

UNITED KINGDOM

Export Subsidies

Tax Rebate

The purchase tax is rebated upon export of the product.

The taxes and duties on imports will be refunded if they constitute either a part of or the total product exported. Payment of duty or purchase tax is avoided by depositing these goods upon import at a bonded warehouse.

Export Credit Insurance

Export credit insurance in the United Kingdom is available from the Export Credits Guarantee Department (ECGD), a branch of, and funded by, the Government. The two main types of insurance offered are "comprehensive" and "specific". Comprehensive policies are required to cover a large spread of risks and have a high turnover, covering the relatively safe business as well as the less safe. Terms of up to five years may be covered by this type of policy. The exporter either undertakes to insure all of his export business during the next one or three years, or his export business in specified markets only, during the next year. This large spread of risks directly influences lower premiums. Risks covered fall into the following categories: commercial risks, such as insolvency of the buyer or his failure to pay; buyer's refusal to accept goods which have been exported to him; political risks, which include import license restrictions, war, revolution and certain other risks; additional handling, transport or insurance charges arising from interruption or diversions of the voyage; any other cause of loss occurring outside the United Kingdom and beyond the control of the exporter or buyer. Between 90 and 100% of the losses incurred are covered.