it undertakes investment financing for its own account. In the export financing field, the CCCE co-operates with the Compagnie française d'assurance pour le commerce extérieur, by providing research and advisory services in connexion with insurance applications relating to transactions involving sales of capital goods to countries which have signed an *accord de coopération* (co-operation agreement) with France. The CCCE also refinances those portions of long-term suppliers' credits granted to buyers in these countries whose maturities exceed five years and, on behalf of the French Government, handles requests for the governmental loans granted those countries in association with the export credits.

FINANCING PROCEDURES

Medium-term suppliers' credits

169. Credits of this type have been available since 1950, when a special financing procedure was darwn up and agreed upon by the French Government, the Banque de France, the Crédit national, in co-operation with the Banque française du commerce extérieur and the French commercial banks represented by their professional association.

170. Before making final arrangements with his customer, the supplier files an insurance application with the Compagnie française d'assurance pour le commerce extérieur and requests from his bank an agreement in principle to discount the export bills. The supplier's bank, having first made certain that the Banque française du commerce extérieur will grant its unconditional endorsement, requests a refinancing commitment from the Crédit national. For contracts with foreign private buyers, a guarantee from a reliable bank in the buyer's country is usually requested.

171. The buyer is expected to make a down payment of 20 per cent of the invoice value and the supplier is expected to finance at least 10 per cent of the credit out of his own funds or through parallel financing. Once the contract has been concluded and insured by the Compagnie française d'assurance pour le commerce extérieur, the supplier makes out renewable export bills and discounts them with his bank. The credit granted by the bank does not usually exceed the percentage of the invoice value covered by the insurance policy. After being endorsed by the Banque française du commerce extérieur, the discounted export bills are submitted for rediscounting to the Credit national, which, in turn, rediscounts them with the Banque de France.

Long-term suppliers' credits

172. The financing procedure for long-term suppliers' credits was drawn up following the adoption of the *Loi de finances rectificative pour 1960* of 13 August 1960 which authorizes the Minister of Finance and Economic Affairs to grant loans to the Crédit national in order to enable that institution to refinance long-term suppliers' credits. When the Crédit national obtains funds for that purpose by borrowing on the capital market, this Act authorizes the Minister to cover the difference between the interest rate paid by the Crédit national on its borrowing operations and the preferential interest rate charged for its refinancing operations. Credits are granted only after the Compagnie française d'assurance pour le commerce extérieur has committed itself to insure them; this commitment depends on previous clearance by the Minister of Finance and Economic Affairs. The application and mobilization procedures for long-term suppliers' credits resemble those employed for medium-term suppliers' credits.

173. In the case of long-term suppliers' credits to be refinanced by the GICEX, the supplier's bank submits a refinancing application to the GICEX secretariat, which forwards details of the application to all GICEX participants. The application must be approved by two-thirds of the participants, representing two-thirds of the funds committed to GICEX. When approval has been obtained, the supplier's bank, which has discounted the primary export bills, deposits them with the Banque française du commerce extérieur. The latter determines the amount of refinancing to be provided by each participant on the basis of its commitment to the GICEX's potential resources and informs each participant accordingly.

Buyers' credits

174. The financing procedure for buyers' credits was drawn up following the adoption of the *Loi de finances rectificative pour 1965* of 30 December 1965 which authorizes the Minister of Finance to grant to the Banque française du commerce extérieur loans and guarantees similar to those granted to the Crédit