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##

**Application for Insurance No.\_\_\_\_\_\_\_\_\_\_\_**

*(to be filled out by HBOR)*

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| **Name of Programme: Programme for the Insurance of** **Supplier Credit** |

**This Application for Insurance is submitted for the purpose of:**

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| --- | --- |
| [ ]  **Credit Risk insurance**  | [ ]  **Manufacturing Risk insurance** |
| Execution of Insurance Contract [ ] Issuance of Letter of Intent [ ] *See instructions for completing the application at the end of the document* | Execution of Insurance Contract [ ] Issuance of Letter of Intent [ ]  |

# Requested terms and conditions of insurance

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| **Requested Credit Risk insurance terms and conditions** Requested sum insured (*in the currency of the Export Contract)* :       If regular interest on deferred payment is provided for in the export contract and if you wish to insure it *(state % p.a.)*:      Requested duration of insurance: from       to       |
| **Requested Manufacturing Risk insurance terms and conditions** Requested sum insured (*in the currency of the Export Contract)*:       Requested duration of insurance: from       to       |

# Data on foreign buyer

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| **Name of business entity** (and legal form of company):       |
| Address (headquarters):       |
| Country:       | Identification number (tax number):       |
| Date of incorporation:       | Activity:       |
| **Is the foreign buyer part of a group?**[ ]  No[ ]  Yes *(state the main data on the group)*:       |
| **Is the foreign buyer an ultimate user of the exported goods/services under the export contract or an agent for further sale?**[ ]  Ultimate user [ ]  AgentState the percentage (%) of export contract that represents agent commission:       State the name and address of ultimate foreign buyer:       |
| **Creditworthiness report on the foreign buyer** *(prepared by rating agency):* [ ]  To be provided by exporter and enclosed with this application [ ]  The exporter authorises HBOR to obtain the creditworthiness report for and on behalf of the exporter**Audited financial statements of the foreign buyer for the last 2 years**: [ ]  Not provided [ ]  To be provided by exporter and enclosed with this applicationIn case of a significant impact of the group on the foreign buyer, HBOR retains the right to obtain the creditworthiness report on the group for and on behalf of the exporter. |

# Previous cooperation between the exporter and the foreign buyer

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| **Beginning of cooperation (year):**      **Realised turnover with the foreign buyer**:

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| --- | --- |
| Year | Realised turnover (amount in HRK or currency) |
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**Planned turnover with the foreign buyer**:

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| --- | --- |
| Year | Planned turnover (amount in HRK or currency) |
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**Has the foreign buyer ever been late with payment?**[ ]  No[ ]  Yes, state the maximum number of days of late payment, reasons for late payment and measures taken      Collaterals in the previous business transactions with the foreign buyer *(state):*       |
| **Are the exporter and the foreign buyer related in terms of ownership or management?**[ ]  No[ ]  Yes (*state in what way and %):*       |

# Data on export contract

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| **Amount of export contract in currency**:       | Export contract code (*date of execution; annexes, if any*):      |
| **Description of export contract** (*describe in detail, state if export contract is part of a larger project*)**Export goods/services** *(describe in detail)*:      **Local costs in importing country**      **Importing country** (*state if country through which payment is made is not importing country*):       |
| **Share of Croatian goods and/or services in the export contract is (or will be) at least**      %.The Croatian share relates to *(state in detail, e.g. labour, materials, equipment, suppliers, etc.)*:      **Share of foreign goods** (foreign share) and service in the export contract relates to:* State % by individual countries:
* State type of goods and services by countries:

