

REGULATIONS ON FEES AND PREMIUMS

OCTOBER 2023



SPECIAL FEES AND PREMIUMS CREDIT FACILITIES

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INVESTMENT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Direct Investments Abroad**

► Special Fees and Premiums Credit Facilities

HANDLING FEE

Guarantee applications with a maximum amount up to 5,000,000.-- euros (cover for capital and cover for earnings) are free of charge.

For amounts in excess of 5,000,000.-- euros (cover for capital and cover for earnings) a handling fee of 0.5‰, however, a maximum of 10,000.-- euros will be charged. The responsible Interministerial Committee (IMC) can define rules for exemptions from the handling fee.

The handling fee is due with the filing of a guarantee application.

If the guarantee application is refused, in whole or in part, or if a guarantee does not lead to an underwriting decision, in whole or in part, due to other reasons, three quarters of the handling fee will be reimbursed – as the case may be proportionate. If a filed application is considered to have no chance of being accepted, a handling fee will not be charged or – in case it has already been paid – will be fully reimbursed.

PREMIUM FOR THE COVER FOR CAPITAL (INVESTMENT COVER)

- a) At the beginning of each guarantee year an **annual premium** of in principle 0.5% of the contribution value (§ 7 of the General Terms and Conditions for guarantees of the Federal Government for foreign direct investments) and one sixth of in principle 0.5% of the difference between the contribution value and the maximum amount of the guarantee for the cover for capital (§ 8 para. 2 of the General Terms and Conditions) is charged for the cover for capital (**premium prepayment**). The contribution value is assessed by the amount of contributions made by the investor at the beginning of the guarantee year.
- b) If the contribution value increases during the guarantee year, an additional annual premium of five sixths of in principle 0.5% of the difference between the contribution value at the beginning of the guarantee year and the maximum contribution value during the guarantee year is charged at the end of the guarantee year (**subsequent premium payment**).
- c) The IMC can define rules for determining an annual premium diverging from 0.5%.

d) A reduction of the cover for capital during the guarantee year, for example by partial sale of the capital investment, does not influence the premium for the respective guarantee year.

If the Federal Republic of Germany withdraws from or cancels the guarantee or if the guarantee expires due to circumstances covered in § 23 of the General Terms and Conditions or a complete repatriation of the capital investment, the premium for the respective guarantee year has to be paid only pro rata temporis until the occurrence of those events.

If the guarantee expires due to a circumstance covered in § 23 of the General Terms and Conditions and the annual premium has already been paid beyond the date of expiration (overpayment), the overpayment will be refunded in full as long as the circumstance is reported no later than a month after the end of the respective guarantee year. If the report is made at a later date, the Federal Republic of Germany will deduct an administration fee of 5%, however, a maximum of 10,000.-- euros from the refund. The statutory rules on the period of limitation shall remain unaffected.

PREMIUM FOR THE COVER FOR EARNINGS (EARNINGS COVER)

An **annual premium** based on the earnings covered (cp. § 3 para. 2 of the General Terms and Conditions) and corresponding to the same percentage as for the cover for capital [cp. letter a) above] is charged. Thus the covered earnings are measured according to the maximum contribution value of the respective guarantee year.

If the cover for earnings is not granted from the first guarantee year, no premium will be charged for the time until the cover for earnings begins.

Investment Guarantees: an instrument to promote foreign trade and investment provided by the



Federal Ministry
for Economic Affairs
and Climate Action

Commissioned to implement the federal funding instrument Investment Guarantees:



Investment Guarantees of the Federal Republic of Germany

Investment Guarantees have been an established and effective foreign trade promotion instrument of the Federal Government for decades. Investment Guarantees protect eligible German direct investments in developing countries and emerging economies against political risks. This promotion instrument plays an important role in fostering economic growth as well as in protecting and creating jobs both in the host country and in Germany. The Federal Government commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to manage the federal funding instrument Investment Guarantees.

Information on other foreign trade promotion instruments of the Federal Government can be found at www.bmwk.de/en under the heading Promotion of foreign trade and investment.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Postal address:
P.O. Box 30 17 50
20306 Hamburg, Germany

Office address:
Alsterufer 1
20354 Hamburg, Germany

Phone: +49 (0)40/63 78-20 66

investitions Garantien@pwc.de
www.investitions Garantien.de/en