Section I: General Measures to Deter Bribery

Question 6:

Are agents' commissions (included in the export contract) eligible for official support?		If yes a) Do you apply a ceiling to agents' commissions for which official support is provided?	If yes b) Please provide details on the ceiling(s) applied:	c) What is the rationale for imposing a ceiling on agents' commissions?	Elaboration for "other" answers and/or any additional comments/clarifications:
Australia	Yes, always	No			While EFIC does not strictly apply a standard ceiling, the level of agents' commissions paid or payable under an export contract is evaluated in terms of its commercial reasonableness as part of the underwriting due diligence process. As a general guide, commissions representing 5% of the export contract value are acceptable. The "commercial reasonableness" of amounts in excess of this value is subject to further examination.
Austria	Yes, always	No			There is no quantitative limit but we would require more information if the commission exceeded a size which is not customary within the industry or business. We do not cover commissions which are dependent on payments.
Belgium	No				
Canada	Yes, always	No			There is no fixed policy at EDC. EDC does recognize that the commission can vary based on the type and amount of the contract, the market, and the services provided by the agent. Enhanced due diligence would be applied should commissions seem excessively high or if there is any reason to suspect impropriety.
Czech Republic (EGAP)	Yes, always	No			

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Czech Republic (CEB)	Yes, always	No			
Denmark	Yes, sometimes	Yes, always	We assess on a case-by-case basis, however, we have a fixed policy regarding what level of agents' commissions would trigger enhanced due diligence.		
Finland	Yes, always	No			We do not apply a straightforward ceiling but if the amount of commission exceeds 10-20 %, more information would be required.
France	No				Les commissions ne sont pas couvertes dans le cadre de nos garanties.
Germany	Yes, sometimes	No			Normally, agents' commissions are eligible for official support; however, in the case that the commission gives rise to questions or suspicion, the eligibility for support is subject to a decision of the Interministerial Committee.
Greece	No				
Hungary (MEHIB)	Yes, always	No			MEHIB considers on a case by case basis whether the level of the commission is acceptable.
Hungary (Eximbank)	Yes, always	No			Eximbank considers on a case by case basis whether the level of the commission is acceptable.
Italy	Yes, always	Yes, always	They must be included in the downpayment.	They should be justified by the kind of project and in compliance with standard business practices. Too high commissions always engender a more specific verification.	

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Japan (JBIC)	Yes, always	No			
Japan (NEXI)	Yes, always	No			
Korea (Eximbank)	Yes, always	No			
Korea (KEIC)	Yes, always	No			
Luxembourg	Yes, sometimes	Yes, sometimes	The amount of agent's commission has to be reasonable for the industry or business concerned, and the beneficiary must be identifiable.		
Mexico	Yes, sometimes	No			Although it is not common practice in Bancomext, some commissions including agents' fees have been subject to be financed in a few syndicated loans.
Netherlands	Yes, sometimes	Yes, always	Normally Atradius applies a ceiling of 5% of the contract amount or EUR 4,5 mln., whichever is the lowest. Exceptions with extensive justification possible.	Agent commission should be justified by the work done by the agent. If too high in percentage or amount (without reasonable justification), we consider this an indication for bribery.	
New Zealand	Yes, always	No			The NZECO does not apply a policy that includes specific ceilings for the level of agents' commissions; rather the NZECO considers industry standard practices and commercial reasonableness in determining whether agents' commissions are acceptable.

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Norway	Yes, sometimes	Yes, always	If agents commissions are to be covered would be decided on a case by case basis.		
Poland	Yes, sometimes	No			We do not apply any ceiling with reference to agent's commission. However exporter/applicant needs to undersign an undertaking to provide us with sufficient information regarding any person involved in the conclusion of the contract and, if necessary to reveal a level of commission paid. In case of Supplier Credit any commission payable abroad is excluded from cover.
Portugal	Yes, always	Yes, always	Usual standard according to business practice	For a matter of procedure, fees or commissions deemed to be excessive according to business standards are reported and submitted to the Council for the Financial Guarantees , Exports and Investment (Council)	The assessment of the fees and commissions are part of the usual due diligence process undertaken by underwriters in every transaction.
Slovak Republic	Yes, always	Yes, always	The level of payment of the commissions in relation to the export contract should not be higher than the standard practice for relevant goods and country.		
Spain	Yes, always	Yes, always	The limit is always 5% of the value of total exports (goods and services).		
Sweden	Yes, always	No			

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Switzerland	Yes, always	No			SERV's answers here do not imply that SERV accepts agents' commissions of any level. Only when SERV conducts its "enhanced due diligence" would SERV look at the agents' commission and depending on the reason of its level, would SERV decide whether to provide cover for the entire transaction or not, i.e. commissions are never excluded a priori.
Turkey	No				
United Kingdom	Yes, always	No			Any support for agents commission should not be contrary to any of ECGD's published business principles

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United States (EXIM)	Yes, sometimes	Yes, sometimes	The appropriate ceiling is determined on a transaction-by-transaction basis and is based on a number of factors, including the identity of the agent, the scope of the agent's services and the amount of the payment.	Ex-Im Bank's objective is to support U.S. exports—not unreasonable and irregular commission payments. Moreover, excess commissions increase the risk of disguised bribes.	Generally, commissions are eligible for support if they are regular commissions or fees paid in the ordinary course of business to the exporter's regular sales agent, broker or representative and readily identifiable on the exporter's books and records as to amount, purpose and recipient. Ex-Im Bank reviews the price reasonableness of medium-term and long-term transactions, which may assist in determining whether the cost of administrative fees or commissions is reflected in the amount of support requested from Ex-Im Bank. Ex-Im Bank may also review and determine the appropriateness of supporting such commissions at a number of points during the course of the transaction, including pre-authorization, pre-disbursement, and claims evaluation.
United States (USDA)	No				CCC prohibits any agents' commission to secure the payment guarantee according to the following: CCC Regulation 1493.50 (d). (d) No person or selling agency has been employed or retained to solicit or secure the payment guarantee, and that there is no agreement or understanding for a commission, percentage, brokerage, or contingent fee, except in the case of bona fide employees or bona fide established commercial or selling agencies maintained by the exporter for the purpose of securing business.

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Question 6 (continued):

Please describe any additional measures taken in relation to the eligibility for official support of agents' commissions:	
Australia	
Austria	
Belgium	
Canada	
Czech Republic (EGAP)	
Czech Republic (CEB)	
Denmark	
Finland	
France	
Germany	
Greece	
Hungary (MEHIB)	
Hungary (Eximbank)	
Italy	
Japan (JBIC)	
Japan (NEXI)	
Korea (Eximbank)	
Korea (KEIC)	
Luxembourg	
Mexico	
Netherlands	
New Zealand	

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Question 6 (continued):

Please describe any additional measures taken in relation to the eligibility for official support of agents' commissions:	
Norway	
Poland	
Portugal	
Slovak Republic	
Spain	
Sweden	
Switzerland	
Turkey	
United Kingdom	All cases where the agent's commission exceeds 5% of the contract price or £2m (or the currency equivalent) must be referred to ECGD's Risk Committee.
United States (EXIM)	
United States (USDA)	