**State how significant export contract is for the exporter**:       |
| **Manner of contracting export contract**: [ ]  Tender/Auction *(state the basic data)*      [ ]  Direct contracting[ ]  Other *(state the basic data)*       |
| **Contracted governing law under export contract:**      **Contracted competent court in case of disputes and arbitration:**      **Do you have a legal opinion on the characteristics of the governing law contracted under the export contract**?[ ]  No[ ]  Yes, and I enclose it with this application |
| ***To be completed only if an application for manufacturing risk insurance is submitted*** **Manufacturing costs** *(state in detail or enclose a calculation of estimated manufacturing costs)*:      **Beginning and duration** of manufacturing of export goods until the contracted export contract fulfilment deadline (describe in detail):      **In case of impossibility to fulfil the export contract, is it possible to sell the goods to third parties**? [ ]  Yes [ ]  No *(explain the reason why)*       |
| **Contracted terms and conditions and dynamics of fulfilment of the export contract** (*describe duration, dynamics, terms and conditions of fulfilment, e.g. date and place of delivery, etc.):* * Duration and dynamics of producing exports goods/services:
* Contracted terms and conditions of fulfilment of export contract (INCOTERMS, state parity and place of delivery, document proving the fulfilment of export contract, e.g. handover report, signed dispatch note/delivery note, bill of lading/consignment note, copy of receipt certificate, etc.):
* Expected number of deliveries of goods / services:
* Contracted place and date of delivery/deliveries:
* Assembly/installation (place and date):
* Place and date of commissioning/handover:
* Other:

Please, enclose plan/dynamics of deliveries of goods / performance of services, if any. |
| **Are there any other obligations of the exporter towards the foreign buyer under the export contract** *(e.g. return purchase, agency contract, advance payment guarantee or the seller’s guarantee*)?[ ]  No[ ]  Yes *(specify)*:       |
| **Contracted terms and conditions of payment of export contract**Advance payment or cash payment *(state % or amount of export contract)*:      Date of advance payment *(contracted date and whether the payment has been made)*:      Deferred payment (*state % or amount of export contract*):      Contracted payment deadlines *(state days, dynamics, maturity, ultimate deadline for payment, etc.)*:      **If interest on deferred payment has been contracted under export contract, state the amount of interest**      % p.a.**Does the payment under export contract depend on a third party** *(“if and when”)* or another condition?[ ]  No[ ]  Yes *(explain)*:       Is exporter’s payment collection harmonised with foreign buyer’s payment collection from third party?       |
| **Are you familiar with the source of financing the payment under the export contract**? [ ]  No[ ]  From foreign buyer’s own funds (*state % or amount of export contract*):      [ ]  From loan proceeds (*state % or amount of export contract*):       Repayment of loan:       years and       months[ ]  From other sources *(state):*       |
| **Have you contracted any collaterals under the export contract** (*e.g. guarantees, letters of credit, bills of exchange, cession of inflows, etc.)*?[ ]  No[ ]  Yes *(state type, amount and name of collateral provider)*:     **Have you contracted the “retention of title” to the goods that are the subject matter of exports?**☐ No ☐ Yes *(specify):*      **Do you have a legal opinion on the enforceability of contracted collaterals/retention of title in the importing country?**[ ]  No[ ]  Yes, and I enclose it with this application**Have penalties been contracted under the export contract?** [ ]  No[ ]  Yes *(state in which amount and in accordance with which terms and conditions they are charged)*:       |
| **Have you applied for a loan to finance manufacturing process under export contract**? [ ]  No[ ]  Yes *(state the amount and the name of the bank):*       **Have you applied for a loan/redemption of receivables etc. to finance collection of payment upon fulfilled export contract**?[ ]  No[ ]  Yes *(state the amount and the name of the bank)*:      **Would you like to endorse / assign the receivables collection insurance policy to the bank**?[ ]  No[ ]  Yes *(state to which bank)*       |

# Data on Applicant (exporter)

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| **Name of business entity**:       |
| Address (headquarters):       | Date of incorporation:       |
| Legal form:       | PIN:       | Registration number:       |
| Main activity (2007 National Classification of Activities):      | Number of employees:      Consolidated number of employees:       | Person/s authorised to represent:       |
| Ownership structure:      | Related entities:      Name of group:       |
| Size of business entity (EU): Micro [ ]  Small [ ]  Medium [ ]  Large [ ]   | **Do you have any debts owed to the state?** [ ]  No[ ]  Yes *(explain)*:       |
| **Data on exporter’s business operations in foreign markets**

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| Year  | Generated business revenues (in HRK or currency) | Generated business revenues from exports (amount or %) |
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| --- | --- | --- |
| Year  | Planned business revenues (in HRK or currency) | Planned business revenues from exports (amount or %) |
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**Main export markets**

