

Under the post-shipment financing scheme, the credit insured exporters can discount their export bills with banks at a preferential interest rate thus reducing their post-shipment financing cost. The post-shipment period refers to the period from the date on which goods are shipped or accepted until the last payment has been received. The Agency has entered into a Memorandum of Understanding with the banks in Oman for discounting such export bills for credit insured exporters.

Eligibility

- Export sales need to be insured by ECGA of Oman
- The exporter is a policyholder of ECGA of Oman

Field of Activities Eligible for Post-shipment Financing

Goods that have been exported have to be either partly or wholly produced in Oman

Documents to be submitted to the Bank:

- Copies of invoices of the exporter on the buyers
- Copies of credit limits issued by ECGA of Oman on the buyers
- Copies of documentary evidences of sale transaction effected to the buyers such as Bill of Lading, Airway Bill, Delivery Orders, etc.

"As Credit Insured exporter, you can obtain Post shipment financing facilities from the Bank by assigning the benefits of the Policy to banks while ECGA of Oman bears the credit risks on the buyers"

Benefits

- Improves liquidity as you get paid for your exports bills in advance before the bills are due for payment
- It eases your cash flow position by providing greater financial liquidity and flexibility in administering your receivables.
- It allows you to extend more liberal terms of payment to your existing buyers as well as new buyers thus competing with foreign suppliers
- Assign the benefits under your credit insurance policies as additional collateral to banks for additional financing or financing on better terms.
- Export bills eligible for discounting can be under various modes of payments. These include the following:
 - Open Account Terms
 - Documents Against Acceptance (DAA), Document Against Payments (DAP)
 - Post Dated Cheques
 - Letters of Credit
 - Bank Guarantees

Your Export Credit Policy as a Financing Tool

While credit protection is important, we at ECGA of Oman are also aware you might need additional help to finance your exports. For this reason, the Export Credit Policy is so designed to allow you to use it as an additional form of security to your banker.

And it would not cost you extra to get these financing benefits. All you need, after you have obtained an Export Credit Policy from ECGA of Oman, is to ask for a Letter of Authority (L/A). This L/A will enable you to assign to your bank the rights to claim proceeds under a particular transaction insured under the Policy.

There is no cost involved in the issue of the L/A. On the other hand, it could help you to obtain post shipment credit facilities from a bank at a favourable rate.