



FREQUENTLY ASKED QUESTIONS LOANS AND GUARANTEES EVIDENCE OF PAYMENT

Why does Ex-Im Bank 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 ensure compliance 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?

- 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 evidencing payment of the invoice amount to the U.S. exporter or local cost provider
- A 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?

Do's and Don'ts:

- A paid stamp on the invoice signed by the foreign buyer is not acceptable.
- Instructions from the foreign buyer to its bank requesting payment to the U.S. exporter or local cost provider are not acceptable.
- A statement from the foreign buyer's bank that it has or will debit the foreign buyer's account 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).
- A U.S. exporter with its own finance arm may provide an in-house electronic advice of payment.
- Copies of evidence of payment documents are acceptable.

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