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| --- | --- | --- | --- |
| Country  | Export revenues in preceding year (amount or % of export turnover) | Planned export revenues in current year (amount or % of export turnover) | Planned export revenues in next year (amount or % of export turnover) |
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| **Do you contract deferred payments with foreign buyers under contracts**?☐ No ☐ Yes, on the average      % of export turnover is contracted with deferred payment of       days. **Do you check creditworthiness of foreign buyers**?☐ No☐ Yes What sources do you use to check creditworthiness of foreign buyers *(e.g. personal contacts, financial statements, rating agencies)*?      **Are foreign buyers late with their payments**? ☐ No ☐ Yes, average days of delay:      Have you had any overdue receivables from foreign buyers in the last three years?☐ No ☐ Yes* Reason *(e.g. bankruptcy, pre-bankruptcy settlement, doubtful receivables, etc.)*:
* % of overdue receivables in total receivables:
* Measures taken for the purpose of payment collection:

**State other information that you believe may impact the insurance risk assessment**:         |

# Sustainable business – impact of export contract on the economic, environmental and social aspects of importing country

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| **Sustainable export finance**Please, complete if the contracted payment deadlines under export contract are **one year or longer** (*in case of export contracts with phased payments, payment deadlines of each phase are considered*) and/or export contract subject matter **is not export of military equipment or agricultural products**:* Foreign buyer is public obligor or publicly guaranteed obligor

☐ No ☐ Yes* Importing country is lower income country

☐ No ☐ Yes**If the answer to at least one of the previous two questions is “Yes”,** the following has to be enclosed with the insurance application:* explanation of how the export contract contributes to the fostering of the economic and social progress of the importing country without jeopardising its financial future and long-term development, and
* if the value of the export contract exceeds SDR 5 million, or in case of countries with a level of national income lower than USD 1 billion if the value of the export contract exceeds SDR 1 million: certificate of the appropriate state body (*the body responsible, under the national laws of the foreign buyer's country, for the country's development and borrowing plans; usually a department in the Ministry of Finance or the central bank responsible for debt management)* confirming that the export contract/cost is in line with the policies of the International Monetary Fund or the World Bank for the respective country.

[ ]  N/A payment deadlines under export contract are shorter than one year [ ]  N/A export transaction does not relate to the export of military equipment or agricultural products |
| **Environmental protection and impact on society**If the contracted payment deadlines under export contract are **two years or longer** (in case of export contracts with payments made upon fulfilment of export contract phases, it is considered whether payment deadlines of each individual phase are two years or longer) and export contract **does not relate to export of military equipment or agricultural products**, the completed Questionnaire on Environmental Protection and Impact on Society has to be enclosed with the insurance application.[ ]  Yes, enclosure has been completed and submitted.[ ]  N/A; payment deadlines under export contract are shorter than two years[ ]  N/A; export contract does not relate to the export of military equipment or agricultural products |

# Contact data of Applicant

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| --- | --- |
| Name and surname:       | Position:       |
| Telephone/mobile phone:       | E-mail:       |

# Enclosures:

[ ]  Creditworthiness of foreign buyer (*if provided by exporter*)

[ ]  Tax Administration certificate on the balance of debt based on public contributions issued not more than 30 days beforehand

[ ]  Other (specify)

**The following enclosures are to be submitted in accordance with chapter VI. Sustainable business**

[ ]  Explanation of contribution of export transaction to fostering the economic and social progress of importing country

[ ]  Certificate of state body of importing country confirming that the export contract/cost is in line with the policies of the International Monetary Fund or the World Bank

[ ]  Questionnaire on Environmental Protection and Impact on Society (Enclosure 1)

# Other provisions

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| The Insurance Contract consists of the General Terms and Conditions on Insurance, the Insurance Policy with enclosures, the Application for Insurance with enclosures and other written documents mutually agreed between the Insurer and the Insured, for which it is not required to execute an annex to the Insurance Contract. When assessing the insurance risk, HBOR considers only the information stated in the Application for Insurance and its enclosures, irrespective of whether it is familiar with the contents and terms and conditions set forth in other related documents.The Applicant shall pay to HBOR a fee for processing the Application, which is charged on the basis of the applicable Ordinance on Fees for HBOR Services. The fee is paid one-off when concluding the Insurance Contract based on an invoice issued by the Insurer. If a request for information is received pursuant to the Right of Access to Information Act, HBOR shall deliver the following information on the exporter: name of company, amount of sum insured, programme of insurance under which export credit insurance has been approved. Should, after this Application has been submitted and/or after the Insurance Contract has been executed, the volume of publicly available information increase/decrease due to a judgement made by any court, possible amendments to the regulations and/or any other decision made by any competent body/bodies, HBOR shall deliver to the applicants requesting information the data relating to their respective requests for information that the courts deem to be publicly available information or that the regulations and/or competent body/bodies determine to be publicly available information on the day when such information is submitted. |

