



Company news

## EULER-HERMES EXPORT CREDIT GUARANTEES

# Quick cover

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**KHS is one of the first German companies to qualify for flex&cover. The new Euler-Hermes product simplifies and speeds up the granting of export credit guarantees and considerably reduces the amount of bureaucracy involved.**

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### PHOTOGRAPHY / ILLUSTRATION

Frank Reinhold, Oguz Temel

### COVER PHOTO

With its high percentage of exports and elaborate projects in high-risk countries such as Africa, America and Asia, for KHS flex&cover is an unbureaucratic way of securing export credit guarantees.

With what's known as Hermes cover, for decades the Federal Republic of Germany has insured foreign transactions undertaken by German companies against commercial and political risk. This applies particularly to exports to countries with a high risk, for which private insurers don't provide any cover.

## **Elaborate individual checks to date**

Until now, each individual project had to submit a separate application. To be eligible for cover, proof had to be given therein that at least 51% of the exported goods were of German origin. This verification was provided in the form of comprehensive sourcing concepts. Any later deviations from the plan then had to be notified by the exporter, approved by Euler-Hermes and documented on conclusion of the project. This was an extremely elaborate and bureaucratic process, especially for companies with a high percentage of exports and a multitude of projects in high-risk countries such as Africa, America and Asia – as is the case with KHS that has an export quota of up to 95%.

## **New: general qualification**

In order to simplify and shorten the approval process, the Euler-Hermes company, charged by the German government with the issue of export credit guarantees, established a new approach at the beginning of 2025 called flex&cover. In essence, this awards companies a general qualification with respect to their economic contribution or what's known as their German footprint, regardless of the individual transaction. Businesses who opt for the new model are no longer required to provide proof of origin per project for an initial period of three years.

“flex&cover is a good example of a successful reduction in bureaucracy – one KHS directly benefits from.”



Oguz Temel,  
head of Treasury at KHS

## **KHS at the forefront**

KHS is one of the first German companies to qualify for flex&cover. “In April we put together a presentation to this effect,” says Oguz Temel, head of Treasury at KHS and thus also responsible for export financing, among other things. “This is essentially an extensive portrait of our company where we’ve identified our German footprint. How high is the share of our jobs and production capacities in Germany, for example? How high is our export quota? How many

apprentices do we have in Germany? And how high is the percentage of bought-in goods here? We answered all these and lots of other questions in great detail before we submitted our application to Germany's Federal Ministry of Economic Affairs and Energy (BMWE) through Euler-Hermes."

A decision as to whether a company is eligible for cover or not is ultimately reached by the Interministerial Committee (IMC) that governs Germany's export credit guarantees. This includes representatives from the BMWE, the Federal Ministry of Finance, the Federal Foreign Office and the Federal Ministry for Economic Cooperation and Development.

Only about five weeks after submitting the presentation, KHS received positive news of their eligibility for cover. "With flex&cover, we're now exempt from individual verification initially for the next three years," smiles Temel. "This is a practical example of a successful reduction in bureaucracy – one we directly benefit from."

## Any further questions?

**Oguz Temel**

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