

HOW DOES IT WORK?

Advancing/discounting a bill of exchange

For the export of capital goods, financial support can be obtained through bills of exchange. A bill of exchange is a letter that contains an irrevocable promise to pay a certain amount by a certain date. Since it is negotiable, it can be sold to another party, such as a bank or other financier.

Due to challenges faced by banks in supporting smaller transactions, Atradius Dutch State Business offers the possibility to discount bills of exchange under the DGGF and DTIF schemes. This solution also includes a credit insurance policy for the transaction. It is important to note that we can only provide discounting if your bank confirms in writing that it is unable to finance the transaction.



To obtain financing for your bills of exchange from Atradius Dutch State Business, it is crucial to submit your credit insurance application on time. The application process can take up to six to eight weeks.

ADVANCING/DISCOUNTING A BILL OF EXCHANGE

Procedure for issuing policy and discounting bills of exchange

This process is divided
into two parts:

Between the moment the policy is closed and the discounting of the bill of exchange, the exporter will draw up the bills and collect the necessary documents.

Terms and conditions for discounting a bill of exchange

The takeover certificate confirms that all aspects of the export contract have been completed;

Transfer signed bills of exchange to Atradius DSB (or another financier);

Legalisation of the signature of the debtor and if applicable of the guarantor;

(Notarised) Declaration showing signing authority;

Statement from debtor acknowledging that the bills of exchange will be transferred to Atradius DSB;

Signed agreement for advance payment (prepared by Atradius DSB). The terms and conditions are described in clause 6066 “Specimen Advance Payment Agreement”

Contract in effect and request to change promise of cover into a policy



Once the contract between exporter and buyer comes into effect, the policy can be issued. It is important that you have already received a down payment of at least 15% from your customer.

Please, provide the following information:

Date of contract commencement

Copy of bank statement confirming receipt of the down payment

(Expected) date of delivery of the Goods and/or Services

Signed Guarantee by the exporter for discounting bills of exchange / Promissory notes in case of a guarantor for exporter (prepared by Atradius DSB)

Signed Anti-Bribery Declaration (prepared by Atradius DSB)

Discounting the bills of exchange after delivery



Once delivery has taken place and the goods have arrived/installed, you can request Atradius DSB or another financier to discount the bills of exchange. This means that the financier will pay the amounts on the bills of exchange to you. We recommend that you have us check the bills of exchange before signatures are added.

Incorrect bills of exchange will not be accepted and therefore cannot be refunded!

Calling out the policy

Bill of Exchange - front

Bill Of Exchange

For acceptance: Amount: **EUR**

Date:
Name:
(drawee)

....., The Netherlands,
(place and date of issue)

For payment on (maturity date)
At/on for value received, pay against this sole Bill of Exchange

to the order of: The Netherlands

The sum of:
EUR..... <value in words>, without deductions for and free of any taxes, imposts,
levies or duties present or future of any nature.

.....
Guaranteed for payment
on behalf of drawee by:

.....
Drawee:
(DEBTOR)

.....
Drawer:
(EXPORTER)

(handtekening ...plus bedrijfsstempel)

Payable at: This bill of exchange is payable at the office of (huisbankier invullen)

Bill of Exchange - back

to the order of Atradius Dutch State Business

ADVANCING/DISCOUNTING A BILL OF EXCHANGE

Example calculation

FOR A 3-YEAR TERM SUPPLIER CREDIT, THERE WILL BE 6 SEMI-ANNUAL REPAYMENT PERIODS, SO 6 BILLS OF EXCHANGE.

Financing amount	420.000	Contract price	357.000
Financing percentage	85%		
Discount rate (interest payable/CIRR)	3,50%		

Discount factor: $\frac{1}{1+\text{interests}} \wedge n$ *n* = The number of days between due date and the date when discounting is divided by 360. When discounting at Atradius Dutch state business, the CIRR is used.

	Expiry date Bill of exchange	Bill of exchange amount repayment + interests	Discount factor	Atradius pays out upon discounting (Date: 28-1-2023)
1	28-7-2023	59.500,00	0,9829	58.479,72
2	28-1-2024	59.500,00	0,9657	57.460,46
3	28-7-2024	59.500,00	0,9492	56.475,16
4	28-1-2025	59.500,00	0,9326	55.490,83
5	28-7-2025	59.500,00	0,9166	54.539,30
6	28-1-2026	59.500,00	0,9007	53.588,72
Total		357.000,00		336.034,20

The agreement on advance payment

Example




OVEREENKOMST BEVOORSCHOTTING WISSELS Tevens als **van overdracht van vorderingen(en)**

Datum --
 Onze referentie --
 Behandeld door --
 Telefoonnummer --
 Polissnummer van de overeenkomst --

Naar aanleiding van het door u ingediende verzoek hebben wij onderstaande berekening opgemaakt. Indien u zich met deze berekening en de bepalingen van deze Overeenkomst Bevoorschotting Wissels kunt verenigen, verzoeken wij u deze te dateren, rechtsgeldig te ondertekenen en aan ons terug te zenden. Na ontvangst en nadat aan de aan ommezijde vermelde voorwaarden is voldaan zullen wij het vastgestelde bedrag als bevoorschotting aan u uitbetalen. Voor de in deze Overeenkomst Bevoorschotting Wissels genoemde definities verwijzen wij u naar de Verzekeringsovereenkomst.

BEREKENING BEVOORSCHOTTING

Totaal aan wissels/promessen EUR/USD --

Discontovoet --% p.a.
 (zie artikel 3. van deze Overeenkomst Bevoorschotting Wissels)

Bevoorschotting: EUR/USD --

De ondergetekende verklaart hierbij bevoegd te zijn om Verzekerde rechtsgeldig te vertegenwoordigen en gaat akkoord met de bovenstaande berekening en met de aan ommezijde vermelde bepalingen en draagt aan Verzekeraar haar onbezwaarde vordering over op Debituur, inclusief alle rechten en zekerheden die Verzekerde in verband met de vordering op Debituur kan doen gelden.

Naam Datum
 Functie Handtekening

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 Handelsregister Amsterdam 30226495
 Ondernemingsrecht: Atradius Dutch State Business NV
 BTW NL 8014 22 317 B-04

The calculation of the advance payment is as follow: B will discount. The discount payment is calculated in the following way: The advance payment amount that Atradius DSB will provide is specified in the advance payment agreement.

Total amount bills of exchange -/- discount interests (prevailing CIRR at end-month for discounting)

⚠ Please note, that the advance payment of bills of exchange is separate from the settlement of your insurance. This means that you must file a claim if your debtor does not pay. As the coverage under your insurance is 95%, you will be required to repay Atradius DSB the 5% deductible in that case.

If the claim is not covered, you must repay the entire advanced amount to us.