# Statements by Applicant

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| **Statement on the accuracy and truthfulness of data**The Applicant who submits the Application with the accompanying enclosures hereby declares, under substantive and criminal liability, that all data stated in the Application are true and complete, that it has not concealed any data which might affect the execution and fulfilment of the Insurance Contract, and that, should a change in the data stated in the Application occur, it shall immediately inform HBOR thereof.The Applicant agrees that the Insurance Contract is drawn up and executed exclusively on the basis of the information provided in the Application and that, before signing the Application, it has received and read the General Terms and Conditions and that it has fully understood them.**Statement on unavailable coverage in the private credit insurance market**If the export contract has a maturity of less than 2 years (manufacturing period and repayment period last up to 2 years) and it is concluded with a foreign buyer from one of the countries of the European Union or from Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom of Great Britain and Northern Ireland or the United States of America, the Applicant declares that it has requested credit insurance for the foreign buyer from a private insurance company and that to the best of its knowledge it cannot obtain it in the private market. **Protection of personal data**The applicant confirms that he/she is familiar with his/her rights and information on the processing and protection of personal data processed by the Insurer, published in the documents Privacy Policy and Information for Data Subjects. The principles and rules of personal data processing are regulated by the documents Privacy Policy and Information for Data Subjects, which are publicly available on the Insurer's website at: [www.hbor.hr](http://www.hbor.hr). The Insurer processes personal data exclusively for the purpose of insurance business for which the Insurer is authorised by the applicable regulations.In accordance with the regulations governing the field of personal data protection, particularly the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and on repealing Directive 95/46/EC (General Data Protection Regulation) as well as the General Data Protection Regulation Implementation Act, the Insurer shall preserve the confidentiality of all personal data regardless of whether personal data are entrusted to it for processing or have otherwise become known or available to it during a contractual relationship.**Statement on giving consent for the public disclosure of data**The Applicant gives its consent to HBOR for public disclosure of, and for disclosure for the purpose of reporting to the relevant bodies on, the following data:* Amount of insured sum,
* Name and activity of exporter,
* Type of goods and/or services that are the subject matter of export credit insurance,
* If export goods and/or services are part of a project: identification number and/or name of the project, country in which the project is carried out (if different from the importing country), sector (activity) of the project and description of the project (including sources of finance),
* If export transaction is considered from the standpoint of environmental protection and impact on society: classification of project category, reasons for such classification (including type of project and type of reviewed documentation),
* Amount of indemnity paid,
* Importing country.

