

Security Compliance Loan

What is C-TPAT

- “Customs-Trade Partnership Against Terrorism”
- Securing the global supply chain and border security in a post 9/11 context
- Not required by law, but quickly becoming the ‘new normal’

Trade with the US

- Canada represents the largest percentage of total trade internationally for the United States according to the U.S. Customs and Border Protection Trade Programs Update 2005.



U.S. Customer Border Protection

1. Advanced Information Analysis and Targeting
2. Employ Advanced Inspection Technologies
3. Engaging the private sector to increase supply chain security (C-TPAT)
4. Expand our borders by pre-screening shipments that pose a terrorist risk to arrival in the U.S.

website: www.cbp.gov

The Challenge for Canadian Exporters

- Costs
- Working capital impacts
- Ability to react to export opportunities

Why Should Exporters Take Notice?

- C-TPAT identified as an emerging issue for exporters to the U.S.
- Some U.S. buyers require suppliers to be C-TPAT compliant
- Ensure a place in the U.S. supply chains
- Some transportation companies offer preferential services and pricing to their C-TPAT customers
- U.S. CBP is working with U.S. importers to implement tangible benefits for C-TPAT members

How can EDC Help?

Security Compliance
Loan Program



Exporter Eligibility

To be eligible for the loan, the company must:

If an Importer of Record into the United States:

- Have an Importer of Record number
- Have registered a valid continuous import bond with CBP

If a Highway Carrier:

- Have a US Department of Transportation Number

Exporter Eligibility (cont.)

To be eligible for the loan, all companies must:

- Be a registered Canadian company;
- Have satisfactory financial capabilities;
- Have been in business for at least three years;
- Work with an independent trade consultant to compile and validate a security gap analysis.

Loan Highlights

- Term loan up to \$150,000
- Loan amount up to 85% of specific costs identified to become C-TPAT compliant
- Can cover up to \$5,000 of the fees associated with the security gap analysis
- Repayable over a period of 3 years

Loan Highlights (cont.)

- **Unsecured**
- Fast and simple loan approval process
- Fixed or floating rate of interest
- No other fees

How it Works - Advances

- No more than 3 advances will be made
- The first 2 advances will not exceed 90% of the Loan Amount
- No advance after the 10th month following the date of the loan unless EDC receives evidence that a C-TPAT Application has been submitted to CBP
- The final advance upon receipt of evidence of C-TPAT Tier One certification by CBP

Benefits of the New Loan Program

- Response to an immediate identified market need
- Provide exporters with needed working capital
- Support smaller exporters
- Support Canadian exporters' ability to engage in export opportunities
- Help Canadian exporters compete in the US market

www.edc.ca/english/financing_security_compliance.htm

Questions?