

EXPORT DEVELOPMENT CANADA

Protect global sales from credit risk as you scale

Canada

EDC
TAKE ON THE WORLD

Don’t let late payments slow your growth

This guide outlines how to protect growing international receivables, strengthen borrowing capacity and reduce cash-flow risk as you pursue larger global opportunities.

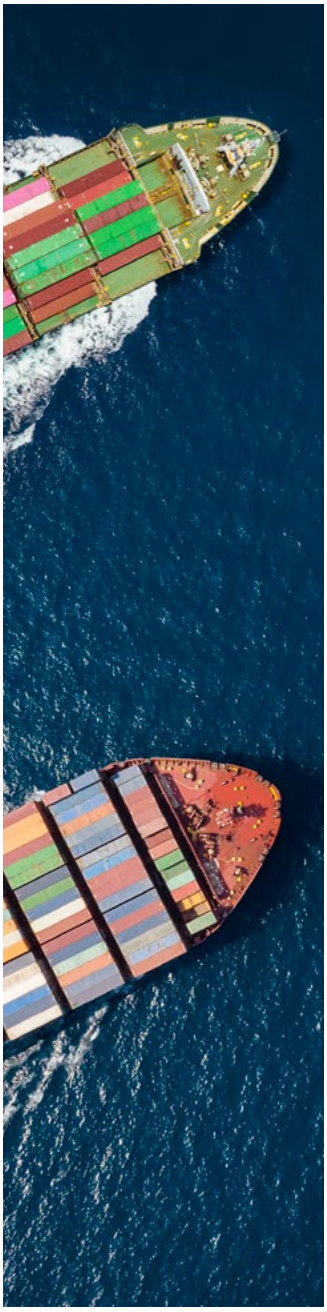
When you’re managing large export volumes or selling to multiple international buyers, even one unpaid invoice can affect cash flow and slow your growth plans. That’s why it’s important to have credit insurance that protects your sales and helps reduce risk as you grow internationally.

As Canada’s export credit agency, Export Development Canada’s (EDC’s) mandate is to help Canadian companies grow internationally. That means we can consider a wide range of buyers and markets, subject to our assessment, so you can take on larger opportunities with confidence.

Our trade credit insurance supports exporters managing larger international sales or entering new markets. We offer coverage options and dedicated support to help you protect your receivables—the money owed to you by international customers—and keep your business moving forward.



Why managing payment risk matters more than ever in 2026



Exporting in 2026 comes with more uncertainty. EDC's Global Economic Outlook suggests that global growth is slowing, trade policy is in flux and financing conditions are tighter than before. For medium-sized exporters managing growing international receivables, this makes late or missed payments more likely and stable cash flow even more important.

What's changing:

- **Trade policy volatility:** Renewed discussions around the Canada–United States–Mexico Agreement (CUSMA) expected this year are adding uncertainty for North American trade and could affect payment risk.
- **Slower global growth:** EDC economists forecast world gross domestic product (GDP) growth at 3.1% in 2026. Markets in Europe and China are experiencing weaker domestic demand and deflation pressures, which can add buyer stress and delayed payments.
- **Tighter financing backdrop:** Benchmark bond yields have hovered around multiyear highs and, although rate cuts are expected to continue, conditions are still more volatile than prepandemic. Having cash on hand is critical.
- **Canada's outlook:** With slower economic growth expected in 2026, payment delays can have a bigger impact on exporters.

How credit insurance can help you manage those changes:

- Protects international receivables if a buyer can't or doesn't pay.
- Supports working capital because lenders typically advance more against insured invoices, helping you fund larger deals and day-to-day operations.
- Lets you offer competitive terms in new or unfamiliar markets without taking on outsized risk.



Why payment risk increases when entering new markets

When you step into a new market, even established credit processes can lose reliability. Exporters confront questions such as:

- Are your credit assessments reliable when financial reporting standards differ?
- How quickly could shifting regulations, currency restrictions, or political events disrupt payments?
- Do you have early warning visibility into emerging buyer or market stress?
- If a major receivable defaults, can your financing structure absorb the impact without constraining growth?

Credit insurance helps reduce this uncertainty by protecting international receivables, strengthening your balance sheet and helping you pursue new market opportunities without compromising your working capital.

How credit insurance helps you protect international receivables

With global credit insurance, you can protect outstanding invoices across multiple markets and keep cash flow stable as you grow. Here's how our trade credit insurance elevates your global growth strategy:

- **Flexible coverage options:** Choose coverage for specific buyers, or insure a broader share of your export sales under one policy. Insure only the buyers, or markets, when necessary and adjust as your export strategy evolves.
- **Expanded global reach:** Offer competitive open account terms in unfamiliar markets, knowing your outstanding invoices are protected.
- **Access enhanced inancing:** EDC partners with major Canadian financial institutions. Many lenders may increase credit lines when we insure your foreign receivables, especially as you make larger deals. In some cases, claims can also be paid directly to your lender, strengthening your financing position.
- **Built for growth:** Designed to support your expansion into new markets, subject to our assessment.

Choosing the right protection strategy for your export receivables

EDC offers two types of coverage for exporters. Both protect you from nonpayment, but they support different needs, depending on your sales volume and growth plans.

