



**SPECIAL FEES AND PREMIUMS**

**SEPTEMBER 2004**

Credit Facilities

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Only the German text is legally effective.

**INVESTMENT GUARANTEES OF THE  
FEDERAL REPUBLIC OF GERMANY**

**► Direct Investments Abroad**

## ► SPECIAL FEES AND PREMIUMS

### Credit Facilities

#### HANDLING FEE

Guarantee applications with a maximum amount up to 5,000,000.-- euros (cover for capital and cover for earnings) are free of charge.

For amounts in excess of 5,000,000.-- euros (cover for capital and cover for earnings) a handling fee of 0,5‰, however, a maximum of 10,000.-- euros will be charged.

The handling fee is due with the filing of a guarantee application.

If the guarantee application is refused, in whole or in part, or if a guarantee does not lead to an underwriting decision, in whole or in part, due to other reasons, three quarters of the handling fee will be reimbursed – as the case may be proportionate. If a filed application is considered to have no chance of being accepted, a handling fee will not be charged or – in case it has already been paid – will be fully reimbursed.

#### PREMIUM FOR THE COVER FOR CAPITAL (INVESTMENT COVER)

- a) At the beginning of each guarantee year an **ANNUAL PREMIUM** of 0,5% of the contribution value (§ 7 of the General Terms and Conditions for guarantees of the Federal Government for foreign direct investments) and one sixth of 0,5% of the difference between the contribution value and the maximum amount of the guarantee for the cover for capital (§ 8 para. 2 of the General Terms and Conditions) is charged for the cover for capital (**PREMIUM PREPAYMENT**). The contribution value is assessed by the amount of contributions made by the investor at the beginning of the guarantee year.
- b) If the contribution value increases during the guarantee year, an additional annual premium of five sixths of 0,5% of the difference between the contribution value at the beginning of the guarantee year and the maximum contribution value during the guarantee year is charged at the end of the guarantee year (**SUBSEQUENT PREMIUM PAYMENT**).
- c) A reduction of the cover for capital during the guarantee year, for example by partial sale of the capital investment, does not influence the premium for the respective guarantee year.

If the Federal Republic of Germany withdraws from or cancels the guarantee or if the guarantee expires due to a sale or a complete repatriation of the capital investment, the premium for the respective guarantee year has to be paid only pro rata temporis until the occurrence of those events.



### **PREMIUM FOR THE COVER FOR EARNINGS (EARNINGS COVER)**

An **ANNUAL PREMIUM** based on the earnings covered (cp. § 3 para. 2 of the General Terms and Conditions) and corresponding to the same percentage as for the cover for capital [cp. letter a) above] is charged. Thus the covered earnings are measured according to the maximum contribution value of the respective guarantee year.

If the cover for earnings is not granted from the first guarantee year, no premium will be charged for the time until the cover for earnings begins.

Cover from the Federal Republic of Germany for business transactions abroad

The German Government supports German business ventures abroad with its Export Credit and Investment Guarantee Schemes as well as the Untied Loan Guarantee Scheme, thus securing economic growth and safeguarding jobs. To this end, the Federal Republic of Germany provides guarantees against commercial and political risks in connection with export transactions as well as against the political risks of foreign direct investments. In addition to this framework, it is also possible to cover the commercial and political risks of untied loans to finance projects which are particularly deserving of support.

The German Government has mandated a consortium formed by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and Euler Hermes Deutschland AG to manage these promotion schemes.



Federal Ministry  
of Economics  
and Technology

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