

Eligible amounts in CESCE coverages on behalf of the State

Described below are the rules and directives regulating the maximum eligible amounts to be able to benefit from CESCE coverage on Behalf of the State.

In transactions with a payment term of two years or more

- **The buyer is required to make an advance payment of at least 15% of the Exported Value * (OECD Arrangement *).**

The OECD Arrangement establishes the obligation for the foreign Buyer to make an advance payment of 15% (on the value of the goods and services exported in the export contract). Therefore, the maximum amount covered by CESCE will be 85% of said value plus 100% of the local costs, as long as they do not exceed the limits described below.

- **Local Costs may not exceed 50% of the exported value (OECD Arrangement).**

The OECD Arrangement establishes the following limits on the local costs amount that can be financed with official coverage:

- For Category I Countries *: local costs may not exceed 40% of the Exported Value.
- For Category II Countries *: local costs may not exceed 50% of the Exported Value.

- **The national content included in the contract must account for at least 50% of the credit covered (National rule).**

As a general rule, the amount of **Spanish goods and/or services being exported must represent at least 50% of the amount covered by CESCE**. The remaining 50% can be used for financing good and services from either third countries or local suppliers in the destination country of the transaction (within the Local Costs limits established by the OECD Arrangement).

These calculations do not include the value of the CESCE premium and the capitalised usage interest, which, additionally, may be financed and added to the amount covered by CESCE.

As an **exception to this rule**, and in line with the strategic nature of supporting the fight against climate change and SMEs, the minimum amount of **Spanish goods and/or services may represent 30% of the amount covered** in the following cases:

- **Green or sustainable projects**, according to EU taxonomy, or projects eligible to benefit from the conditions of Annex IV * of the OECD Arrangement.
- Projects in which the exporting company is an SME (as defined by the European Commission Recommendation of 6/5/2003).
- Other projects considered of **special interest for the internationalisation** of the Spanish economy or employment in Spain. These will be determined case by case.

These rules, which have been introduced following the directives of the Secretary of State for Trade in accordance with our regulations, are applicable starting in April of 2021, for credit coverage under Buyer Credit, Supplier Credit and Documentary Credit policies.

Transactions with a payment term of under two years

- The OECD Arrangement * does not apply to these transactions, and therefore neither do the advance payment or Local Costs rules *. Only the **minimum national content requirement** described above applies to these transactions.

These directives are reviewed regularly, so we invite you to share your opinions and suggestions about them with us through cesce@cesce.es, with the subject line "National content rules".

* Definitions

OECD Arrangement: Arrangement regarding officially supported Export Credits. See full text: [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/pg\(2020\)1](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/pg(2020)1)

Category I Countries (OECD Agreement): high-income OECD countries according to the World Bank classification.

Category II Countries (OECD Agreement): all other countries.

Export Value: the Export Value, or Value of the Exported Goods and Services in the Export Contract, reflects the amount the Buyer must pay for the exported goods and services, excluding Local Costs.