

# Facilitating Trade between Taiwan and Mongolia via Taiwan Eximbank

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2014. 5. 22

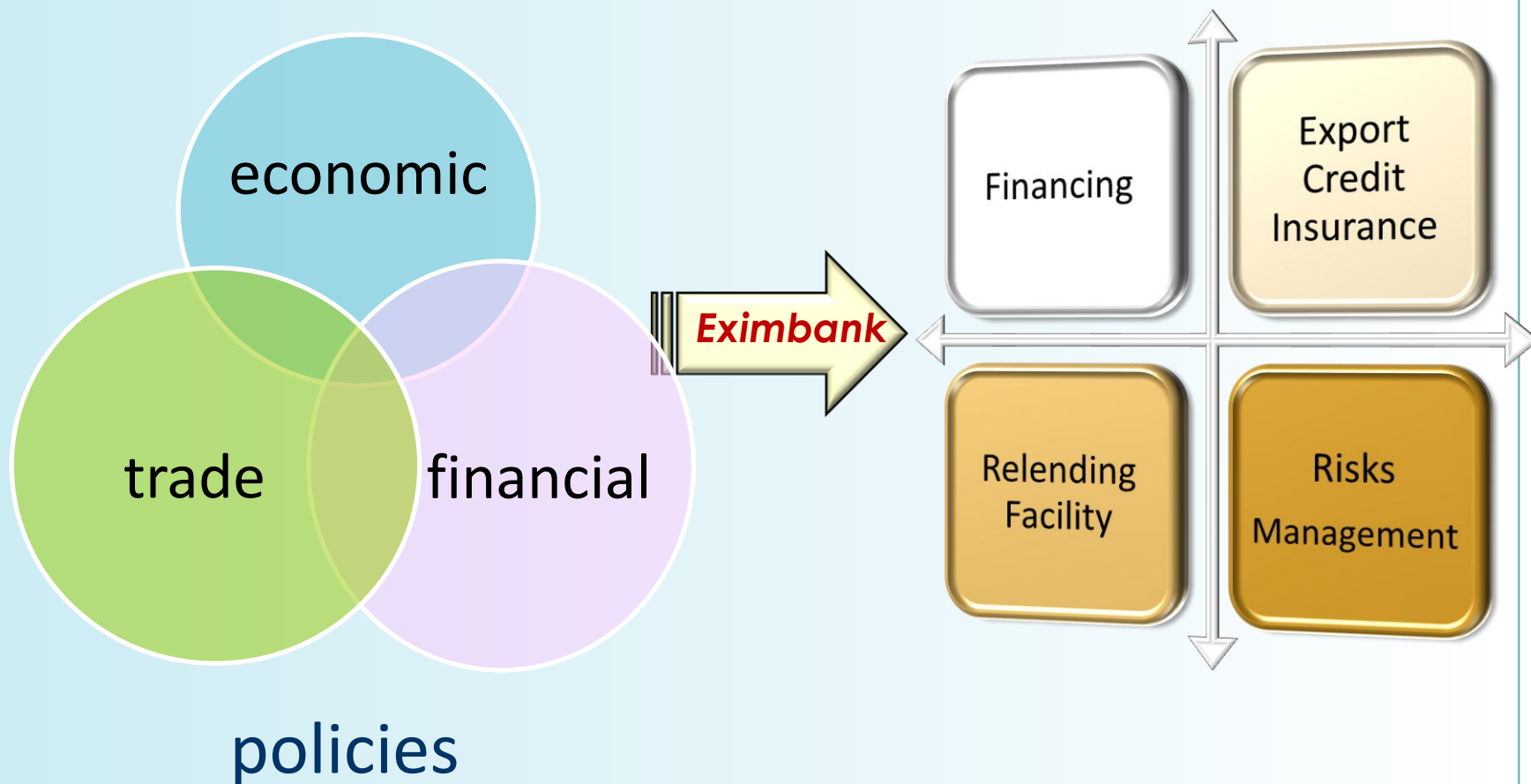
**Eximbank** of the Republic of China

Specialized financial institution

Owned by government

Founded in 1979

# Eximbank of the Republic of China



Financing

Short-Term Export Credit

- L/C, D/P, D/A, O/A

Medium and Long-Term Export Credit

**Eximbank** of the Republic of China

Financing

Medium and Long-Term Import Credit

Overseas Investment Credit

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Export Credit Insurance

L/C Export Credit Insurance

D/P, D/A Export Credit Insurance

O/A Export Credit Insurance

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Export Credit Insurance

Medium and Long-Term Deferred  
Payment Export Credit Insurance

Overseas Investment Insurance

**Export Credit Insurance**

**Commercial Risks**

- Buyer bankruptcy or insolvency
- Buyer delayed payment (Protracted Default)
- Buyer refusal to accept the goods

**Political Risks**

- Cancellation of export or import licenses and permits
- Non-conversion of currency or inability to transfer funds
- Loss incurred by war, revolution, riot, internal unrest or rebellion in the buyer's country or area.



