

EDC TRADE IMPACT PROGRAM - DETAILS

Export Development Canada (EDC) continues to actively engage with customers and industry stakeholders to better understand their needs and to determine how to best support them through the challenges of market uncertainty.

Across virtually all sectors, companies are facing increased uncertainty and costs given the lack of predictability concerning the U.S. market and the highly interconnected nature of supply chains between the two countries. In response to some of these anticipated challenges, EDC is making enhancements to our financial solutions suite, under the EDC Trade Impact Program—to facilitate an additional \$5B in support of eligible companies, and facing challenges such as:

FOREIGN EXCHANGE VOLATILITY

With the expectation of currency volatility, Canadian businesses can look to a foreign exchange hedging strategy to stabilize their costs and protect their profit margins. EDC's [Foreign Exchange Facility Guarantee](#) (FXG) is a collateral replacement for FX contracts, allowing more exporters to access this option without tying up assets. EDC will consider covering FX contracts up to 3 years for eligible exporters.

INCREASED WORKING CAPITAL DEMANDS

Many customers will require additional access to working capital to manage existing contracts, move business assets such as inventory or set up operations outside of Canada, weather potential decreases in sales or other negative impacts.

Option A: International Financing Guarantees: Help your clients access additional working capital by using the customizable [Export Guarantee Program](#) (EGP) to share a portion of your financial institution's risk with EDC.

Enhancements to the Export Guarantee Program (EGP):

- **Increased guarantee support on general purpose working capital term loans:** Currently, EGP support is limited to 50%; EDC will consider working capital term loan EGP requests up to 75%.
- **Increased guarantee support to facilitate domestic mergers and acquisitions (M&A):** Currently, guarantee % is limited to 50%. EDC will consider M&A EGP requests up to 75%.
- **Increased tenor/amortization for term loans:** Currently, tenor/amortization period is limited to 10 years. On a case-by-case basis, EGP could consider tenor/amortization period requests up to 15 years for expansion efforts outside the US.

Option B: Collateral replacement with APSG: If your clients have contractual performance or financial standby letters of credit or letters of guarantee requirements, EDC's [Account Performance Security Guarantee](#) (APSG) is a 100% irrevocable and unconditional guarantee if the bonds are called. So you can issue guarantees without impacting their operating lines or tying up security.

Enhancement:

- **Update April 10, 2025: Certain customs obligations are now available for coverage under the EDC Trade Impact Program.** Bank instruments, such as standby letters of credit and letters of guarantee issued in support of certain customs obligations are now eligible for APSG support. This includes obligations to American and Canadian customs authorities and bank instruments issued as collateral to a surety company in support of a surety bond issued to a customs authority.
 - Current APSG customers can use their current APSG capacity for these customs-related obligations.
 - For new customers, we can underwrite new APSG facilities to accommodate new PSG coverage. Any new offer of APSG support remains subject to our standard credit and financial due diligence and compliance with our export mandate.
- **Increased flexibility:** EDC may provide larger facility size for eligible exporters.

FINANCING NEEDS FOR DIVERSIFICATION

EDC anticipates that many Canadian exporters will look to expand their export operations outside of Canada to diversify markets. EDC's direct lending program can help them increase their capacity for trade in different markets or acquire a foreign company.

RISK MITIGATION FOR INTERNATIONAL CUSTOMERS AND MARKETS

The demand for accounts receivables insurance is also likely to increase to help manage risks associated with supply chain disruptions, and the interest in market diversification is likely to bring renewed interest in mitigating non-payment from new or existing clients. EDC's [Portfolio Credit Insurance](#) protects a company from losses in the event of non-payment from their foreign buyer.

Enhancements to Export policies:

- **Update April 25, 2025: Inclusion of tariffs in gross invoice value.** Customers have expressed concerns about losing opportunities with buyers due to the increased cost for the buyer to pay tariffs. To support customers to remain competitive, EDC will be offering an amendment to the Export Receivables and Export Cost and Receivables policies to include coverage against import tariffs paid by EDC policyholders on behalf of their buyer(s).
- **Update April 10, 2025: Policy amendment to allow extension of credit insurance payment terms**
Previously, customers needed to contact EDC to advise if their buyer requires an extension of their payment terms. On April 10, EDC issued an email to customers with U.S. coverage

amending the policy to allow for an extension of payment terms for all goods shipped to U.S. buyers, under certain conditions (**temporary policy amendment until June 30, 2025**).

Repudiation/Contract cancellation (extend pre-shipment periods): As a reminder, it's important to have your customer review the General Terms & Conditions and Coverage Certificates of their export credit insurance policy. Repudiation coverage may protect them if their buyer refuses to take possession of the goods. Additionally, some export policies with contract coverage (or pre-shipments) may protect policyholders if their buyer cancels their order or asks to extend their shipment period. EDC will have enhanced monitoring on the number of inquiries/claims to decide if anything more is offered to customers in these areas.

- **Risk appetite:** EDC will leverage current credit flexibility to enable the diversification of sales to new export customers and/or foreign markets.

MARKET INTELLIGENCE AND NON-FINANCIAL SOLUTIONS

Across the board, Canadian exporters are seeking ongoing market intelligence as well as tools and resources to support their continued success and to explore diversification opportunities in the global marketplace.

To provide ongoing market intelligence and knowledge resources for Canadian companies, EDC has launched:

- [EDC Trade Impact Program page](#) with information about the solutions EDC has in place to help Canadian companies that are impacted.
- A [U.S. market intelligence hub](#) with links to key knowledge pieces and information.
- Articles and tools to keep companies apprised of developments, as well as solutions to help address the uncertainty in the market. Companies are encouraged to register to the [Export Help Hub](#) to access additional content.