

EXPORT EVALUATION

The Value & Contents of a
Foreign Buyer Credit Report

INSIDE A CREDIT REPORT

A credit report is a document created by a credit reporting agency that summarizes the financial history of a party (a person or a business). Every credit report should include:

- ✓ Name, address, and the foreign buyer's financial history
- ✓ Trade references, commercial, morality, payment history, & agency credit scores
- ✓ Legal status & date of establishment of the foreign buyer's business
- ✓ Financial condition, including past & current records
- ✓ Description of foreign buyer's business activity (distributor, wholesaler, etc.)
- ✓ Opinions & recommendations supported by a reasoned argument
- ✓ Number of employees & the foreign buyer's standing in its industry

Using Credit Reports to Assess Risk

When exporting goods or services to foreign buyers, it's important to understand whether your business' buyers have the financial means to pay for the products they order. To do this, a foreign buyer's credit report can be a useful risk assessment tool, as it can include the amount of credit available to a party, how much of its credit limit a party tends to rely on for purchases, whether the party has a history of paying its bills on time, or whether a party has previously gone through bankruptcy.

Did You Know?

Knowing the history of your foreign buyer's credit behavior can help you determine whether or not they are likely to be a reliable customer who pays on time and in full.

OBTAINING FOREIGN BUYER CREDIT REPORTS

Dun & Bradstreet operates globally and provides credit reports on more than 240 million companies.

However, there is one caveat—if your buyer is located in an industrialized country, the reports will tend to have more detailed financial information than reports for buyers in countries where public registries or private credit bureaus are spotty, as these will have a lot of the usual financial information missing. In these cases, additional resources include:

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World Bank Group

The World Bank Group publishes *Doing Business: Measuring Business Regulations*, which provides information on credit availability. The data includes information on both firms and individuals and is available in searchable and downloadable indices.

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U.S. Commercial Service

The U.S. Commercial Service can provide International Company Profiles (ICPs) furnished by their worldwide network of trade specialists. ICPs provide a detailed credit report, as well as additional banking and business information. The U.S. Commercial Service can also provide you with an opinion as to the viability and reliability of the overseas company or individual you have selected, as well as an opinion on the relative strength of that company's industry sector in your target market.

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EXIM

EXIM provides a list of EXIM-accepted credit information sources to fulfill Discretionary Credit Limit (DCL) or Special Buyer Credit Limit applications under Multi-Buyer policies, or to fulfill short and medium term Single-Buyer policy application requirements.

WHAT'S NEXT?

EXIM is here to support you on your exporting journey. We offer a wide range of financing tools for your company's unique needs, as well as free consultations, educational material, exporter resources, and more. You can:



Talk to an Expert

EXIM specialists are ready and waiting in your area to give you a free consultation:

grow.exim.gov/consultationrequest



Learn Exporting Basics

This free eBook, The Basic Guide to Exporting, will teach you everything you need to get started:

grow.exim.gov/export-guide



Protect Your Business from Risk

Avoid the danger of buyer nonpayment with Export Credit Insurance:

grow.exim.gov/eci-guide



Unlock Your Business's Cash Flow

Learn how EXIM works with your lender so you can compete internationally:

grow.exim.gov/wclg-guide



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.