**Eximbank** of the Republic of China

Relending Facility

A light blue world map with a grid of latitude and longitude lines. The text "In Support of Importation from Taiwan" is overlaid in the center of the map.

**In Support of Importation  
from Taiwan**

# Eximbank of the Republic of China

## Relending Facility

- A revolving line of credit from Eximbank to a foreign bank.
- The foreign bank makes a loan to their clients for purchasing goods from Taiwan exporters.
- Reimbursement of funds from Eximbank to the foreign bank after delivery of goods by Taiwan exporters.
- Repayment by the foreign bank to Eximbank.

Relending Facility

**Risk sharing scheme--**

Eximbank undertakes the repayment risk of the foreign bank

The foreign bank undertakes the repayment risk of the importer

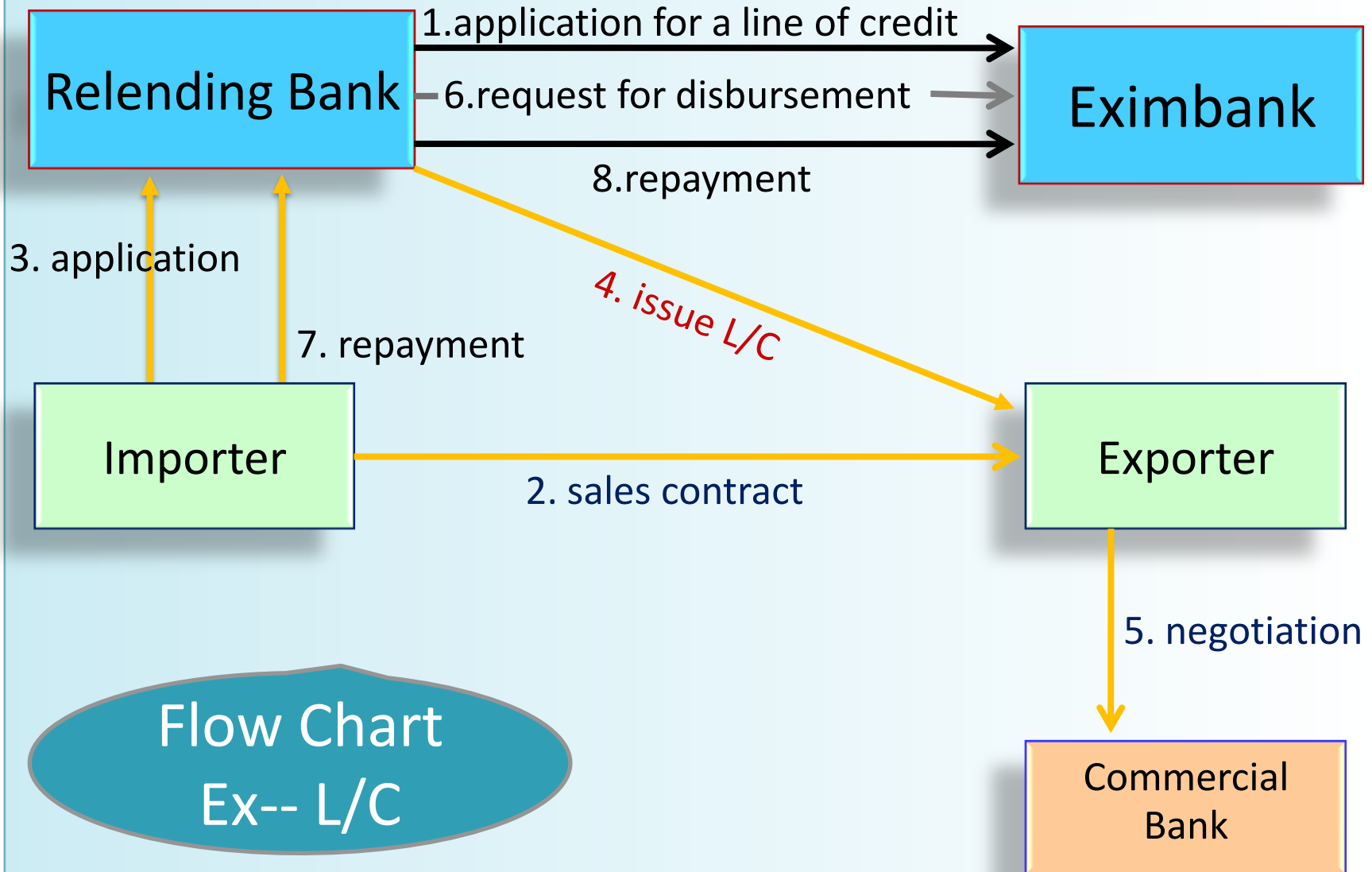
Relending Facility

- **Eligible goods :**  
