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Often, in export transactions, exporters won't receive payment until the product or service is delivered to the buyer — sometimes months or even years after signing the contract. For many small and medium-sized enterprises, this creates prohibitive cash flow problems, leading to lost sales. The PPP bridges this cash flow gap.

Managing the export cash flow crunch

The PPP lets you make swift business decisions to maintain your competitive edge, with financial resources to manage export sales. Through the PPP, you'll know you have the cash flow to cover costs as your company captures sales.

Does your company qualify for the PPP?

If you meet all or most of the following requirements, you may qualify for pre-shipment export financing through the PPP.

- You are negotiating or already have a firm order/contract with a foreign buyer.
- CCC will be able to establish a contractual relationship with your buyer.
- Your company manufactured or sold this product or service before.
- You will be paid by an acceptable letter of credit or are prepared to insure your receivable.
- Your company can finance at least 10% of the cost of the order.
- Your business is in good standing with the financial institution.

Qualified exporters with annual sales of \$50 million or less can receive up to \$2 million in financing per exporter, for up to two years.

PPP in action

Your company has an export project and requires working capital to take on the deal.

CCC evaluates the project to ensure your company meets the basic program requirements. You then complete and submit an application.

CCC reviews applications to assess your company's capabilities

and the risks associated with the deal. If CCC is willing to support the application we issue a Conditional Letter of Offer.

The financial institution carries out its due diligence, and, if acceptable, agrees to establish a project line of credit (PLOC).

Progress Payment Program

Prior to dispersing funds, CCC establishes contractual links with all parties while the financial institution registers its security position over

CCC reviews each claim and, once approved, authorizes the financial institution to release funds to your company.

Your company makes a shipment to a buyer generating a receivable.

The buyer issues a payment to CCC for the receivable.

On receipt of funds, CCC deducts its fees and forwards the balance to the financial institution.

The financial institution applies these proceeds against the PLOC. Any excess amount is dealt with in accordance with your company's non-PPP credit arrangements with the financial institution.

Find out more about the PPP

Help is just a phone call away. Or, if you prefer, contact us on-line through our Web site or by e-mail. Either way, our team will be pleased to discuss your pre-shipment financing needs in detail.

For more information, call 1-800-748-8191 (in Canada) or (613) 996-0034 (Ottawa), fax: (613) 995-2121, e-mail: ppp@ccc.ca Web site: www.ccc.ca

(For the unabridged version, see www.infoexport.gc.ca/canadexport and click on "Export Sales and Contracting")

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the equipment and work in progress required for the project.

As costs are incurred in accordance with the projected cash flow statement, the company submits a request to CCC to draw down on the PLOC.

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