



المؤسسة العربية لضمان
الإستثمار وائتمان الصادرات
The Arab Investment & Export
Credit Guarantee Corporation



A+

S&P Global
Ratings

Master Trade Finance Insurance Policy (MTFIP)



Disclaimer: This guide is designed to provide information on the Master Trade Finance Insurance policy provided by Dhaman; it cannot be considered an exhaustive and complete presentation of the policy. While every effort has been made to make the information presented here as complete and accurate as possible, it may contain errors, omissions, or information that was accurate as of its publication but subsequently has become outdated by insurance changes or conditions, new laws, regulations, or other circumstances. Dhaman denies any liability or responsibility to any person or entity with respect to any loss or damage alleged to have been caused, directly or indirectly, by the information or other content in this guide.

WHO WE ARE

The Arab Investment & Export Credit Guarantee Corporation "**Dhaman**" is an Arab multilateral organization owned by governments of 21 Arab states & 4 Pan-Arab financial institutions. Dhaman was established in April 1974 as the first multilateral investment and export credit insurance provider in the World. **Dhaman** is headquartered in Kuwait.

Dhaman aims to promote Arab international trade by protecting the insured bank against the risks of Non-payment of the obligor bank of a relevant trade finance instrument.

OUR RATING

On March 31, 2022, Standard & Poor's Global Ratings affirmed its rating of 'A+' long-term issuer and financial strength credit ratings on **Dhaman**. The outlook is stable.

OUR MEMBER COUNTRIES

Algeria, Bahrain, Djibouti, Egypt, Emirates, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, and Yemen.

WHAT WE COVER

The **Master Trade Finance Insurance Policy (MTFIP)** covers the losses suffered by the insured bank resulting from non-receipt of all or part of the value of the insured trade finance instrument due to a credit or political risk materialization.

COMPENSATION RATE

Up to 100% of the insured share/amount under the trade instrument.

ELIGIBLE FINANCIAL INSTITUTIONS

- Regional & international financial institutions engaging in Arab-related trade finance activities.
- Conventional and Sharia-compliant financial institutions.

ELIGIBLE UNDERLYING TRADE TRANSACTIONS

- Export of goods of Arab origin to any part of the World.
- Supply of commodities and strategic goods of non-Arab origin to Arab countries, such as soft & hard commodities, equipment, food, raw material, and other developmentally sound goods and services.

ELIGIBLE TRADE FINANCE INSTRUMENT

- Confirmation of Letters of Credit, including Transferable Letters of Credit.
- Discounting under Avalized Draft and Bankers Acceptances.
- Short Term Trade Finance Loans.
- Post-Shipment Financing or Re-Financing associated with LCs.
- Irrevocable Reimbursement & Payment Undertakings (IRUs & IPU).
- Purchase of Payment Obligations under different trade instruments.
- Sharia Compliant Financing Instruments such as Murabaha.
- Participation in Syndicated Loan Agreements covering the above-stipulated trade finance instruments such as LCs and ST trade finance loans.

BENEFITS OF INSURANCE FOR FINANCIAL INSTITUTIONS

- Managing and improving Risk-Weighted Assets ratios and single-name accumulations.
- Capital relief based on Dhaman's "A+" rating by S&P Global Ratings.
- Protects the insured from the non-payment risks pertaining to the obligor.
- Enhances the insured's country & credit limits.
- Expanding the geographical reach through a broader spectrum of products & risk appetite.
- Covering post-financing periods.
- Alternative or complementary syndication capabilities.

INSURED RISKS

Credit Risks:

Refusal or failure of the obligor to honor its obligations due to reasons associated with:

- Protracted default.
- Insolvency.

Political Risks:

Risks of external factors beyond the control of the Obligor:

- Measures taken by the authorities of the country of the Obligor preventing the fulfillment of its obligations.
- Political Violence, War and civil disturbances.
- Confiscation, Expropriation, and Nationalization.
- Currency inconvertibility and transfer restriction.

