



FREQUENTLY ASKED QUESTIONS LOANS AND GUARANTEES EVIDENCE OF PAYMENT

Why does EXIM require evidence of payment of invoices?

- To confirm that the U.S. exporter or local cost provider has received payment for goods/services provided to and accepted by its foreign buyer under a sales contract prior to providing financing
- To comply with OECD rules that require a minimum 15% cash payment for financed exports
- To determine the value of the financed amount in conjunction with the invoice

What are acceptable forms of evidence of payment?

- An invoice with a paid stamp which the U.S. exporter or local cost provider has affixed and signed or initialed as paid.
- A copy of a commercial bank's advice of payment or wire transfer evidencing payment of the invoice amount to the U.S. exporter or local cost provider.
- A signed letter from the U.S. exporter or local cost provider listing its invoices and amounts received.
- A copy of both sides of a canceled check which was made payable to the U.S. exporter or local cost provider for the invoice amount.

What does Credit Administration check?

- Has the U.S. exporter or local cost provider (not the foreign buyer) signed or initialed the paid stamp?
- Does the commercial bank's advice of payment have the name of the U.S. exporter or local cost provider? Is the payment amount the same as the invoice amount?
- Does the letter from the U.S. exporter or local cost provider list the invoices and amounts received? Is the letter signed by the U.S. exporter or local cost provider?
- Is evidence of payment for each invoice, including the cash payment, provided?
- If payment is less than the full invoice value (e.g., retention deducted), has the financed amount been correctly calculated based on the amount paid?

Additional Guidance

- A paid stamp on the invoice signed by the foreign buyer is not acceptable.
- Evidence of payment for an invoice for U.S. goods/services must include the cash payment as well as the financed amount.
- More than one form of evidence of payment may be provided (e.g., a letter confirming receipt of the cash payment and an advice of payment for the financed amount).
- Copies of evidence of payment documents are acceptable.
- Contact Credit Administration if you have questions about evidence of payment.

Disclaimer: This fact sheet provides general guidance and may not be applicable to all guarantee and loan transactions. It does not supersede EXIM's policies, procedures, and other applicable requirements.

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