goods sold by Taiwan exporters.
- **Currency :** US dollars
- **Percentage of Financing :**  
up to 85% -100% of the transaction
- **Interest Rate :**  
floating at 6-M LIBOR plus a margin

# Eximbank of the Republic of China

## Relending Facility

- **Tenor :**  
consumer goods: from 6 mo. up to 1 yr  
non-consumer goods: up to 5 yrs
- **Repayment of Principal :**  
In one lump sum on the maturity date  
semi-annual installments (tenor >1 yr)
- **Payment of Interest :**  
interest paid every 6 months



Flow Chart  
Ex-- L/C

Relending Facility

## Benefits under Relending Facility

### Taiwan Exporters

- getting access to emerging markets
- no extra burden on Balance Sheet
- no repayment obligation after shipment

### Foreign Importers

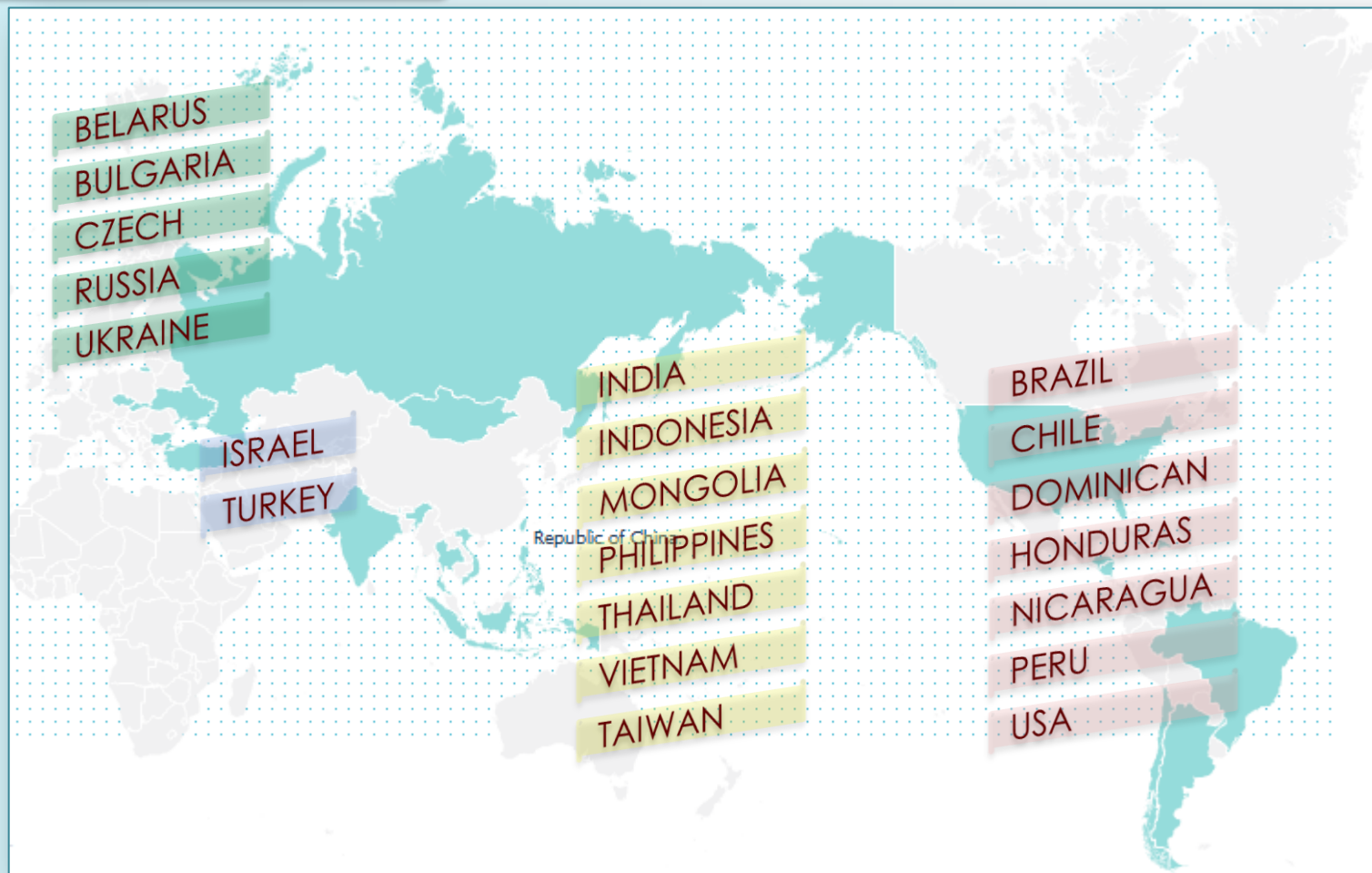
- being able to obtain loans with lower interest rate
- repayment of loans by installments

