



The following Fact Sheet applies to new transactions that are documented under the revised Master Guarantee Agreement (March 2001)

Foreign Content Policy for Medium- and Long-Term Exports

Ex-Im Bank’s mission is to support U.S. jobs through exports. Accordingly, there are foreign content eligibility criteria and limitations on the level of foreign content that may be included in Ex-Im Bank’s financing package.



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Eligibility

To be eligible for Ex-Im Bank financing, goods and services in a U.S. supply contract must be *shipped from the United States to a foreign buyer*. Eligible goods and services in a U.S. supply contract are those:

- # Produced/originated entirely in the U.S.;
- # Containing U.S.- or foreign-originated components, and
- # Produced/originated entirely in a foreign country (other than the buyers country).*

* Please see [Local Cost Policy \(EBD-M-05\)](#) regarding coverage of locally obtained goods and services. Also, please see [Financing Fees for Ancillary Services \(EBD-M-13\)](#) regarding transaction-related banking, financial advisor, or technical and legal services that originate in a foreign country but may also be eligible for support.

Level of Support

The total level of support for a supply contract will be the lesser of:

- # 85% of the value of all eligible goods and services in the U.S. supply contract; or
- # 100% of the U.S. content in all eligible goods and services in the U.S. supply contract.

Ex-Im Bank support for individual disbursements/shipments is based on the aggregate U.S. and foreign content percentages represented in an up-front Exporter’s Certificate, irrespective of the relative amounts of U.S. and foreign content in any specific disbursement/shipment request.

Note: Material changes in the amount of foreign content from the up-front certification must be notified to Ex-Im Bank and future disbursements will be adjusted so that only the value of the U.S. content is supported by Ex-Im Bank. Please contact Ex-Im Bank for additional information on this point.

Please see the reverse side for more information.

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This foreign content policy illustration is based on a hypothetical telecommunications project with a \$10.3 million U.S. supply contract, of which \$8.0 million is U.S. content and \$2.3 million is foreign content. Of the foreign content, \$2.0 million is eligible foreign content and the remaining \$0.3 million is ineligible foreign content (because it was not shipped from the U.S.). Therefore, by adding the U.S. content (\$8.0 million) with the eligible foreign content (\$2.0 million), then the total eligible U.S. supply contract is \$10.0 million.

For this transaction, aggregation by U.S. supply contract means that Ex-Im Bank will disburse 80% (which is the U.S. share of the eligible portion of the U.S. supply contract) of the invoice value(s) for each disbursement request, irrespective of the relative amounts of U.S. and foreign content in each disbursement.

<i>Goods and Services in the U.S. Supply Contract</i>	<i>U.S. Content</i>	<i>Foreign Content</i>	<i>Foreign Content Shipped from the U.S.?</i>	<i>Is Foreign Content Eligible for Inclusion in Ex-Im Bank's Financing Package?</i>
1. Computers	\$ 300,000	\$ 800,000	Yes	Yes
2. Transmitters	\$ 5,000,000	\$ 300,000	Yes	Yes
3. Antennas a. U.S. produced b. Foreign produced	\$ 100,000 - 0 -	- 0 - \$ 300,000	N/A No	N/A No, because the good was not shipped from the U.S.
4. Microwaves	\$ 1,000,000	\$ 800,000	Yes	Yes
5. Cameras	\$ 1,600,000	- 0 -	N/A	N/A
6. Air Freight	- 0 -	\$ 100,000	N/A	Yes

Total: \$8,000,000 \$2,300,000 (of which \$300,000 is ineligible foreign content)

More Information

For more information on Ex-Im Bank's Foreign Content Policy, please contact the Policy Group at 202.565.3760.

For more information on Ex-Im Bank and its other products or policies, contact the Business Development Office, one of our Regional Offices, or visit our website, as listed on the front of each fact sheet.