

## **9. Multi-Buyer Exposure Policy for Gems, Jewellery and Diamond Exporters** **(MBEP-GJD)**

<b>Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>Exclusively for the exporters engaged in Gems, Jewellery and Diamond (GJD) sector.</li> <li>The exporter should have an insurable exports turnover of Rs. 20 crore and above.</li> <li>The aggregate bad debts in last 3 financial years should not be more than 10% of the total export turnover.</li> </ul>
<b>Suitability</b>	<ul style="list-style-type: none"> <li>For the exporters having large number of buyers and high frequency of shipments.</li> </ul>
<b>Type Of Policy</b>	<ul style="list-style-type: none"> <li>Whole Turnover (WT) exposure-based Policy.</li> </ul>
<b>Scope</b>	<ul style="list-style-type: none"> <li>All Buyers in Open Cover Country (OCC) Buyers subject to not being in Buyer Specific Approval List (BSAL).</li> <li>All Bank in OCC with World Rank up to 25000 as per latest Banker's Almanac.</li> </ul> <p>(Note-The <a href="#">Country Classification List</a> is available on ECGC's public portal and the <a href="#">BSAL</a> details can be accessed by the Policy Holders through login credentials)</p>
<b>Period of Policy</b>	<ul style="list-style-type: none"> <li>12 Months</li> </ul>
<b>Exclusions Permitted</b>	<ul style="list-style-type: none"> <li>Shipments backed by Letters of Credit.</li> </ul>
<b>Risks covered</b>	<ul style="list-style-type: none"> <li>Commercial Risks / Buyer Risk</li> <li>Political Risks</li> <li>L/C Opening Bank Risk</li> </ul>
<b>Percentage of Cover</b>	<ul style="list-style-type: none"> <li>70% for all countries except UAE and Hongkong;</li> <li>60% for UAE and Hongkong.</li> </ul>
<b>Important Obligations of the Exporter</b>	<ul style="list-style-type: none"> <li>Processing fee of Rs 10,000/- (non-refundable).</li> <li>Payment of premium in advance.</li> <li>Proposal form to be routed through Gems &amp; Jewellery Export Promotion Council (GJEPC) along with their recommendation letter.</li> <li>Submission of quarterly statement of shipments before the end of the first month of the subsequent quarter.</li> <li>Obtain prior approval for extending the due date of payment of the export bill where the total credit period of realization exceeds 180 days.</li> <li>Notifying/Declaration of payments for bills that have remained unpaid beyond 30 days from its due date of payment, by the 15<sup>th</sup> of the subsequent month.</li> <li>Taking loss minimisation steps and recovery steps including legal action.</li> <li>Filing of claim within 360 days from the due date of export bill or 540 days from expiry date of the Policy cover, whichever is earlier.</li> <li>Sharing of recovery.</li> </ul>
<b>Major Highlights of the Policy</b>	<ul style="list-style-type: none"> <li>Aggregate Loss Limit (ALL) shall not exceed 10% of insurable export turnover with minimum and maximum cap of Rs.2 Crore and Rs.50 Crore respectively.</li> <li>No Claim Bonus (NCB) of 5% subject to no claim, up to a maximum of 50%.</li> <li>Automatic cover up to 5% of ALL is available on all buyers referred to as Single Loss Limit (SLL). Cover beyond 5% but up to 10% shall be available subject to prior approval on the buyer without any additional premium on receipt of credit limit application from the Policyholder.</li> <li>Discrepancy cover for L/C transactions subject to terms &amp; conditions of policy.</li> <li>All buyers in open cover countries are covered subject to terms &amp; conditions of policy.</li> <li>Premium is payable only on the ALL irrespective of number or value of shipments.</li> </ul>
<b>Cover Not Available for</b>	<ul style="list-style-type: none"> <li>Associate Buyers/Sister Concerns, Consignment Sales, Merchanting Trade, 'Deemed Exports and Repudiation Risk.</li> <li>Buyers in Restricted Cover Category (RCC) country or buyers in BSAL.</li> </ul>