With respect to the stated data, HBOR is released from the obligation to maintain banking secrecy provided for in the provisions of the applicable Credit Institutions Act, i.e. its possible amendments. For the publication of other data collected by HBOR in the performance of export credit insurance operations, HBOR is obliged to request the prior written consent of the Applicant, unless otherwise specified by the relevant regulations or unless the data are already publicly available.**Statement on State Aid use**The Applicant declares that it is not subject to an unexecuted state aid recovery order based on the prior decision of the European Commission that assesses the aid as unlawful and incompatible with the internal market in terms of the state aid regulations. The Applicant states that it is acquainted with the state aid regulations in force and in the event that the European Commission as the body competent for ordering the state aid recovery makes a decision requiring from the Republic of Croatia to take all necessary measures to recover funds from the users as illegal or abused (hereinafter: decision on aid recovery), it agrees and shall be obliged to return to HBOR the entire amount of the state aid to be recovered in accordance with the decision on aid recovery, including the interest at an appropriate rate determined by the European Commission, payable from the day when the illegal aid was made available to the user until the day of recovery, i.e. the return of aid amount. The Applicant declares that it is aware of HBOR’s obligation to inform the institutions in charge of monitoring the awarded state aid and de minimis aid in accordance with the legislation applicable at any time, which also includes the transfer of data contained in this Statement and in the accompanying documentation to third parties, as well as the public disclosure of data on the approved aid and the manner of its use, by third parties/institutions in charge within the framework of the report on the approved aid that HBOR is obliged to submit to them, and declares that it agrees with the stated reporting, transferring and public disclosure of data.**Statement on compliance with the regulations against bribery in international trade** The Applicant takes notice of the fact that the insurance of officially supported export credits, which HBOR provides as the Insurer for and on behalf of the Republic of Croatia, cannot be given to exports negotiated by way of bribery in international trade. The Applicant declares that: * There was no violation of anti-bribery regulations in international trade when concluding the export contract\*,
* Neither the Applicant nor any natural person nor legal entity acting on its behalf in connection with the export contract is listed on any of the debarment lists of the following international financial institutions: the World Bank Group (WB Listing of Ineligible Firms and Individuals), the European Bank for Reconstruction and Development (EBRD Debarment List), the Asian Development Bank (Anticorruption and Integrity Sanctions), the Inter-American Development Bank (Sanctioned Firms and Individuals), the African Development Bank (List of Debarred Entities),
* Neither the Applicant nor any natural person nor legal entity acting on its behalf in connection with the export contract has been accused, nor has been convicted in the past 5 years, of violating the regulations against bribery of public officials in any country,
* Commissions and fees paid, or agreed to be paid, to any natural person or legal entity acting on behalf of the Applicant in connection with the export transaction, such as a representative (an agent), are, or will be, only for lawful services,
* It shall, at the request of HBOR, submit information on:
* the identity of any natural person or legal entity, such as a representative (an agent), acting on behalf of the exporter and, if necessary, other parties in connection with the export transaction,
* the amount and purpose of commissions and fees paid, or agreed to be paid, to such persons,
* the name of the country or the jurisdiction of the country in which the commissions and fees were paid or agreed to be paid.

\*Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960; the OECD Guidelines for Multinational Enterprises [C(76)99/FINAL, as amended] (hereafter the “MNE Guidelines”) (in particular, Chapter VII on Combating Bribery, Bribe Solicitation and Extortion), the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereafter the “Anti-Bribery Convention”), the Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions [C(2009)159/REV1/FINAL as amended] (hereafter the “2009 Recommendation”) (including its Annex II: Good Practice Guidance on Internal Controls, Ethics & Compliance, which is an integral part of the 2009 Recommendation), the Recommendation of the Council on Public Procurement [C(2015)2] and the Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption [C(2016)156];**Statement on non-conviction** By signing this Statement I confirm, personally and for and on behalf of the Applicant, that no final conviction has been pronounced against the Applicant for insurance and the owner and the person legally authorised to represent it and the proxy who takes legal action for it when establishing a business relationship for one or several of the following criminal offences: 1. *Crimes against Humanity and Human Dignity* (Article 88 Genocide, Article 89 Crime of Aggression, Article 90 Crime against Humanity, Article 91 War Crime, Article 92 Infringement of Inviolability of Parlementaires, Article 93 Abuse of International Emblems, Article 94 Unjustifiable Delay in the Repatriation of Prisoners of War, Article 95 Recruitment of Mercenaries, Article 96 Command Responsibility, Article 97 Terrorism, Article 98 Financing of Terrorism, Article 99 Public Incitement to Terrorism, Article 100 Recruitment for Terrorism, Article 101 Training for Terrorism, Article 101a Travelling for the Purpose of Terrorism, Article 102 Terrorist Association, Article 103 Preparing Criminal Offences against Values Protected under International Law, Article 104 Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, Article 105 Slavery, Article 106 Trafficking in Human Beings, Article 107 Trafficking in Human Body Parts and Human Embryos, Article 108 Cloning and Human Genome Changes, Article 109 Prohibition to Mix Human Sex Cells with Animal Sex Cells)
2. *Individual Criminal Offences against Labour Relations and Social Insurance* (Article 134 Violation of Social Insurance Rights and Article 135 Illegal Employment)
3. *Criminal Offences against Property* (Article 228 Theft, Article 229 Aggravated Theft, Article 230 Robbery, Article 231 Violent Theft, Article 232 Embezzlement, Article 233 Embezzlement at Work, Article 234 Unauthorised Use of Another’s Movable Property, Article 235 Property Damage, Article 236 Fraud, Article 237 Pyramid Scheme, Article 238 Insurance Misuse, Article 239 Misuse of Cheques and Payment Cards, Article 240 Abuse of Trust, Article 241 Violation of Another’s Rights, Article 242 Usurious Contract, Article 243 Extortion, Article 244 Concealment)
4. *Criminal Offences against the Economy* (Article 246 Abuse of Trust in Business Dealings, Article 247 Fraud in Business Dealings, Article 248 Violation of Duty to Keep Commercial and Business Records, Article 249 Causing Bankruptcy, 250 Favouritism towards Creditors, Article 251 Receiving or Giving Bribes during Bankruptcy Proceedings, Article 252 Receiving Bribes in Business Dealings, Article 253 Giving Bribes in Business Dealings, Article 254 Misuse of Public Procurement Procedures, Article 255 Deceptive Advertising, Article 256 Tax or Customs Duty Evasion, Article 257 Avoiding Customs Controls, Article 258 Subsidy Fraud, Article 259 Insider Dealing, Article 260 Capital Market Manipulation, Article 261 Unauthorised Use of Another’s Company Name, Article 262 Disclosure and Unauthorised Obtainment of Business Secret, Article 263 Illicit Production, Article 264 Illicit Trade and Article 265 Money Laundering)
5. *Criminal Offences of Forgery* (Article 274 Counterfeiting Money, Article 275 Counterfeiting Securities, Article 276 Counterfeiting Value Signs, Article 277 Counterfeiting Signs for the Marking of Goods and Falsifying Measures and Weights, Article 278 Forging Documents, Article 279 Forging Official or Business Documents, Article 280 Abuse of Identification Document, Article 281 Certification of Untrue Content, Article 282 Issuing and Using an Untrue Medical or Veterinary Certificate, Article 283 Producing, Procuring, Possessing, Selling or Giving to Another for Use Forgery Tools)
6. *Individual Criminal Offences against Public Order* (Article 328 Criminal Association, Article 329 Committing a Criminal Offence as a Member of a Criminal Association)

