

MEMORANDUM

TO: Multi-Buyer, Bank Letter of Credit and Repetitive Policy Holders, Insurance Brokers, Umbrella Policy Administrators, Delegated Authority Lenders

FROM: Ex-Im Bank Business Development

SUBJECT: Country Limitation Schedule (CLS)

Please be advised that the following changes to the CLS are effective October 29, 2001.

Argentina: Closed for long-term transactions in the public sector.
Closed for long-term transactions in the private sector.

Armenia: Open for short- and medium-term transactions in the private sector.

Bhutan: Open for short- and medium-term transactions in the private sector.

Ghana: Closed for all transactions in the public sector.
Closed for long-term transactions in the private sector.

Jamaica: Open for long-term transactions in the public sector.

Papua New Guinea: Open for long-term transactions in the private sector.

Romania: Open for long-term transactions in the private sector.

Serbia/Montenegro: Open for short- and medium-term transactions in the private sector
(Montenegro only).

Note Changes: In addition, please be advised that changes to Notes have been with respect to the following countries:

Argentina: Added Notes #1 and 13.

Armenia: Added Notes #1 and 4.

Bhutan: Added Note #4.

Bulgaria: Deleted Notes #1 and 4; added Note #6a.

Croatia: Deleted Note #1; added Note #6a.

Czech Republic: Deleted Note #6a.

Estonia: Deleted Note #1; added Notes #5 and 6b.

Ghana: Added Notes #1, 4, and 13. Deleted Notes #5, 6a and 10.

Hungary: Deleted Note #1.

Jamaica: Deleted Note #13.

Latvia: Deleted Notes #1 and 4; added Note #6a.

Lithuania: Deleted Notes #1 and 4; added Notes #5 and 6a.

Pakistan: Deleted Note #7; as of September 22, 2001, Ex-Im Bank is not legally prohibited from operating in the country; added Note #13.

Papua New Guinea: Deleted Note #13.

Poland: Deleted Note #6a.

Romania: Deleted Notes #1, 4 and 13; Added Note #6a.

Serbia/Montenegro: Added Notes #1 and 4.

Slovak Republic: Deleted Notes #1 and 4; added Note #6a.

Slovenia: Deleted Notes #1 and 4; added Note #6a.

CLS Note Text Changes: Changes have been made to certain Notes as follows. Most pertain to the Working Capital Guarantee Program and are shown in boldface for your convenience.

Change to Note #12 reads: **Support for Serbia is legally prohibited. Notes #1, 4 and 13 apply to Montenegro only.**

(The following WCGP changes are shown in boldface. No changes to Notes 1, 5, 6, 7, 10, 11, 12.)

2. Currently, arrangements are in place with the Bank of China and the State Development Bank to serve as obligor or guarantor for medium and long-term transactions under the Loan and Guarantee Programs. For the Medium-Term Insurance, Loan or Guarantee Programs, Ex-Im Bank will consider transactions with other financial institutions or other entities that are able to provide detailed financial information sufficient to enable Ex-Im Bank to reach a credit conclusion.

Under short-term insurance policies for public sector transactions, the use of Discretionary Credit Limits and Country Limits of Liability requires the obligation of one of the following: the Bank of China, the State Development Bank, the China Construction Bank, the Industrial and Commercial Bank of China, or the Bank of Communications. For private sector transactions, Discretionary Credit Limits are not available, and cover is not available unless specified in a Special Buyer Credit Limit endorsement or an Issuing Bank Credit Limit endorsement.

Coverage under the Working Capital Guarantee Program (WCGP) requires that the transaction be supported by an irrevocable Letter of Credit issued by a bank referenced in the immediately preceding paragraph, or by a bank pre-approved by Ex-Im Bank. Exceptions may be made for private sector transactions that are insured for comprehensive political and economic risk.

3. Prior to accepting an application for a preliminary or final commitment for a public sector transaction, or for any insurance **or WCGP coverage** for a public sector transaction, Ex-Im Bank will require an indication of host government support for the application. Contact Ex-Im Bank for more detailed information on specific markets.
4. Ex-Im Bank cover/support for short- and medium-term private sector transactions is typically limited to

transactions with a commercial bank as obligor or guarantor. **Coverage under the WCGP for private sector transactions requires that the transaction be supported by an irrevocable Letter of Credit.**

8. Public sector transactions in Sharjah, Fujairah, Ras Al-Khaimah, Umm Al-Qaywayn, and Ajman require the guarantee of the federal government of the United Arab Emirates. **Coverage under the WCGP for public sector transactions for the above may be considered if supported by an irrevocable Letter of Credit.**
9. Sovereign transactions with total term in excess of one (1) year require the Government of Aruba as the borrower. **For the WCGP, a transaction may also be considered eligible if it is supported by an irrevocable Letter of Credit.**
13. Where closed for certain routine trade finance transactions, Ex-Im Bank will consider structured financing arrangements such as Ex-Im Bank's project finance program, asset-based aircraft leases, and other financing arrangements that offer a reasonable assurance of repayment, including reliable access to adequate foreign exchange.

In addition, coverage under the WCGP may be available for a transaction that is supported by an irrevocable Letter of Credit issued by a bank, and/or due from a Buyer, located in a country where Ex-Im Bank is open without restrictions for short-term transactions.

- 14a. Public sector risk cover is available under Ex-Im Bank's Africa Pilot Program. Discretionary Credit Limits are withdrawn. Full faith and credit of the government is typically required (**including coverage of public sector transactions under the WCGP**). Exceptions may be made for transactions which are in conformance with the Africa Pilot Program's Credit Standards.
- b. Private sector risk cover is available under Ex-Im Bank's Africa Pilot Program. Discretionary Credit Limits are withdrawn. A commercial bank as obligor or guarantor is typically required. Exceptions may be made for transactions which are in conformance with the Africa Pilot Program's Credit Standards.

Coverage of a private sector transaction under the WCGP requires that the transaction be supported by an irrevocable Letter of Credit or by the guarantee of a commercial bank. Exceptions may be made for transactions which are in conformance with the Africa Pilot Program's Credit Standards.

- 15a. As a result of existing conditions in this market, Ex-Im Bank is currently not processing applications in the public sector. **Coverage under the WCGP for public sector transactions is currently not available.**
- b. As a result of existing conditions in this market, Ex-Im Bank is currently not processing applications in the private sector. **Coverage under the WCGP for private sector transactions is currently not available.**

Effective Date

The effective date for these changes is October 29, 2001.

For more information, please visit Ex-Im Bank's Web site at www.exim.gov or call

1-800-565-EXIM.