



CREDIT PROCEDURES QUESTIONNAIRE

Pursuant to the warranties of the credit insurance policy, the Insured warrants that it will adhere to its standard credit procedures, as on file with the Company, and consistently follow these procedures to determine each buyer's credit worthiness. The following questionnaire shall serve as the Insured's standard credit procedures once completed and signed by the Insured and accepted by the Company. Please feel free to attach additional pages if necessary to explain specific aspects of your company's credit control and collection procedures.

1. Structure of Credit/Export Department

(a) Who are the senior members of the Credit/Export Department, or, who is the individual responsible for making credit decisions in the absence of a formal Credit Department? State years of experience.

Years of Experience in:

Name	Title	Credit in General	International Credit	\$ Authority Level

(b) How many employees are in the Credit/Export Department?

(c) If credit control is not centralized at the address given on page 1, please give the details here.

2. Authority Levels

(a) Who within the Credit/Export Department can: Title

Approve a credit limit for a new buyer?

Approve an increase in an existing credit limit?

Approve a change in payment terms?

Decide on the course of action to take an overdue situation?

(b) Can anyone within your company overrule a decision by the Credit Department?
(Yes/No)

If so, who?

Has this actually happened?How Often?

3. Credit Evaluation

(a) Does your organization use salesmen/Marketing Representatives to source the potential buyers/Market (Yes/No)
If no, what type of intermediary is uses, e.g. Agent
Other (specify).....

(b) How many salesmen/Marketing Representatives service your Export Department?

- 1 to 5
- 5 to 10
- 10 to 20
- 20 and over

(c) How do you investigate the credit worthiness of your buyers?

Credit Agency Reports (Yes/No)
If yes, give name of agencies used

Trade References (Yes/No) Bank Reports (Yes/No)

Audited Financial Statements (Yes/No)

Are Credit limits based on previous trading experience? (Yes/No)

Other Sources:

(d) Are regular personal visits made to the buyer? (Yes/No)

i. Is a visit report produced (if so, please attach an example). (Yes/No)

ii. Who makes such visits?

(e) What general guidelines do you use in evaluating a buyer's financial information to determine credit worthiness? (For example, rules regarding net worth to size of credit limit, minimum current of debt to worth ratios, etc.)

With regard to new buyers, what additional procedures are followed?
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.....

How, and by whom, is the credit information analyzed and are any discrepancies queried?
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Is reference made to the state of the buyer's accounts before authorizing the shipment of goods?
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.....

(f) What minimum information must be received before granting/extending credit in the following circumstances:

If no Financial Statements are Available:	To increase a Credit Line to an Existing Buyer:	If there is a Change in Payment Terms in Favour of a Buyer:

(g) In your particular business and/or industry, what factor(s) have been found to be the most important in evaluating a buyer's credit worthiness?

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Are credit limits established on individual buyer? If not, explain how amounts outstanding are controlled.

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(h) How are high risk buyers identified and how often are they reviewed?

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4. Terms of Payment

How are payment terms established?

State Normal Terms of Sales

Special Terms of Sale

5. Special or Extended Terms

Do any of the following relate to your business? If yes, please provide full details.

Consignment Stock Trading (Yes/No)
 Contra or Sell-off Trading (Yes/No)
 Forward Dating of Invoices (Yes/No) How many days?.....
 Retention Monies (Yes/No)

6. Credit Monitoring

- (a) How are buyer exposures controlled, is the system manual or computerized?
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- (b) How often are buyer files updated?
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- (c) What credit information is routinely requested to update buyer files?
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.....
- (d) How often are reports of accounts receivable generated and reviewed, and who receives these reports? Please provide copies of latest reports.
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Frequency Accounts Receivable Generated	Frequency Accounts Receivable Reviewed	Reviewed By (Title)

7. Collection Practices

- (a) Which of the following procedures are used for overdue accounts?

Reminder by Telephone	(Yes/No)	If yes, how many days after due date is contact made?
Reminder(s) in Writing	(Yes/No)	If yes, how many days after due date are letter(s) sent?
Stop Credit	(Yes/No)	If yes, how many days after due date is credit stopped?
Legal Action	(Yes/No)	If yes, how many days after due date are solicitors/lawyers instructed?.....
Collection Agencies	(Yes/No)	If yes, which collection agency is used and how many days beyond due date are they instructed?

(b) How long would allow an overdue to go (other than disputed items or other non-material items) before stopping further shipments to the overdue buyer?
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Who makes this decision?

(c) Would third parties be used locally to assist in collection efforts? (sales representatives, local agents, local legal counsel, etc.) If so, please elaborate.
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Please attach separately any written credit procedures you may have and or any additional comments you may wish to make regarding your credit procedures.

Authorised Signature of Applicant:

Name of Authorised Signatory (Print):

Title:

Exporter:

Date: Telephone: