

to borrow from EDC for a variety of transactions for which neither the exporter(s) nor the buyer(s) have been determined. An allocation occurs when a transaction, the buyer and the exporter have been identified and approved for financing under the line of credit. A line of credit may require several Disbursement Procedures Agreements, Disbursement Orders, or other forms of disbursement arrangements.

Note Purchase

The Note Purchase Program consists of three facilities, each involving the purchase by EDC, usually on a non-recourse basis, of promissory notes issued by foreign buyers to Canadian exporters for the purchase of Canadian goods and services. In the case of more complex transactions, EDC and the exporter sign a Note Purchase Agreement in which the terms and conditions of the financing are established. In the case of straightforward transactions, either the Simplified Note Purchase or the Forfeiting facilities may be appropriate. Where these two facilities differ is in the security required. If the buyer is an internationally recognized good credit risk or is backed by a government guarantee for loan repayment, the Simplified Note Purchase facility may be appropriate. If the credit risk is greater than that described above, a first-class bank guarantee would be required and the Forfeiting facility would apply.

Protocol

A Protocol is a memorandum of understanding between EDC and a foreign customer. Through a Supplier Credit Protocol, EDC offers to consider the purchase of promissory notes issued to a Canadian exporter by a foreign buyer and guaranteed by a financial institution of foreign government. Under a Buyer Credit Protocol, EDC extends a loan to a foreign buyer/borrower or a financial institution for the benefit of the buyer.

Specialized Credit

Specialized Credit is a special version of a financing agreement available directly to Canadian entities. Eligible transactions are those for which goods are purchased in Canada by a Canadian buyer that (i) will lease such goods to another person for permanent use out of Canada, or (ii) will use such goods itself permanently out of Canada. EDC's normal lending criteria will apply to the provision by EDC of Specialized Credits to Canadian companies.

Loan Guarantees

Loan Guarantees are issued to banks and financial institutions providing loans to buyers of Canadian capital goods, equipment and services.

Flexibility of Services

EDC services are flexible and can be custom-tailored to the requirements of exporters. In order to use EDC services to the best advantage, firms are encouraged to consult EDC and their bankers about credit and financing considerations at the earliest possible date when they are developing their plans.

Confidentiality

In order to respect the confidence in which it receives information from exporters and others, and to avoid doing anything that could assist an exporter's competitors, both foreign and domestic, it is EDC's policy to refrain until the sales arrangements are final from even indicating even that it has been approached concerning a

transaction. EDC makes public its participation in lending transactions only when a financing agreement is signed, and, in export credit and foreign insurance cases, only on request and when the exporter consents to the release of information.

For more detailed information on EDC facilities, you should direct enquiries to:

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