

EXIM's mission is to support U.S. jobs through exports. To fulfill its jobs mandate, EXIM relies on U.S. content as a proxy to evidence support for U.S. jobs.

EXIM offers two short-term programs—Export Credit Insurance and Working Capital Guarantee. Consistent with the Bank's Charter to consider the "unique business requirements of small businesses" in formulating its policies, EXIM has two separate short-term content policies for: (1) small business exporters as defined by SBA ([sba.gov/tools/size-standards-tool](https://www.sba.gov/tools/size-standards-tool)) and (2) non-small business exporters.

I. SMALL BUSINESS EXPORTER ELIGIBILITY CRITERIA

In determining eligibility of goods and services exported by small businesses, applicable U.S. content consists of direct costs (e.g., labor, materials, etc.) and indirect costs (e.g., advertising, marketing, etc.) associated with the production of the U.S. export.

To be eligible for EXIM support:

- Each product must be **shipped from the U.S.** to a foreign buyer; and:
- Each product must have more than 50% U.S. content based on all direct and indirect costs, including but not limited to labor, materials, research and administrative costs, exclusive of profit; or
- The aggregate content of all products across all invoices in a transaction must be more than 50% U.S. based on all direct and indirect costs, including but not limited to labor, materials, research, and administrative costs, exclusive of profit (Note: If the small business exporter opts to aggregate, a Content Report is required to be submitted that details the U.S. and non-U.S. costs in each item.); or
- If the U.S. content of any product or aggregate U.S. content of all products across all invoices in a transaction is 50% or less, only the U.S. content is eligible.

[Note: Value added after export from the U.S., as well as foreign charges such as import duties, taxes, and inland freight are excluded from cover.]

Level of Support for Short-Term, Small Business Exporters

If the product or the aggregate products across all invoices in a transaction meets the more than 50% U.S. content eligibility threshold described above, the entire gross invoice value (sales price) is normally eligible for coverage at the applicable percentage. If the U.S. content of the product or aggregate products across all invoices in a transaction is 50% or less, EXIM may only support the value of the U.S. content at the applicable percentage. Based on the program (i.e., Working Capital Guarantee or Export Credit Insurance), standard percentages of coverage are 90 to 95%.

II. NON-SMALL BUSINESS EXPORTER ELIGIBILITY CRITERIA

In determining eligibility of goods and services exported by non-small businesses, applicable U.S. content consists of direct costs (e.g., labor, materials, etc.) associated with the production of the U.S. export.

To be eligible for EXIM support:

- Each product must be *shipped from the U.S.* to a foreign buyer; and
- Each product itemized on an invoice must be produced or manufactured in the U.S.; and
- Each product must have more than 50% U.S. content based on direct costs, exclusive of any profit.

[Note: Value added after export from the U.S., as well as foreign charges such as import duties, taxes, and inland freight are **excluded** from cover.]

Level of Support for Short-Term, Non-Small Business Exporters

If the product meets the eligibility criteria summarized above, then the entire gross invoice value (sales price) is normally eligible for coverage at the applicable insured percentage. Based on the applicable program or policy type chosen, standard percentages of coverage are 90 to 95%.

[Note: For non-small business exporters, if the U.S. content is 50% or less, then the entire sales price is ineligible for EXIM Bank cover.]

Example of EXIM's Short-Term Content Policy for Small Business Exporters and Non-Small Business Exporters

Below is an illustrative example of a medical equipment transaction seeking EXIM support involving a small business exporter and a non-small business exporter.

Small Business Content Eligibility: The content calculation to determine eligibility includes all costs (exclusive of profit).

Non-Small Business Content Eligibility: The content calculation to determine eligibility is limited to direct costs (e.g., labor, materials, etc.).

Item	Made in	Labor, Materials and Direct Overhead		Total Labor, Materials and Direct Overhead	Indirect Costs (some examples)		Total U.S. Costs	All Costs	Sales Price (incl profit)
		U.S. Labor & Materials	Foreign Labor & Materials		U.S. Marketing	Misc Foreign			
1) stethoscopes	U.S.	\$6,000	\$5,000	\$11,000	\$3,000	\$500	\$9,000	\$14,500	\$17,400
2) oximeters	U.S.	\$2,000	\$8,000	\$10,000	\$1,000	\$500	\$3,000	\$11,500	\$13,800
3) dopplers	Mexico	\$10,000	\$3,000	\$13,000	\$6,000	\$1,000	\$16,000	\$20,000	\$24,000

The following discussion highlights how the eligibility criteria, calculation of eligibility, and the level of support vary for small and non-small business exporters.

Item #1-Stethoscopes

Small Business: This item is eligible for 100% of the Sales Price (\$17,400) because eligible U.S. content ($\$9,000/\$14,500=62\%$) is more than 50%.

Non-Small Business: This item is eligible for 100% of the Sales Price (\$17,400) because (i) eligible U.S. content ($\$6,000/\$11,000=55\%$) is more than 50%; and (ii) the item was produced in the U.S.

Item #2-Oximeters

Small Business: Only the U.S. costs (\$3,000) are eligible for EXIM support because eligible U.S. content ($\$3,000/\$11,500=26\%$) is less than 50%.

Non-Small Business: This item is ineligible for any EXIM support because eligible U.S. content ($\$2,000/\$10,000=20\%$) is less than 50%.

Item #3-Dopplers

Small Business: This item is eligible for 100% of the Sales Price (\$24,000) because eligible U.S. content ($\$16,000/\$20,000=80\%$) is more than 50%.

Non-Small Business: Even though eligible U.S. content ($\$10,000/\$13,000=77\%$) is more than 50%, the item is **ineligible** for any EXIM support because the core product was produced outside the U.S.

Total Transaction Support:

Small Business: \$44,400

Non-Small Business: \$17,400

NEXT STEP: For more information on EXIM's Content Policy, please contact the Office of Policy Analysis and International Relations at 202.565.3760.

800.565.3946 [EXIM]
exim.gov/what-we-do



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EXPORT-IMPORT BANK
OF THE UNITED STATES