

AMAN UNION

**4th Annual Meeting, 9-11 December 2013
Doha, QATAR**

**TURK EXIMBANK
Claims Experiences**

Hatice Yörür / Claims Department

Policyholder	X A.Ş.
Policy Period	01/05/2012 – 30/04/2013 (15th Policy)
Goods Exported	Wheat Flour
Country of Export	Central African Republic (CAR)
Mode & Terms of Payment	Irrevocable LC At Sight
Buyer Limit	USD 50,000 (O/A 180 days)
Amount of PLN	USD 183.600
Reason for Claim	Restriction of Currency Transfer of Issuing Bank
Invoice Date	17.01.2013
Date of Issue	21.12.2012
Date of Expiry	31.01.2013
Date of PLN	06.05.2013
Recovery	%100

Seller

- ◉ In business for 25 years
- ◉ Authorized Capital:
38.000.000 USD
- ◉ Producer and exporter in food and beverages industry
- ◉ Exports to Haiti, Philippines, Indonesia, Thailand, Hong Kong, Malaysia, Mauritius, Ghana, Djibouti, Cameroun, Togo, Benin, Sierra Leone, Guinea, Gambia, Liberia, Israel, Russia, United Kingdom

Buyer

- ◉ In business for 8 years
- ◉ Authorized Capital:
100.000.000 XAF (~ 200.000 USD)
- ◉ Import and distribution of equipments, plants and seeds for the agriculture and national and international road haulage and storage
- ◉ Trade risk assessment:
Normal
- ◉ Credit Suggested: Small amounts due to political unrest in the CAR

Steps Immediately Taken by the Claims Department..

- ✓ Trying to direct contact with the debtor ; (via fax, e-mail & phone)
- ✓ Forward documents to prove the debt (overdue invoice, documents of transport, statement of account, orders, correspondence with the buyer, etc.);
- ✓ Trying to contact the issuing bank via swift messages

To Investigate :

- ✓ Whether the ordered goods were properly delivered
- ✓ Whether the payment was arranged by the buyer
- ✓ If there was a dispute between the debtor and PH

Claims

- Buyer's rejection to contact with Turkeximbank due to unsecure environment in CAD

- Find the right contact person to speak in the centre of the issuing bank (area manager) in Morocco
 - Managing difficulties to find a local law office in CAD
 - Negotiation with the bank manager and explore another payment mechanism to solve the transfer failure
 - Getting proof of the delivery and the payment from buyer to clarify situation

Political Risk

- ◉ Political unrest in Central African Republic:
 - Country described as a failed state in permanent crisis, facing mutinies and rebellions. Latest rebel alliance ousted president in March 2013, plunging country into chaos
 - Decades of instability have undermined the economy.

- ◉ Beyond the control of the buyer and/or the insured, the introduction of a law, a decree or any other administrative decision in similar effect preventing, restricting, delaying, or controlling the currency transfer by the government in buyer's country or international organizations.

The Finalization of Loss Amount

- If the loss is due to the delay or restrictions for the payment transfer to Turkey, beyond any control of the insured and the buyer, on the condition that the buyer is discharged from its liabilities by depositing the amount of transfer irrevocably in favor of the insured within one month from the due date or completes all necessary formalities, the loss is deemed to be finalized after 4 months of either irrevocable discharge of debt by depositing the amount to be transferred to Turkey or upon completion of formalities whichever is later.

Lessons Learnt

- ✓ Active involvement of related sides during pre-claim period could make a real difference
- ✓ Direct and transparent communication with PH, buyer and the Banks is crucially important.
- ✓ It is important to get information from Turkish commercial councillor located in buyer's country
- ✓ To decide who is charged to settle the amount overdue and push the debtor to pay, without threats, to reach an amicable settlement
- ✓ To forward the case to lawyer in order to get legal advice and contact to buyer during claims process to recover the unpaid amount tottaly.
- ✓ "Litigation" can be relatively effective for collecting debt, but it is essential that pre-litigation measures could be taken.

Recovered

- The total unpaid amount
USD 183.600 (Buyer Limit : USD 50.000)
- An internal recovery activity, to settle amicably the matter, without long, expensive, intricate and with an uncertain outcome legal action, is:
 - ✓ Quick
 - ✓ Efficient
 - ✓ Effective
 - ✓ Cost saving

for all sides
- Recovery: 100% by negotiation without compensation and any legal action

THANK YOU!