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TRADE DIRECTORATE
TRADE COMMITTEE

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Working Party on Export Credits and Credit Guarantees

NOTIFICATION OF CHANGES IN THE EXPORT CREDIT SYSTEMS

Note from the Netherlands

This document reports changes notified by the Netherlands to its export credit system.

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NOTIFICATION OF CHANGES IN THE EXPORT CREDIT INSURANCE SYSTEM

NOTE FROM THE NETHERLANDS

The percentage of cover for **country credit risks** under the Netherlands' export credit insurance scheme has been increased from 95% to 98% for private debtors and state owned companies. For local public buyers, central public buyers and sovereign buyers, we do not distinguish between country risks and buyer risks. In these cases the overall percentage of cover has been increased to 98%, except for local public buyers for which the overall percentage of cover will stay at 95%. The reason for this exception is the fact that local public buyers still represent a substantial buyer risk that is very difficult to distinguish from country credit risks.

A differentiated percentage of cover has become possible as General Conditions for Insurance Policies have been rewritten at the beginning of this year and we now use a positive risk description. Risks can subsequently be covered separately. The percentage of cover can be higher for country risks than for buyer risks, because the danger of adverse selection and moral hazard with regard to these risks is smaller than with regard to buyer risks. The policy change is deemed necessary to safeguard the level playing field for Dutch exporters.

The premium shall be increased in accordance with the provisions of the Arrangement on Officially Supported Export Credits.

The matrix below gives an overview of the new standard percentages of cover. In some cases the percentage of cover may be lower for reasons of risk management.

	Country risks*	**Buyer risks****
Private buyers	98	95
Private banks	98	95
State owned companies	98	95
Local public buyers	95	
Central public buyers	98	
Sovereign buyers	98	

* General moratorium, transfer problems, conversion problems, government intervention and *force majeur*

** Insolvency and protracted default