Feature	Select Credit Insurance (SCI)	Portfolio Credit Insurance (PCI)
Working capital impact	Insuring specific invoices can make lenders more comfortable advancing funds against those insured receivables, depending on their lending policies.	Broadly insuring your export receivables can support higher credit limits and faster access to working capital because a larger share of your accounts receivable is protected.
Ideal application	**Targeted protection:** Best for securing specific buyers or individual transactions (typically, $5,000 to $500,000).	**Broad protection:** Best for managing higher volumes of export invoices and insuring high-value receivables across multiple markets under one policy. There's also the possibility to insure work-in-progress on highly customized products.
Coverage scope	Standard coverage for selected buyers or transactions with two term options: • Up to 90 days • 91–180 days This doesn't cover contract milestones or repudiation and once accepted, coverage is committed. Coverage is available only in eligible markets.	Broad coverage for high volumes of receivables across multiple markets for consistent sales flows.
Ease of management	Manage coverage on specific buyers or transactions as needed. Ideal if you export occasionally, you only insure a small number of international customers. Eligible customers may benefit from having a designated underwriter assigned to their file.	Streamlined administration through the Portfolio Credit Insurance web app, an online portal for managing all insured sales. You can report overdue payments, submit claims, pay premiums and access your policy all in one place.
Premium structure	Pricing is liability-based, determined by contract size, buyer risk, payment terms and coverage period.	Pricing is generally volume-based, adjusted for overall risk profile, sales volume, buyer distribution and payment terms.
Strategic advantage	Provides standard, straightforward coverage for individual buyers or transactions, without having to insure your full portfolio. It's the first step toward a PCI policy.	Offers efficient, portfolio-wide risk management for consistent, high-volume export sales across many buyers and markets, freeing your team to focus on growth.

Note: Risk coverage may vary, depending on the policy chosen. Be sure to verify your risk coverage before finalizing your policy.

Find your best fit: Answer a few questions and we'll find the right credit insurance solution for you:
Credit insurance recommendation | EDC

Why experienced Canadian exporters choose EDC

Our mandate allows us to support exporters across a broad range of markets and buyer profiles. This helps you:

- **Access more working capital:** Financial institutions are typically more willing to lend against insured foreign invoices—sometimes up to 90% of invoice value—and claims can be paid directly to your lender.
- **Go after opportunities in more markets:** We can consider a broad range of markets and buyers, including larger international accounts or emerging markets, to help you manage uncertainty as you grow internationally.
- **Access global market intelligence:** Tap into our international network of risk experts and country analysts for insights into market trends. Check out our Country Risk Quarterly interactive tool for economic insights into Canada's Top 75 trading partners.
- **Find coverage that grows with you:** Our solutions are designed for businesses expanding into new markets, handling larger deals, or diversifying buyer portfolios. As your exports expand, your EDC policy grows with you.
- **Get expert support and streamlined service:** You benefit from a dedicated team focused on exporter needs. We offer direct guidance, fast policy adjustments and clear claims processes.



Success story: How Storkcraft exported to Mexico with confidence

When Storkcraft, a Richmond, BC-based nursery and children's furniture company, set its sights on Mexico, the team knew it was a fantastic opportunity. But it came with risk.

Entering a new market meant dealing with unfamiliar regulations, strict product safety requirements and complex logistics. Storkcraft used EDC trade credit insurance, as well as global market insights and guidance on global compliance, to successfully expand into Mexico.

Find out more about how Storkcraft diversified into a new market and grew its global footprint while protecting its outstanding invoices.



Is credit insurance the right fit for your growth and credit risk needs?

Our credit insurance supports companies of all sizes, but it delivers the greatest value when your international sales are growing and the stakes are higher. You may benefit most from our coverage if you:

- Are closing large, higher-risk international deals and need coverage options that meet your needs
- Are increasing deal size or volume across multiple buyers or markets and want broader coverage
- Need to offer open account payment terms in additional global markets to win larger contracts
- Want to protect working capital, so a single unpaid invoice doesn't affect operations or limit future opportunities
- Would gain from lenders typically advancing a higher percentage against insured invoices



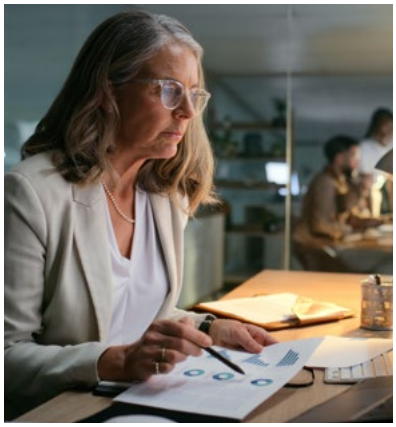
Frequently asked questions

Q: How does EDC approach risk when supporting exporters?
A: As Canada's export credit agency, EDC takes a deliberate, long-term approach to risk. That lets us consider more complex or higher risk markets and situations for Canadian exporters, while managing risk responsibly. Final decisions are subject to EDC assessment.

Q: Can EDC trade credit insurance help me access more working capital?
A: Yes. Canadian banks recognize EDC's insured receivables as secure collateral, often supporting higher credit limits and quicker access to funds. In some cases, claims may be paid directly to a lender, depending on specific arrangements.

Q: What if my export sales grow or my strategy changes?
A: If you have **PCI**, you may be able to adjust your buyer list or coverage levels, subject to EDC assessment. **SCI** is a fixed, transaction-based policy; once accepted, coverage is committed and changes aren't made mid-term. Exporters who outgrow SCI can apply for a PCI policy separately.

Q: Do I have to insure all my exports?
A: No. You can choose to insure select buyers in specific markets (SCI) or your whole portfolio (PCI), whatever aligns best with your risk strategy.





Support your next stage of growth with stronger cash-flow protection

Trade credit insurance can help you manage payment risk as your export activity grows. If entering a new market, or taking on larger international deals, creates uncertainty about getting paid, we can help you move forward with confidence.

Have questions about coverage? Submit a product inquiry to learn how EDC can help protect your revenue as you grow globally.

