



UK Export  
Finance

## PRODUCTS AND SERVICES

# BOND SUPPORT SCHEME

### What is the Bond Support Scheme?

A guarantee provided to a bank, so that the bank can issue a bond which needs to be provided by an exporter as part of a UK export contract.

We are the UK's export credit agency.  
[gov.uk/uk-export-finance](https://www.gov.uk/uk-export-finance)

## Why might I need it?

If you sign an export contract with an overseas customer, it's common to ask that customer for an advance payment in order to cover some initial costs. In turn, that customer may ask you to provide a bond (i.e. a legal promise to pay) from your bank – which your customer can call on if you do not fulfill your contractual obligations. There are several types of these contract bonds.

The problem is that, as a condition of issuing a bond, the bank will require the exporter to reimburse the bank should it have to make a payment under the bond. Banks often ask exporters to provide cash to cover this undertaking, leaving smaller companies without the working capital they need. Banks also cap their exposure to their customers and limit the total value of bonds they'll issue for a company. So you might exceed this limit if you win several export contracts at once and they all require bonds.

## How can UKEF help?

We offer a partial guarantee to your bank. Sharing the risk with your bank enables it to issue more bonds on your behalf or to issue a bond without requiring as much of your cash as collateral. All types of contract bond are covered and UKEF will guarantee up to 80 per cent of the value of the bond, after it has done checks to decide if the risks are acceptable.

### Eligibility

- UK-based exporter with at least 20 per cent of contract value being UK content.
- Customer based overseas.

## What else do I need to know?

### Who is it for:

All exporting companies, including SMEs.

### What are the limits:

There are no minimum or maximum contract values or duration.

### Cost:

The bank pays a guarantee fee to UKEF which is a proportion of the fee it receives from the exporter for issuing the bond.

### How do I apply:

Through a participating bank. A list of participating banks can be found on the UKEF website.



To find out more speak to your regional Export Finance Adviser or contact our national customer service centre on:  
**+44 (0)20 7271 8010**  
**customer.service@ukef.gsi.gov.uk**

**gov.uk/export-finance**

**Disclaimer** The information available in this product guide is not intended to be a comprehensive description of our products and many details relevant to particular circumstances may have been omitted. Applicants for products must read the full policy or guarantee to see whether it meets their needs. When considering applications, underwriters will look at each case on its merits.