



Company and Partner Risk

Learn what information you need, and where you can get it, to properly evaluate a potential buyer or foreign partner.



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Before concluding an export deal or agreement, conduct due diligence on the foreign entity to make sure doing business has the best chance of success for your company - and is legal.

A bad choice can result in lost market opportunities, financial loss, legal and liability issues, or a damaged company/product reputation abroad.

Fortunately, there are several resources to help you move forward with confidence.

Buyer Risk

1. Vetting will help ensure the buyer is legitimate and credit-worthy.

- If you need a background check on a foreign company, consider the [U.S. Commercial Service's International Company Profile](#) service.
- **Banks.** Bankers have access to vast amounts of information on foreign companies and are usually very willing to assist corporate customers.
- **Commercial firms** can provide credit information on foreign firms. This information may also be in **directories of international companies.**
- **Business Libraries.** Several private-sector publications list and qualify international companies. There are also many directories devoted to specific regions and countries.
- **Foreign Embassies.** Foreign embassies are located in Washington, DC, and some have consulates in other major U.S. cities. The commercial (business) sections of most foreign embassies have directories of companies located in their countries.
- **Internet:** You can often find company information through your favorite search engine. However, pay attention to the sources of the information you find, because search engine results may not always be recent or accurate.

2. Check the [Consolidated Screening List](#) to make sure the U.S. Government allows you to sell to the foreign buyer.

3. Explore [U.S. Export-Import Bank export credit insurance](#) programs to protect your company.

- The [Express Insurance](#) Program is a “named buyer” policy that simplifies small business access to export credit risk insurance on their foreign accounts receivable. It also has a streamlined online application provides a policy quote and credit decisions up to \$300,000 on foreign buyers within five workdays (buyer credit requests exceeding \$300,000 will require additional processing time).
- The [Small Business Export Credit Insurance Policy](#) is specifically designed for small, financially viable businesses that are new to exporting, or have only occasionally exported. It can help increase an exporter's international sales by extending competitive credit terms while minimizing risks.
- The [Multi-Buyer Export Credit Insurance Policy](#) enables U.S. exporters to reduce their risk of selling on credit terms by insuring their export accounts receivable against default or non-payment. The policy can help increase international sales by extending competitive credit terms to foreign buyers while minimizing risks.
- The [Short-Term Single-Buyer Export Credit Insurance Policy](#) is designed for companies that do not want to insure their exports to all their eligible foreign buyers, and instead want to insure sales to a single foreign buyer under one policy.
- Export-Import Bank offers U.S. lessors the opportunity to expand their [overseas leasing](#) programs by providing comprehensive insurance for both the stream of lease payments and the fair market value of the leased products.

4. Read these tips about [minimizing fraud](#) when selling to international customers.

5. Consider these tips for [Evaluating Foreign Representatives](#).