set forth in the Criminal Code (Official Gazette of the Republic of Croatia Nos. 125/11,144/12, 56/15, 61/15 and 101/17, 118/18), unless the person has undergone rehabilitation in accordance with the law governing the legal consequences of conviction, criminal records and rehabilitation, as well as for the following criminal offences set forth in the Criminal Code (Official Gazette of the Republic of Croatia Nos. 110/97, 27/98, 50/2000, 129/2000, 51/01, 111/03, 190/03 – Decision of the Constitutional Court, 105/04, 84/05, 71/06, 110/07, 152/08 and 57/11) that are in legal continuity with the criminal offences referred to from a) to f), or, in case of a foreign person, for the criminal offences that in terms of their description and consequences correspond to the stated criminal offences. I confirm, under substantive and criminal liability, personally and for and on behalf of the Applicant, that I am, as a person legally authorised to represent or authorised by persons authorised to represent, aware that the prescribed penalties and sanctions will be applied in case of giving a false statement, and I accept all consequences that the Applicant may incur as a result of the aforementioned. I will personally notify you within 15 working days should any changes occur relating to the aforementioned information.  |

# Applicant

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| --- | --- |
| Place and date       | **Person legally authorised to represent or authorised by persons authorised to represent**Name and surname      Position      Signature  |

