whilst maximum maturity may vary between 2-10 years. Case-by-case analysis by UKEF and the UK bank require.

Cost

The premium payable for the facility is determined on case-by-case basis. Annual interest rate of %2.5-1 may be taken as an early indicator.

Other UKEF Facilities

- Direct Lending
- Supplier Credit Financing Facilities

Although UKEF facilities are open to wide range of countries, **TERRA** Business Consulting Ltd focusses on Turkish importers having business connections with the UK. File preparation and documentation is vital for seamless installation of the process.

TERRA provides guidance and consultancy service with the aim of helping its clients to access to external financing resources and solve out their financial needs in the most applicable and low-cost manner.

We cooperate with European Innovation Network (EIN) through its partnership with UKEF working with 70 private credit insurers and lenders to help UK companies access export finance.

For more, please contact with TERRA.



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