



## PROTECT YOUR INTERNATIONAL SALES

Once you've discovered how much revenue international sales can bring, it's hard to imagine how your business ever managed without it. And with EDC's solutions, the chances are good that you'll never lose out on that revenue. If the unthinkable happens, you'll still recoup most of your cash, whether your customer goes bankrupt or your overseas assets are seized during a political upheaval.

EDC's solutions for international sales let you affordably insure and protect your business from a wide range of risks – you can even get insurance for a single buyer or for one contract. With these solutions, you'll gain the peace of mind you need to concentrate on what's most important: growing your international business.

# HOW TO PROTECT WHAT YOU'VE BUILT



Running a business is often like trying to see around a corner – you can never be completely sure what's coming. But as many successful business owners have discovered, the trick lies less in foreseeing the future than in being prepared for whatever may happen.

This is especially true if you're operating in the international marketplace, where political situations, economic shifts and non-paying customers can scuttle a business deal. Fortunately, Export Development Canada (EDC) has several simple solutions that can help you protect the business you've built.

# HOW TO STAY IN CONTROL, EVEN IN SITUATIONS BEYOND YOUR CONTROL

While it may be impossible to predict whether a foreign customer will wrongfully call your bond, file for bankruptcy or cancel a contract, you can help to still ensure that you get paid – even if a political revolution erupts and your deal goes up in smoke. That’s because EDC has the solutions you need to stay in control, whether you’re entering a new market or operating in a familiar one.

Look over the scenarios in this brochure to see our solutions for several common challenges that businesses face when operating abroad. We’d also be delighted to provide a customized solution for your specific needs.

## Tip

You can use EDC receivables insurance to help free up your cash flow. Banks are often more willing to finance a contract that has receivables insurance, or to forego collateral or security requirements for it.





### I WANT TO PROTECT MY INTERNATIONAL SALES

You've found a new foreign customer and signed a single contract with the company, or maybe you're concerned about all the foreign receivables you have on your books. How can you protect your business from buyer non-payment and other risks?

With EDC's flexible insurance options, it's simple. These are just some of the commercial risks we cover:

- › Buyer bankruptcy or insolvency.
- › Buyer refusal to accept the goods.
- › Cancellation of export or import licenses and permits.
- › Non-conversion of currency or inability to transfer funds.
- › Non-payment or default by your customer.
- › Termination or cancellation of the contract by your customer.



## Tip

If you're just starting to export and only have one or two customers, or if you have just a single contract, EDC's insurance is a very affordable way to insure your receivables. Later, as your business grows, you can switch to blanket protection for all your customers.

# HOW TO PUT YOUR MIND AT EASE

When you're a player in the international marketplace, it may be more difficult to hold people accountable or to get proper restitution if something goes wrong. By using EDC insurance solutions to protect yourself, you can often ensure good outcomes even in bad situations and move ahead with confidence.



## I want to expand into a foreign market, but I'm concerned about the political situation there

Expanding your business to a developing country can have many advantages, especially in the manufacturing, mining or exploration sectors. On the other hand, these are often markets where your company may be more likely to experience political upheavals.

We can help put your mind at ease and reassure your bank by insuring you against a wide range of risks to your overseas equipment, manufacturing plants or sales offices. To take just two examples, EDC insurance can protect you if a foreign government seizes your investment without cause, or if political terrorism damages your assets.



## Tip

If you're trying to attract venture capital to set up a business in a developing country, having insurance that secures the investment may make your project more attractive to investors.

### **I'M WORRIED MY CUSTOMER MAY CALL MY BOND FOR A WRONGFUL REASON OR A REASON BEYOND MY CONTROL**

Your customer or supplier will sometimes ask you for a bond, which is a sum of money held in trust as a guarantee of your performance. These bonds are issued by a bank or a surety company on your behalf.

Unfortunately, if your customer or supplier decides that you aren't, in their opinion, meeting the terms of your agreement, they can "call" your bond without any proof or corroboration. This means your bank has to automatically pay the money to your buyer or supplier. For certain bonds, if it does get called for a wrongful reason or for a reason beyond your control, EDC can provide you with an insurance policy which covers 95 per cent of your loss.

If your bond does get called, you'll have to reimburse EDC or the financial institution that paid the buyer or supplier on your behalf. Depending on the type of bond, however, EDC has insurance that can protect you from having to reimburse this amount in full if the bond was called for no valid reason.





#### **I WANT TO CHECK OUT A NEW CUSTOMER**

Landing a new customer is always good news, and by using EDC's credit checks, you can make sure that the customer is financially solid. In fact, EDC can enable you to review the credit profiles of more than 100 million foreign companies worldwide.

You can obtain detailed corporate information that includes the company's history, any legal issues it faces, and its credit and financial information. It's a great way to learn about a customer before deciding to seal the deal.

## Tip

EDC offers a wide range of supplier-financing solutions that are specially tailored for small- to medium-sized contracts.



## WANT TO KNOW MORE?

You can find out more about EDC's insurance solutions by visiting  
[www.edc.ca/insuranceform](http://www.edc.ca/insuranceform)

Ce document est également disponible en français.