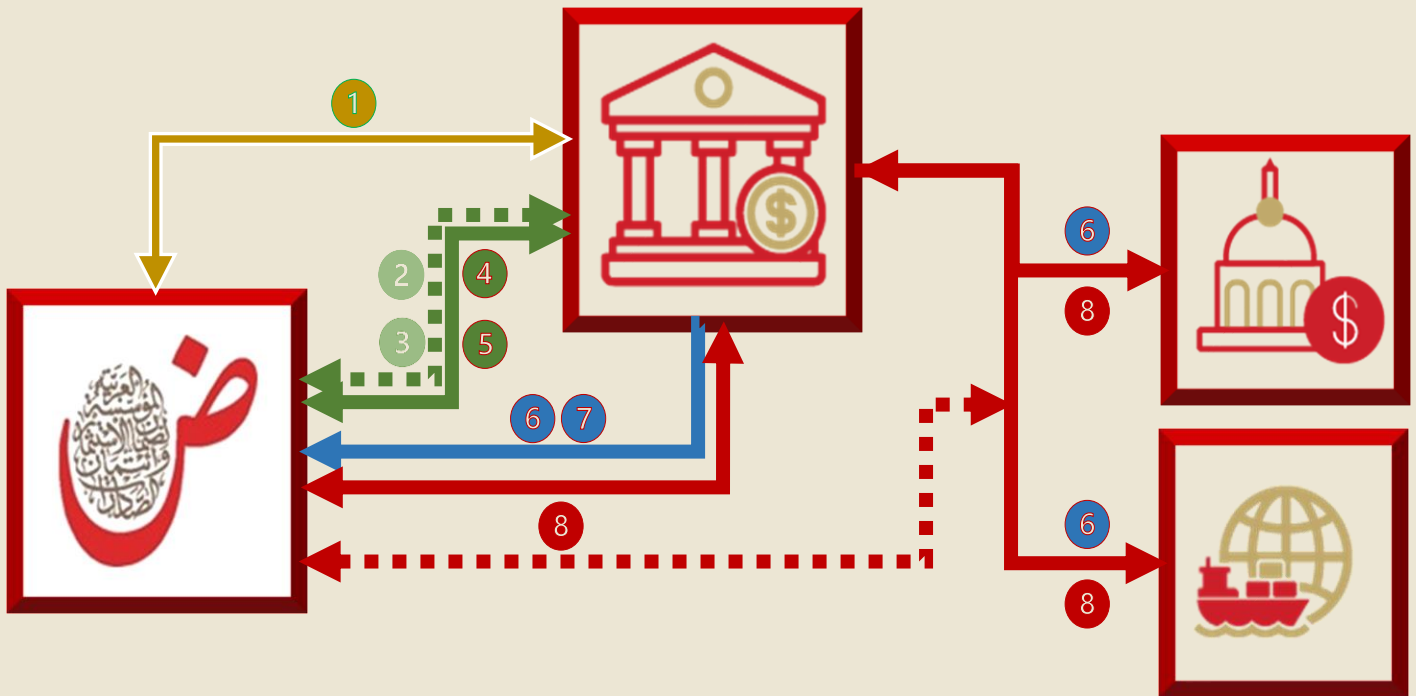
COST OF INSURANCE/PREMIUM

Considers the following criteria:

- Country Rating.
- Ranking of the obligor within its home country (Top Tier bank vs. 2nd Tier bank).
- LC Validity & Shipment dates.
- Tenor / Settlement Conditions.
- Type of Goods.
- Insured Banks' pricing.

INSURANCE PROCEDURE

1. Signing of the Master Trade Finance Insurance Policy.
2. receiving the inquiry with the transaction details *(by the insured)*.
3. Issuing a firm Insurance offer or tentative non-binding Indication (as the case may be) with pricing and relevant terms & conditions based on the transaction eligibility, limit availability, and necessary internal approval. *(by Dhaman)*.
4. Submitting a formal insurance application and a copy of the instrument to be insured *(by the insured)*.
5. Issuing the insurance decision for the underlying transaction. *(by Dhaman)*.
6. Declaring the utilization upon shipment or draw-down. *(by the insured)*.
7. Paying Premium. *(by the insured)*.
8. In case of default, claim, compensation & recovery processes are followed. *(by Dhaman)*.



