FREQUENTLY ASKED QUESTIONS
LOANS AND GUARANTEES EVIDENCE OF PAYMENT

Why does EXIM require evidence of payment of invoices?
• To confirm that the U.S. exporter or local cost provider has received payment for goods/services provided to and accepted by its foreign buyer under a sales contract prior to providing financing
• To comply with OECD rules that require a minimum 15% cash payment for financed exports
• To determine the value of the financed amount in conjunction with the invoice

What are acceptable forms of evidence of payment?
• An invoice with a paid stamp which the U.S. exporter or local cost provider has affixed and signed or initialed as paid.
• A copy of a commercial bank's advice of payment or wire transfer evidencing payment of the invoice amount to the U.S. exporter or local cost provider.
• A signed letter from the U.S. exporter or local cost provider listing its invoices and amounts received.
• A copy of both sides of a canceled check which was made payable to the U.S. exporter or local cost provider for the invoice amount.

What does Credit Administration check?
• Has the U.S. exporter or local cost provider (not the foreign buyer) signed or initialed the paid stamp?
• Does the commercial bank's advice of payment have the name of the U.S. exporter or local cost provider? Is the payment amount the same as the invoice amount?
• Does the letter from the U.S. exporter or local cost provider list the invoices and amounts received? Is the letter signed by the U.S. exporter or local cost provider?
• Is evidence of payment for each invoice, including the cash payment, provided?
• If payment is less than the full invoice value (e.g., retention deducted), has the financed amount been correctly calculated based on the amount paid?

Additional Guidance
• A paid stamp on the invoice signed by the foreign buyer is not acceptable.
• Evidence of payment for an invoice for U.S. goods/services must include the cash payment as well as the financed amount.
• More than one form of evidence of payment may be provided (e.g., a letter confirming receipt of the cash payment and an advice of payment for the financed amount).
• Copies of evidence of payment documents are acceptable.
• Contact Credit Administration if you have questions about evidence of payment.

Disclaimer: This fact sheet provides general guidance and may not be applicable to all guarantee and loan transactions. It does not supersede EXIM's policies, procedures, and other applicable requirements.

Prepared by: Credit Administration
Updated: July 2018