

- Finnish investors can benefit from Finnvera's Investment Guarantee when protecting foreign investments against political risks.

Investment Guarantee

– security against political risks

Eligible investments and covered risks

Investments eligible for cover include

- subscription for equity in cash or in kind and dividends
- shareholder loan
- non-shareholder loan
- guarantee issued by an investor as security for a bank loan.

Political risks covered by the guarantee

- restrictions imposed by authorities of the host country on the conversion and transfer of currency
- nationalisation or expropriation of the investment or other comparable measures taken by authorities of the host country

- destruction of the investment company's property or business interruption due to war, insurrection, revolution or a comparable event.

Commercial risks covered by the guarantee

- granting a guarantee to cover commercial risks always requires special grounds.

Conditions for granting the guarantee

The investment shall promote economic development in the host country and in Finland. The host country shall be eligible for guarantee cover. The investment can be made in a new or existing company.

Guarantee coverage

The guarantee cover for political risks is normally 95%, however, the coverage for non-shareholder loan can be up to 100%.

Guarantee period

The guarantee is granted for a period of three to twenty years.

Guarantee costs

The guarantee premium is charged annually beforehand and is calculated on the total sum of the guaranteed equity investment and dividends. The guarantee premium for a loan investment is calculated on the principal of the credit. The creditworthiness of the host country and the risks covered affect the premium to be charged. A handling fee for handling the guarantee application and for any charges that are made to the guarantee are charged.

Application for the guarantee

The investor or the bank shall file the application for the guarantee.

For further information, please contact the Export Credit Guarantees Unit.

An Investment Guarantee can be used by a Finnish investor to insure an investment abroad against political risks.

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