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REGULATIONS ON FEES AND PREMIUMS

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Only the German text is legally effective.

INVESTMENT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Direct Investments Abroad**

Fees and Premiums

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 – as the case may be proportionate – handling fee will be reimbursed. 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) An **annual premium** of in principle 0.5% of the maximum amount of the guarantee for the cover for capital (invested capital) is charged (cp. § 8 para. 2 of the General Terms and Conditions for guarantees of the Federal Government for foreign direct investments). The IMC can define rules for determining a different annual premium.
- b) If the cover under the guarantee begins, in whole or in part, later than the guarantee period (cp. § 11 paras. 1 and 2 of the General Terms and Conditions), a **reduced premium** of one sixth of the regular premium has to be paid for that part of the contributions that has not yet been made (§ 8 para. 2 sentence 1 of the General Terms and Conditions) for the time between the beginning of the guarantee period and the beginning of the cover.

- c) At the beginning of the guarantee year the regular premium will be calculated for the contributions made and the reduced premium will be calculated for the contributions yet to be made in a provisional premium invoice. At the end of the guarantee year or after the conclusion of the contributions to the capital investment the premium for the contributions made will be recalculated pro rata temporis.
- d) The premium is calculated on the basis of the maximum amount of the guarantee for the cover for capital at the **beginning** of the guarantee year. A reduction of the cover for capital during the guarantee year, for example by partial sale or repatriation 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 at the beginning of the guarantee year (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.

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.

A reduction of the cover for earnings during the guarantee year does not influence the premium for the respective guarantee year (cp. letter d) above).

If the cover for earnings is increased during the guarantee year, the premium for the entire guarantee year will be charged on the basis of the increased amount.

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



Federal Ministry
for Economic Affairs
and Energy

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.bundeswirtschaftsministerium.de/en under the heading Promotion of foreign trade and investment.

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