### Foreign Banks (Relending Banks)

- favorable funding source
- interest income

# Eximbank of the Republic of China

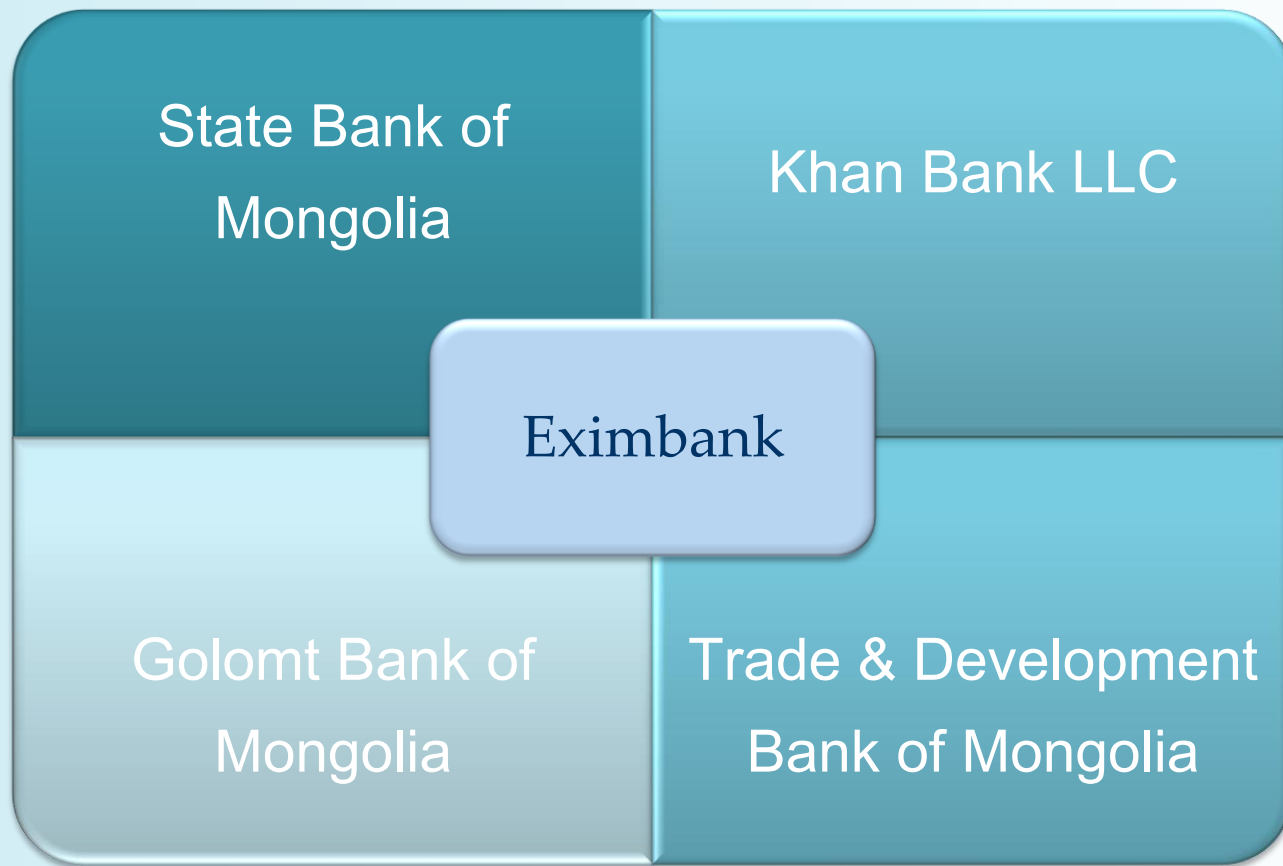
## Relending Facility





# Eximbank of the Republic of China

## Relending Facility



Thank you.