

Solutions For Exporters

Export Documentary Credit Solution



Accelerated receivables, reduced risk

Grow your international sales with added payment assurance

Selling products globally can increase opportunities but the consequences can be unpredictable, especially in unfamiliar markets. With HSBC's Export Documentary Credit (DC) Solution, you enjoy greater payment assurance under the DC and benefit from greater visibility and control with access to a comprehensive suite of processing and payment services.

Benefits to you

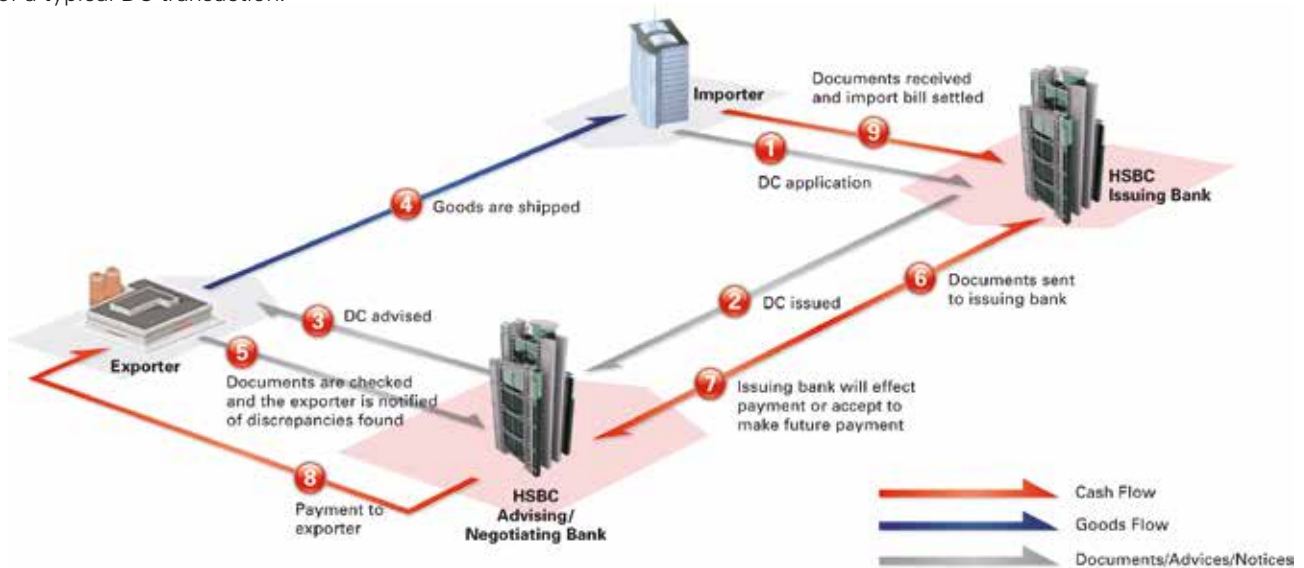
- **Reduce the risk of non-payment by your buyer** through the issuance of a DC by your buyer's bank. By issuing a DC, your buyer's bank undertakes to pay at a set date upon presentation of export documents that comply with the terms and conditions of the DC.
- **Access funds after shipment.** You may be able to obtain funds without the need to draw down on your credit facilities by presenting compliant documents to HSBC. If documents do not comply with the DC, funds can be advanced upon acceptance of documents by the DC-issuing bank.
- **Trade with confidence by mitigating the risks of non-compliant documents.** If documents are not in compliance with the terms of the DC, the DC-issuing bank is not obligated to pay unless your buyer accepts the discrepancies. HSBC's reputation for providing superior standards of service relating to document checking and handling may help mitigate the risk of non-compliant documents being presented to the issuing bank.

Product features

- **Advising. Once transmitted by the issuing bank,** HSBC will advise the export DC to you.
- **Export bill handling and funding.** Your documents can be sent to the DC-issuing bank for acceptance and payment, or you may request upfront funding. Funds can generally be advanced under clean documents or, if documents are discrepant, after acceptance from the DC-issuing bank has been received.
- **Documents and payment processing under international rules.** Trading under DC terms helps protect buyers and sellers because document handling is subject to international rules and regulations*.
- **One DC – one bank.** If your buyer issues the DC through HSBC, you may benefit from faster processing. Should a dispute with your counterparty arise, having the same bank on both sides helps resolve issues more quickly, saving you time and cost.

How it works

The diagram below illustrates the process flow of a typical DC transaction:



Your needs

This is the solution for you if:

- You want additional assurance of payment from your buyer before starting work or shipping an order.
- Your buyer has requested extended credit terms, but you need to access funds immediately after shipment without having to draw down on your credit facilities.
- You need a trusted financial partner to help you receive payment quickly while minimising the risk of nonacceptance of documents by the DC-issuing bank.

Related products

- **DC Confirmation.** HSBC can provide exporters with greater peace of mind by adding a conditional undertaking to pay against presentation of compliant documents, allowing you to trade in new markets with greater confidence. All confirmation requests are subject to HSBC's sole discretion.
- **Post-shipment finance of discrepant documents.** If you need cash immediately after shipment and have presented discrepant documents, you may request funds to be advanced against your signed indemnity subject to approved facilities being in place.
- **Pre-shipment finance.** Access funds before shipment to produce, pack and ship your goods.
- **Pre-set exchange rates and forward contracts/options.** Protect your business against future currency fluctuations by fixing an exchange rate upfront.

Contact points

For further information please contact your HSBC Relationship Manager or Trade and Supply Chain specialist today.

If you do not have a Relationship Manager, or are not an HSBC customer, call us on 2380 1843 during office hours or contact Commercial Banking Contact Centre on 2380 8000 from 8.00am to 5.00pm Monday to Friday (excluding public holidays). Alternatively you may visit www.business.hsbc.com.mt

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* HSBC handles DC transactions in accordance with the Uniform Customs and Practice for Documentary Credits (UCP), a set of international standards for the handling of Documentary Credits through financial institutions. The rules are published by the International Chamber of Commerce (ICC).

HSBC has sole discretion to make funding decisions for individual transactions and will retain recourse to you after funds are advanced. An HSBC trade account relationship, approved trade-finance facilities and trade-finance agreement are required. Additional terms and conditions may apply.

Trade and supply chain transactions may be subject to credit approval. Other restrictions, including specific country regulations, may apply. Foreign currency exchange rates may apply to certain trade transactions. Certain products and solutions contained herein may not be offered in every market. Check with your local HSBC Trade and Supply Chain specialist for a full product offering in your country.

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