



**NEW ZEALAND
EXPORT CREDIT
OFFICE**

US Surety Bond Guarantee

Assisting New Zealand firms to provide surety bonds in North America

In North America, contracts that receive Federal or State funding often require suppliers to post bonds, via a licensed surety bond provider, for up to 100% of the contract value, compared with 10-15% elsewhere.

New Zealand exporters may experience difficulty obtaining such sizeable surety bonds, particularly if they are not well known by the North American surety bond issuers and because of insufficient tangible security. The *New Zealand Export Credit Office (NZECO) US Surety Bond Guarantee* can provide New Zealand exporters with easier access to surety bonds.

NZECO will assess an exporters' ability to deliver on a proposed contract. Upon approval, NZECO will provide a 100% performance guarantee to Liberty Mutual Surety who will then issue a bond on behalf of the exporter to their buyer.

Key Benefits for Exporters

- The opportunity for exporters to secure contracts with US Federal, State or municipal buyers that have 100% surety bond requirements
- Reduces the complexity of US bonding rules and regulations
- Does not impact on exporter's bonding or credit facilities
- NZECO support extends also to US territories eg, Guam.

Eligibility

- The export is associated with US Federal or State funded contracts which require a surety bond provided by a commercial provider registered in the US.
- The exported goods/services must have at least 30% value-add in NZ (can include profits).
- Exporters must be able to show NZECO that it has the managerial, technical, and financial capabilities to perform the contract.
- **Cost** – An application fee of \$1,000 will apply for any application and on approval NZECO will charge an up-front premium which reflects the risk assessed by NZECO as well as the NZECO fee paid to Liberty Mutual.

NZECO can pre-approve firms to enable them to bid for Federal / State contracts. For further information and an application form visit: www.nzeco.govt.nz

To apply:

Exporter:

- Applies direct to NZECO

NZECO:

- Assesses exporter's performance capabilities
- Decision, acceptance, letter of offer

Exporter:

- Acceptance of letter of offer
- Signing of recourse agreement
- Payment of premium

Liberty Mutual:

- Issue of surety bond

For further information and application forms visit: **www.nzeco.govt.nz** | 04-917-6938

The New Zealand Export Credit Office (NZECO) provides financial guarantee products for New Zealand exporters. Our products help these exporters manage risk and capitalise on trade opportunities around the globe. As well as working directly with exporters, we work closely with commercial financiers in New Zealand and offshore to support and improve the competitiveness of New Zealand exporters. NZECO is currently located in the Treasury and obligations to third parties are guaranteed by the New Zealand Government.