



EDC ADVANCE PAYMENT INSURANCE (CAPEX)

PROTECT YOUR BUSINESS FROM THE LOSS OF ADVANCE PAYMENTS

Insure the advance payments you make on capital or quasi-capital goods and protect your business. Capital goods include equipment and assets used to produce goods or services. Prepayments for COVID-19 protection gear and medical supplies may also qualify.

With a rise in uncertainty in the global economy due to COVID-19, Canadian businesses are being asked to pay international and Canadian suppliers up front for capital and quasi-capital goods. When the supplier can't fulfill their obligation and can't return any advance or progress payments made before shipping, EDC Advance Payment Insurance (CapEx) covers up to 90% of your financial losses.

“ Things can happen out there that are beyond anyone's control. I would absolutely recommend this when making large purchases overseas that require deposits before you receive the goods. It definitely adds a layer of security and confidence. ”

—Henk van Woerden
President, Pottery Direct
Ancaster, ON

INCREASE YOUR ACCESS TO CREDIT

Gain access to additional financing from your financial institution to make advance or progress payments when you insure your payments and/or allow your financial institution to receive approved claim payments directly from EDC.

EXPLORE NEW EQUIPMENT PROVIDERS

Connect with a potential supplier for your capital and quasi-capital purchases or leases without worrying about losing your advance payment.

MEDICAL SUPPLIES AND PERSONAL PROTECTIVE EQUIPMENT

Until Sept. 30, 2020, EDC will consider insuring advance payments made for personal protective equipment (PPE) and related COVID-19 medical supplies.

COVERAGE

EDC will guarantee advance payments made before your supplies were shipped if the loss of your advance payments was caused by one of the following risks:

Commercial risks

- Your supplier becomes insolvent
- Your supplier unlawfully ends your contract
- You lawfully end your contract with your supplier

Political risks

- Problems with currency conversion and transfer
- War and related disturbances
- Required permits, licences or approvals are cancelled or expire
- Government declares a halt to paying international debts

Exclusions

- The supplier is related to the insured
- Payments made after the product has been shipped
- Contracts which are more than one-third complete
- Any amount that the buyer is entitled to hold back
- Goods of unacceptable quality
- Amounts from unresolved disputes
- Issues resulting from incorrect documentation

Disclaimer: This summary is provided for information purposes only. The parameters of coverage may vary depending on the circumstances in each case.

HOW IT WORKS

- › EDC Advance Payment Insurance (CapEx) shares the risk with your financial institution by insuring your upfront payments on capital and quasi-capital goods. It also encourages your financial institution to increase your access to credit, so you can make payments to suppliers in advance when requested.
- › Fees are determined based on your supplier's credit profile, past experience, country risk and other parameters.

WHO CAN APPLY

- › Canadian businesses that are making upfront payments for capital or quasi-capital goods, and manufacturers of PPE and related COVID-19 medical supplies.
- › To qualify, contact EDC to discuss setting up the insurance before making any advance payments or arranging financing for any equipment.

MORE QUESTIONS?

If you're already an EDC customer, contact your EDC account manager to find out more about this solution. If you don't have an account manager, contact us directly at 1-800-229-0575 or visit edc.ca.