OTHER INSURANCE PRODUCTS FOR FINANCIAL INSTITUTIONS

- Loss payee assignment for credit insurance policies.
- Buyer's Credit Insurance.
- Loans and Non-Honoring of Sovereign Financial Obligation Insurance.
- Leasing Insurance.
- Factoring Insurance.

WHY CHOOSE DHAMAN?

- 50 years of operational experience in the Arab region.
- A+ stable outlook S&P Global Ratings.
- Strong international network.
- Short response time.
- 100% Claims Recovery Ratio in political risks.
- Compatible with international and local regulations, OECD, Lloyds, ...
- Very strong member countries support.
- Preferred Creditor Treatment toward Arab member countries.
- Unique insurer that provides both conventional and Sharia-compliant insurance products.

HOW TO APPLY

Dhaman is here to support you in financing Arab international trade. To find out more about the MTFIP, please get in touch with our FI insurance team leader:

Mrs. Shaimaa M. Aldoussari
Head of Financial Institutions Section
Shaimaa @dhaman.org
+965 24959540

The Arab Investment & Export Credit Guarantee Corporation
Arab Organizations Headquarters Building
The intersection of Jamal Abdul Nasser Street and Airport Road
Shuwaikh, Kuwait
P.O.Box: 23568 - Safat 13096



Insurance Application Form

Insured Name	
Insurance Policy No.	

Obligor's Information

Bank Name		
Head Office Address		
Relationship between Insured & Obligor		
<input type="checkbox"/> Trade	<input type="checkbox"/> Joint management	<input type="checkbox"/> Ownership / Related Party
Experience with the Obligor		
<input type="checkbox"/> Exceeding 3 years	<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> New
Unsettled Outstanding Exposure of Obligor at Application Date (Specify Amount & Details)		
Additional Remarks on Relationship, Experience, Turnover, etc.		

Requested Cover

<input type="checkbox"/> Non-Commercial Only	<input type="checkbox"/> Commercial Only	<input type="checkbox"/> Commercial & Non-Commercial
--	--	--

Credit Limit Information

1	Project / Contract Details (if any/as applicable)	
2	Trade Instrument Type	
3	Trade Instrument Reference No	
4	Currency & Value	
5	Issuance Date	
6	Insured Amount / Rate Requested	
7	Minimum Amount Retained by the Insured on a Clean Basis	

8	Cash Collateral (If Available)	
9	Settlement Terms (days)	
10	Validity (for LCs)	
11	Latest Shipment Date	
12	Value Date for Loans/Discounting	
13	Financing/Post-Financing Maturity Date (as applicable)	
14	LC Confirmation Fees (as applicable)	
15	Interest Margin / Discounting Rate (as applicable)	
16	Exported Goods	
17	Goods Country of Origin	
18	Destination of Goods	
19	Applicant / Importer & Country	
20	Beneficiary / Exporter & Country	
21	Additional Details / Remarks	

- Please attach an L/C copy or a copy of the Trade Instrument.

Signed & Stamped:	
Name:	
Title:	
Date:	

This form should be forwarded to:
The Arab Investment and Export Credit Guarantee Corp. "Dhaman"
Head Quarters of Arab Organizations (Shuwaikh)
P.O. Box: 23568 Safat 13096 Kuwait
Dir. +965 2495 9555/ 2495 9575
Fax: +965 2495 9597
Email: operations@dhaman.org
Web: www.dhaman.org

KEY FACTS & FIGURES

PCS

90%

A+

50

Legal
Preferred
Creditor Status

Claims
Recovery
Ratio

by S&P
Global
Ratings

Years
of
experience

operations@dhaman.org



www.dhaman.org

