

UK EXPORT FINANCE (UKEF) CONSULTATION ON FOREIGN CONTENT POLICY

A public consultation on UKEF's Foreign Content Policy opened on April 3rd, the Department would welcome your views on this matter and would encourage you to take this opportunity to contribute to the Department's review of this policy.

BACKGROUND

UK Export Finance (UKEF) is the UK's export credit agency with a mission to ensure that no viable UK export fails for lack of finance or insurance, while operating at no net cost to the taxpayer. UKEF uses a combination of guarantees, insurance and financing (often in partnerships with banks) to support exports from the UK.

UKEF's Foreign Content Policy sets limits on the level of goods and/or services purchased from overseas suppliers or sub-contractors in contracts supported by UKEF. UKEF last reviewed the Foreign Content Policy in 2007 following a public consultation, which established the current policy of supporting up to a maximum 80% foreign content in all contracts.

Foreign content is supported by UKEF because there is often a need for applicants to source non-UK goods and non-UK services from the buyer's country or other countries outside the UK, to achieve the right mix of price and technology necessary to be awarded that contract. Therefore, UKEF supports a proportion of foreign content to support and develop UK exports, further to its mission.

Since the current approach was established, UKEF's statutory powers have been expanded in the Small Business Enterprise and Employment Act 2015. This change enables UKEF to assist and support firms carrying on business in the UK that are, or wish to become involved, in exporting supply chains. The policy as currently expressed may not be appropriate for the wide range of scenarios, which can now be considered under the Department's statutory powers, but which were not envisaged at the time of the 2007 consultation.

PROPOSAL

UKEF's public consultation does not intend to change the 20% minimum UK Content requirement where there is a specific contract UKEF is being asked to support. Instead the consultation document proposes a series of 'principles' which expand Foreign Content policy to enable a consideration of the context surrounding the business UKEF is being asked to support. This is to better apply Foreign Content policy to scenarios that do not directly relate to a specific export contract, but which would be conducive to supporting UK exports more broadly.

These principles are set out in detail within the consultation document [here](#).

NEXT STEPS

The consultation will be open for a period of four weeks, after which the Government will aim to issue a response within 12 weeks in line with the [Cabinet Office Consultation Principles](#).

In the event of questions relating to this consultation, please contact consultation@ukexportfinance.gov.uk. Please note that any requests for information and UKEF's response may be published as part of the response to the consultation.

Information on how to respond is outlined [here](#).