



MEMORANDUM

TO: Multi-Buyer, Bank Letter of Credit and Repetitive Policy Holders,
Insurance Brokers, Delegated Authority Lenders and City-State Partners

FROM: EXIM Bank Office of Risk Management

SUBJECT: Country Limitation Schedule (CLS)

CLS Text Changes: Please be advised of changes to the text of Notes # 2, # 4, and # 6. The changes are effective July 6, 2018. The new Notes read as follows:

Note # 2

For sovereign transactions in the People's Republic of China ("China"), EXIM Bank will typically require an indication of Chinese government support through the Ministry of Finance of China. For public sector non-sovereign and private sector transactions under short-, medium-, and long-term programs, EXIM Bank will consider transactions with financial institutions or other entities that are able to provide detailed financial/credit information sufficient to enable EXIM Bank to reach a credit conclusion.

Under the Short-Term Multi-Buyer Insurance Program, the use of Discretionary Credit Limit Authority is permitted, in accordance with policy requirements.

Coverage under the Working Capital Guarantee Program (WCGP) requires that the transaction be supported by an irrevocable Letter of Credit issued by a bank with an "acceptable" market rating as defined in the Short Term Credit Standards, or by a bank pre-approved by EXIM Bank. Exceptions may be made for private sector transactions that are insured for comprehensive political and commercial risk.

Note # 4

EXIM Bank cover/support for private sector transactions is typically limited to transactions with a commercial bank as obligor or guarantor. EXIM Bank will consider transactions without a bank undertaking on a case-by-case basis. Regarding the latter, EXIM Bank may consider corporate



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entities that are able to provide detailed financial information sufficient to enable EXIM Bank to reach a credit conclusion. Such information should include financial statements audited by an affiliate of an international accounting firm and prepared in accordance with International Financial Reporting Standards (IFRS), and the statements should reflect historical material bank borrowings. As conditions pursuant to which we may consider non-bank transactions vary in markets subject to this note, please contact the Credit Policy Division for further information

Under the Short-Term Multi-Buyer Insurance Program, a commercial bank obligor or guarantor is not required for transactions qualified under Discretionary Credit Limit Authority, in accordance with policy requirements. Under Special Buyer Credit Limit applications and Short Term Single Buyer policies (ESS, FB, FV) requirement of the commercial bank obligor or guarantor will be evaluated on a case-by-case basis.

Coverage under the WCGP for private sector transactions requires that the transaction be supported by an irrevocable Letter of Credit. Exceptions may be made for private sector transactions that are insured for comprehensive political and commercial risk.

Note # 6

Under the Short-Term Multi-Buyer Insurance Program, coverage under Discretionary Credit Limits and a Country Limits of Liability (for Political Risk Only policies) shall be the lesser of the limits authorized in the policy or:

- a. \$50,000
- b. \$100,000

Higher limits will be considered upon application for a Special Buyer Credit Limit endorsement, an Issuing Bank Credit Limit endorsement, or Country Limits of Liability endorsement (for Political Risk Only policies).

For more information, please visit EXIM Bank's Website at www.exim.gov or call 1-800-565-EXIM.