

# Training course on surety bonds

Global Solutions

## **Main Contents**

- Bid Bonds
- Advance Payment Bonds
- Performance Bonds
- Maintenance bonds
- Money Retention Bonds
- Insurance Policy for banks
- Credit risk
- Performance risk
- Contractual and legal risk

# Surety bonds

---

## OVERVIEW

Construction is a risky business. Surety bonds are essential tools for contractors which need to compete effectively for tenders, comply with legal and contractual obligations, mitigate risks for the project owners and ensure successful project completion. This practical and interactive course is designed for professionals seeking to build and improve their knowledge of surety bonds (Bid Bonds, Advance Payment Bonds, Performance Bonds, Warranty/Maintenance Bonds and Money Retention Bonds) and to enhance their understanding of how to assess risks in surety bond transactions. Participants will be introduced to SACE's technical approach and methodology applied to real-life transactions. The session will also address the main features and market practices of the US surety bond industry.

## COURSE OBJECTIVES

To provide participants with a clear understanding of the main features of the most important types of surety bonds compared with other forms of insurance. Participants will study the main ways in which SACE intervenes as well as undertaking an in-depth review of the underwriting process, methodologies and specific approaches to assess risks. Case studies and real examples will be used extensively to ensure that the training is highly interactive and practical.

The participants will be able to:

- Identify the main features and technical characteristics of the different types of surety bond
- Better understand the models for and benefits of SACE's intervention
- Review the key elements of the due diligence and underwriting process
- Identify the main risks associated with surety bond transactions and how the evaluation process is carried out within the applicable set of rules
- Gain a deeper understanding of the US surety bond industry and the main differences compared to bank guarantees

## TUITION

Tuition will be provided by highly qualified professionals, with proven experience and comprehensive knowledge of the relevant fields. The course may be customized to meet the real needs of participants.

## LOCATION

Upon request, at client's premises or in SACE's Rome office.

# TOPICS

## International Surety Business

- Surety Business within SACE
  - Definition
  - Project cycle and bonds required
  - Types of Bonds
  - Bid Bonds
  - Advance Payment Bonds
  - Performance Bonds
  - Maintenance Bonds
  - Money Retention Bonds
  - Eligible contractors
  - Products and services
  - Counter guarantee for Italian banks (Insurance Policy)
    - Counter Guarantee Policy feature
  
- Counter guarantee to local banks
  - Benefits for banks
  
- Counter guarantee to foreign companies
  - Benefits for exporters
  
- Counter guaranteeing the sureties
  - Counter guarantee/Reinsurance of sureties
  - Form of cover
  - Benefits
  
- Due diligence process
- Surety bonds – Evaluating risks
  - Surety bonds – credit risk
  - Surety bonds – performance risk
  - Surety bond – contractual and legal risk
  
- Documents required
- US surety Bond Market & Practice
  - Main features
  - Standard AIA performance bond in the USA
  - Market and practice
  
- Practical case studies

# We are

---

SACE is a leading provider of financial solutions, supported by a range of trade finance, political and credit risk insurance as well as financial guarantees. With over € 87 billion of outstanding commitments, we serve more than 25,000 business customers, facilitating access to commercial & bank financing in 198 countries worldwide. Since 2004 we have been providing advisory services, consultancy and training on topics relevant to ECA's activities, financial and multilateral institutions and sharing best practices and know-how to enhance mutual understanding and cooperation.

## Beyond traditional advisory services

We believe that sharing best practices and know-how enhances mutual understanding and facilitates cooperation amongst players active in trade finance. Our training services cover a variety of areas and topics and are provided by highly qualified professionals and executives at client premises or in SACE's Rome office. Advisory services are offered through various modalities in order to meet the respective needs of the counterparties, namely:



standardised formulas of workshops on specific topics



tailor-made advisory and assistance for new business/product/activity development



consultancy on the set-up of ECAs, including assistance to governments and supervisory authorities

## Other training modules you could be interested in

- Corporate and Bank Risk Assessment
- Country Risk Analysis
- Risk Management and Monitoring
- International Regulation for Export Credit
- Project Finance
- Export Credit & Credit Insurance
- Environmental Impact Assessment
- Governance, Corporate Strategy, CSR and Internal Auditing
- Factoring and Trade Finance
- Customer Relationship Management

# Among our customers

## Capacity Building Projects

## Set-up & Modernizations

 Qatar Development Bank 2023, 2018 Qatar	 SAUDI EXIM BANK 2022 Saudi Arabia	 EXPORT BAHRAIN 2022 Bahrain	 EKA Ukraine 2021 Ukraine	 DHAMAN 2021 - 2014 Kuwait	 ECIO 2021 - 2020 Greece	 ECG 2020-2021-2022 Greece	 Saudi EximBank 2018-2019 Saudi Arabia
 ABGF 2019 Brazil	 HBOR 2019 – 2018 – 2015 – 2012 – 2008 Croatia	 ECIC 2019, 2015 South Africa	 KazakhExport KazakhExport 2019, 2015, 2006 Kazakhstan	 Indonesia Eximbank 2018 Indonesia	 ALTUM 2018 Latvia	 PARTNERSHIP FUND Fund 2015 Georgia	 EXIAR 2011 - 2012 - 2013 Russia
 UKREXIMBANK 2018 Ukraine	 EXIMBANK Turk Eximbank 2017 - 2015 Turkey	 Bancomext 2015 Mexico	 BELEXIMGARRANT 2014 Belarus	 ICIEC 2014, 2013, 2009 Saudi Arabia	 EximBank 2014 – 2009 – 2008 - 2006 Romania	 SMECA 2004-2005 Serbia and Montenegro	

## CONTACT US

For further inquiries about our advisory services and a tailored offer please visit [www.sace.it](http://www.sace.it) or contact us

SACE Headquarters

Piazza Poli, 37/42 | 00187 Rome – Italy

Tel: +39 02 434499206 | Email: [globalsolutions@sace.it](mailto:globalsolutions@sace.it)