# Instructions for filling out the application

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| **TERM** | **DESCRIPTION** |
| Number of employees  | Data according to the latest official annual financial statements. |
| Consolidated number of employees  | Consolidated number of employees if the Applicant belongs to a group for consolidation of financial statements. |
| Domestic (Croatian) share, foreign share, local costs  | As HBOR performs export credit insurance transactions for and on behalf of the Republic of Croatia, the precondition of **at least 40% value** of Croatian share in the goods and services for which coverage is requested under export contract is one of the essential preconditions for the approval of insurance in accordance with the Export Credit Insurance Regulation. For goods and services with the Croatian share **lower than 40%,** it is necessary to determine whether the export contract generates income in the Republic of Croatia, whether it is an export product that is given a certain added value in the Republic of Croatia, e.g. additional knowledge, or goods are exported by Croatian companies that in that way generate income in the Republic of Croatia, contribute to employment in the Republic of Croatia or in other ways contribute to the growth and interests of the economy of the Republic of Croatia.If the foreign share in export contracts, in which Croatian exporters participate with entrepreneurs from other countries, is higher than the share eligible for HBOR's insurance, insurance can still be realised through HBOR's cooperation with other export credit agencies from countries of other entrepreneurs, which then assume the risks of their exporters through a reinsurance model. **Local costs** represent the value of goods and services in the country of the foreign buyer that are necessary for the execution of the export contract. The largest share of local costs in the export contract with agreed repayment periods of 2 and more years that can be included in insurance coverage is determined in accordance with the *OECD Arrangement on Officially Supported Export Credits*. Local costs do not include commissions paid to exporter’s intermediary in the importing country. |
| Lower income country | Lower income country is a country that meets the conditions for financing under the Poverty Reduction and Growth Trust (PRGT) fund of the International Monetary Fund or a country that has access to interest-free loans or grants of the International Development Association of the World Bank Group (IDA): IDA-only country. The list of these countries is available at the web sites of the OECD, the World Bank and the International Monetary Fund. |
| Debt to the state | It is necessary to submit Tax Administration certificate on the balance of debt based on public contributions issued not more than 30 days beforehand. |
| Export contract | Purchase contract concluded in writing between the exporter and the foreign buyer, which undoubtedly results in the exporter's obligation to deliver goods and/or perform services to the foreign buyer, and in the foreign buyer's obligation to pay the agreed amount to the exporter. An export contract may be considered a framework export contract, a subcontract or an order with order acceptance by the foreign buyer. |
| Public obligor or publicly guaranteed obligor  | A public obligor or a publicly guaranteed obligor is an obligor whose debt is guaranteed by the central government, local or regional government units or state-owned companies whose obligations, in the event of default, would be assumed by the government of the respective country. |
| Credit risk | Credit risk is an event that occurs when the exporter is not able to collect the amount owed to it under the export contract, provided that the non-payment is a direct and exclusive consequence of the occurrence of the Insured risk. |
| Insured risk in case of credit risk  | Insured risk occurs upon the maturity of the receivables that are the subject matter of the insurance and can be realised as:Commercial risk:* Insolvency, de jure or de facto - inability to pay on the part of the foreign buyer or its guarantor and/or co-debtor under the export contract where the foreign buyer is a private debtor;
* Extended non-payment on the part of the foreign buyer - non-payment, i.e. non-performance of obligations by the foreign buyer and/or its guarantor and/or co-debtor upon maturity of payment obligations under the export contract as well as until the expiration of the credit risk waiting period

Political risk:* Decision of a third country, moratorium, prevention or delay of transfer of funds, regulations of the country of a foreign buyer, decision of the Republic of Croatia or the country of the insured preventing payment under the export contract or force majeure, where the foreign buyer is a private or public debtor;
* Extended non-payment on the part of the foreign buyer - non-payment, i.e. non-performance of obligations by the foreign buyer and/or its guarantor and/or co-debtor upon maturity of payment obligations under the export contract as well as until the expiration of the credit risk waiting period, where the foreign buyer is a public debtor
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| Insured risk in case of Manufacturing risk  | Insured risk occurs upon the impossibility of fulfilment of the export contract on the part of the exporter in accordance with the agreed terms and conditions and deadlines under the export contract and can be realised as: Commercial risk: * Impossibility of fulfilment of the export contract on the part of the exporter caused by events for which the exporter is not responsible and which occurred on the part of the foreign buyer, such as the decision of the foreign buyer to terminate or cancel the export contract, or to refuse to accept goods and/or services without being entitled to it, insolvency, de jure or de facto, of the foreign buyer, where the foreign buyer is a private debtor.

