



GENERAL CONDITIONS

APRIL 2011

Supplementary provisions relating to the assignment of Guaranteed Amounts

GC (AP)

This document is a translation.
Only the German text is legally effective.

EXPORT CREDIT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**

► GENERAL CONDITIONS

Supplementary provisions relating to the assignment of Guaranteed Amounts – GC (AP)

The following provisions relating to the assignment of Guaranteed Amounts supplement Articles 19 and 20 of the General Conditions (ECG/BCG/P/PL) as well as Article 17 of the General Conditions (FG).

ART. 1 ASSIGNMENT OF THE GUARANTEED AMOUNT

- (1) The Federal Government's written consent to an assignment pursuant to Art. 19, paragraph 1, of the General Conditions (GC) is deemed to have been given if the total of the Guaranteed Amount is assigned to one of the following assignees:
 1. Banks which are domiciled in a country belonging to the European Economic Area (EEA) or in Australia, Canada, Japan, Switzerland or the United States;
 2. Domestic financial services companies which are licensed by BaFin and regularly buy receivables on the basis of general agreements (forfeiting and factoring companies).
- (2) The Federal Government's specific written consent is required in each individual case for:
 1. Assignments to assignees who do not fall into one of the categories of approved assignees as defined in paragraph 1,
 2. Assignments of partial amounts,
 3. Subsequent assignments with the exception of subsequent assignments to AKA or KfW,
 4. Assignments made after a claim has been recognized.

ART. 2 ASSIGNMENT OF THE BENEFIT OF THE GUARANTEE

The written consent of the Federal Government pursuant to Art. 20 GC¹ to a subsequent assignment to AKA or KfW is deemed to have been given.

ART. 3 EXCLUSION OF RISKS

- (1) Any risks that may additionally arise from the assignment of the Guaranteed Amount are excluded from cover. This shall apply especially to the validity of assignment of the Guaranteed Amount pursuant to the applicable law and to any objections and defences against the claim resulting from the conduct of the assignee as well as the risk that the assignment violates any ban on assignments which may exist at the time when the Guaranteed Amount is assigned.
- (2) In cases of a disclosed assignment of the Guaranteed Amount the debtor's consent must be obtained.

ART. 4 CONDITIONS OF THE ASSIGNMENT

(1) CONTRACTUAL OBLIGATIONS

Also in cases in which the assignment of the Guaranteed Amount is effective, the Policyholder shall continue to be the Federal Government's contractual partner; his contractual obligations towards the Federal Government shall remain unchanged. He must ensure that he can continue to perform his obligations or that these obligations can be performed by the assignee.

(2) LIABILITY IN RESPECT OF STATEMENTS

The assignee must accept as binding on him all statements which the Policyholder has made vis-à-vis the Federal Government in connection with the export credit guarantee and in the course of the application procedure until the notification of the assignment of the benefit of the guarantee is received; in cases of an undisclosed assignment of the Guaranteed Amount this shall apply also to all statements made after the assignment.

¹ Art. 20 GC (ECG/BCG/P/PL) corresponds to Art. 17 GC (FG)



(3) PRACTICAL INDEMNIFICATION PROCEDURE

The right to assert claims for indemnification against the Federal Government is held by the Policyholder. However, he can declare that such a claim will be asserted by the assignee in lieu of him and that the loss shall be settled with the assignee provided that the assignee is a bank which is approved as assignee pursuant to Art. 1.1, Item 1 and – where banks not domiciled in a member country of the European Economic Area or Switzerland are concerned – has named an authorized agent in one of the afore-mentioned countries to the Federal Government with whom the claim for indemnification can be settled (in German).

(4) PAYMENT OF THE INDEMNIFICATION

Any indemnification amounts that have been ascertained will be paid out to the assignee if and when a written notice of assignment from the Policyholder is on the records. The Federal Government is entitled to set off any claims for money it may have against the Policyholder under the guarantee agreement against the assignee's claim for payment prior to disbursing the indemnification amounts.

(5) PROVISIONS FOR OFFSETTING

In cases of an undisclosed assignment any setoff will be governed by the contractual relationship between the Policyholder and the foreign debtor and in cases of a disclosed assignment any setoff will be governed by the contractual relationship between the assignee and the foreign debtor.

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 the political risks of untied loans relating to projects which are in the overriding national interests of Germany.

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



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