Political risk: * Impossibility of fulfilment of the export contract on the part of the exporter caused by events for which the exporter is not responsible and which occurred on the part of the foreign buyer, such as the decision of the foreign buyer to terminate or cancel the export contract, or to refuse to accept goods and/or services without being entitled to it, where the foreign buyer is a public debtor;
* Decision of a third country, moratorium, prevention or delay of the fulfilment of the export contract, decision of the Republic of Croatia or the country of the exporter or force majeure, where the foreign buyer is a private or public debtor

Insurance does not cover the Loss:* Caused by the termination of the contract by the exporter or if the exporter has violated domestic or foreign legal regulations in connection with the fulfilment of the export contract and which is beyond the scope of the insured risks agreed under the insurance contract.
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| Insured sum in case of credit risk | The amount of money on which the insurance has been concluded and which is stated in the insurance policy. The sum insured for credit risk may be determined as the amount of the export contract for which deferred payment has been contracted and may include contractual regular interest.In the case of export contracts with contracted repayment periods of two or more years, the sum insured may amount to a maximum of 85% of the amount of the export contract (advance/cash payment must be contracted for 15% of the export contract).In the case of export contracts with contracted repayment periods of up to two years, the sum insured may amount to up to 100% of the value of the export contract.In the case of continuous deliveries of goods and/ or services under the export contract, the sum insured may be equal to the amount of the exporter's maximum exposure to the foreign buyer (with deferred payment). |
| Insured sum in case of Manufacturing risk  | The amount of money on which the insurance has been concluded and which is stated in the insurance policy. The sum insured is the amount of estimated costs of the manufacturing of export goods/services, up to a maximum of total value of the export contract reduced by advance and expected profit. |
| Retention of property right | Special provision in the export contract on the basis of which the exporter retains ownership of the goods it has handed over to the foreign buyer until the foreign buyer pays it the agreed price in full. The possibility of contracting depends on the country to which it is exported. This provision protects the seller from loss that it could incur in the event that the buyer does not pay for the goods. |
| Manufacturing costs | Direct and overhead costs necessary in the manufacturing process for the manufacturing of goods and/or performance of services contracted under the export contract, which can be directly attributed to the export contract. In the event that the services of a subcontractor or supplier are used in full for the manufacturing of goods and/or performance of services under the export contract, the manufacturing cost shall be the contract value to be paid by the exporter to the subcontractor or supplier and not the manufacturing costs of the subcontractor or supplier. Among others, manufacturing costs include:Project costs and project documentation costs, costs of procurement of raw materials, semi-finished products, sub-suppliers, labour costs and other manufacturing costs. Manufacturing costs do not include the insured's profit in cost accounting, contractual interest and other financial costs under the export contract and the insurance premium. |
| SDR | Special Drawing Rights (SDR) are units of account of the International Monetary Fund, the value of which is determined on the basis of the daily average of the mid values of the so-called currency basket currently consisting of five currencies: the U.S. dollar (USD), the euro (EUR), the Chinese renminbi (CNY), the Japanese yen (JPY) and the British pound sterling (GBP). The daily value of the SDR is published on the website of the International Monetary Fund([*https://www.imf.org/external/np/fin/data/rms\_five.aspx*](https://www.imf.org/external/np/fin/data/rms_five.aspx)). |
| Duration of insurance  | In the case of credit risk insurance, the beginning of the insurance duration may be determined as the export contract execution date, the export contract fulfilment start date or the date of each partial fulfilment of the export contract (individual deliveries of goods and/or services), if the exporter is authorised to receive the amount of money that corresponds to the value of the fulfilled export contract. The end of the insurance duration may be determined by the last date of the export contract fulfilment completion or the date of the agreed maturity of the last payment under the export contract. In the case of manufacturing risk insurance, the beginning of the insurance duration may be determined as the date of export contract execution or the date of the start of manufacturing under the export contract, and the end of the insurance duration may be determined by the agreed date of export contract fulfilment. |
| Insurance contract  | Contract concluded between the insurer and the insured to insure the receivables against the occurrence of credit risk and/or manufacturing risk. The insurance contract consists of the General Terms and Conditions, the Application for Insurance with enclosures and other written applications of the insured which have been accepted by the insurer in writing. |
| Size of business entity (EU) | Size – micro, small, medium or large in accordance with the EU definition:* Micro-entrepreneur has fewer than 10 employees and an annual turnover (total income) and/or annual balance sheet total of up to EUR 2 million;
* Small entrepreneur has fewer than 50 employees and an annual turnover (total income) and/or annual balance sheet total of up to EUR 10 million;
* Medium-sized entrepreneur has fewer than 250 employees and an annual turnover (total income) of EUR 50 million and/or annual balance sheet total of up to EUR 43 million.
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