

Export Documentary Collection Key Fact Sheet

The Key Fact Sheet (KFS) is provided to customers informing them about the key aspects and features of Export Documentary Collection (a trade finance product).

This is mainly to help you as a customer to understand and have a fair idea on what CBI is offering you and be able to compare the same with other banks offering the same product in the market.

Key Fact Statement

Documentary Collections is one of the methods of payments in international trade whereby the Seller (Exporter/Drawer) instructs their bank (the remitting bank) to present documents (commercial documents accompanied with/without financial documents) in relation to a trade deal to the buyer's bank (the collecting bank) to present or release documents to the buyer (Importer/Drawee) against certain conditions.

Documentary Collection is subject to Uniform Rules for Collections (latest version applied 1995 Revision, ICC Publication no. 522 (e.g., URC522).

The rules are then binding on all parties of Documentary Collection unless its terms and conditions expressly exclude or modify a rule.

The key fact statement for a documentary collection is a trade payment method agreed between trade counterparties (the seller/the exporter/the drawer) and (the buyer/the importer/the drawee) to deliver underlying trade related documents through Seller's Bank (Remitting Bank) to Buyer's Bank (Collecting Bank) with certain payment instructions detailed as follows: -

- Documents to be delivered against payment (i.e., D/P or DP or CAD).

Or

- Documents to be delivered against acceptance (i.e., D/A or DA).

Or

- Documents to be delivered on other terms and conditions.

This product is available to customers without any engagement or undertaking on our part since we act only as agents in a documentary collection.

Discounting of documents may be available to customers with an approved credit facility that is granted as per Bank's credit policy and internal credit assessment.

Product Description

Export documentary collection is a common Trade Finance Product offered to CBI clients (Exporter/Drawer). Where CBI is acting as a Remitting Bank following customer's instructions to dispatch underlying trade documents to collecting/ presenting bank with certain delivery instructions for obtaining payment.

We are basically acting as an agent on behalf of our customer enabling CBI Customer (Exporter/Drawer) to sell goods and/or services to their buyers (Importer/Drawee), by handling and dispatching the underlying trade related documents thereby facilitating in obtaining the payment.

Sub-related Product

- All Export Documentary Collection Amendment(s).
- Discounting (if any).

Tenor

The tenor can be Cash against Documents (CAD) or Document against Acceptance.

Collateral

Credit Facility collateral and documentation as approved internally and expressly specified in facility offer letter along with other terms and conditions only in the case of discounting facility.

Terms and Conditions

Please refer to Export Documentary Collection (IDC) notifications letter and for Discounting application please refer to the following [link](#).

The Terms and Conditions (including any relevant applications and documents) must be read as an integral of this KFS.

Tariff (Commission, Charges, and fees)

Schedule of Charges for Trade, please refer to the following link: -

Wholesale Banking Trade Tariff* - [English](#) / [Arabic](#)

in conjunction with what expressly highlighted in Facility Offer Letter (FOL) as the case may be.

[*CBI reserves the right to change Trade tariff from time to time and same will be updated in our website](#)

General Warnings

1. The Bank, without referring to the customer, may debit the customer's accounts with any charges, expenses, or commission payable against the banking services rendered in accordance with the approved and announced banking charges and commissions.
2. The Bank may from time to time, and at its sole discretion make changes to the Terms and Conditions pertained to this Product. Without prejudice to the [on-demand/uncommitted] nature of this product.
3. The Terms and Conditions (including any relevant applications and documents) shall be read and implemented in line with this KFS.
4. This is a Key Fact Statement only. It means that the documents provided is not an offer from the Bank to provide services. The Bank has the right to refuse to provide any services at any time without liability or penalty.
5. The Bank reserves the right, at its absolute discretion, to amend any of the terms and conditions and where required by the applicant law, will provide the Customer with 60 days notice prior to making such changes and/or as mutually agreed in the facility letter signed by you.

Product Features and Warning Statements

You must be aware about some of Documentary Collection features details as follows: -

1. Banks assume no liability or undertaking payments under documentary collections.

2. Collecting Banks are following Remitting Bank collection schedule instructions to deliver the underlying trade documents without any liability or engagement on their part.
3. Banks are dealing with documents presented not with goods, services, and/or performance and/or its quality which the documentary collection may relate.
4. Customer availing this product must keep themselves aware and updated on URC as a governing rule of Export Documentary Collection.
5. Customer must adhere to the bank agreed terms and conditions to ensure smooth processing of this product. Any deviations may cause delay processing the transaction or further consequences may reach to bank exercises their right to settle the underlying exposure with penalties in case of past dues.
6. Customer must provide the bank with updated documentation and information that may affect their account and related Export Collection Documents.

Benefits (Payment Vs. Performance Risks)

In international trade, non-payment for goods exported is the major risk for the exporter. While the major risk for the importers is that they will pay for goods that are not shipped on time or as specifications / quality ordered.

Export documentary collection is one of the common payment methods offered by banks to assist an exporter (Drawer) and importer (Drawee) in the settlement of their international commercial transaction. It is designed to bridge the gap between documentary credit and open account by providing a potentially higher level of security than open account, through the control of the documents by banks but unlike Letter of Credits, banks involved do not guarantee / secure payment. But at same time there is a mitigation option to deliver documents against payment or to have an avalization from the collecting bank in case of usance documents.

Documentary collection attracts cheaper bank costs for Importers and exporters than associated with a documentary credit.

Acknowledgement

By signing this document, you acknowledge the receipt and understand Key fact Sheet highlighting the product / service key features, description, and get an idea on terms and conditions, tariff (commission, charges, and fees), which may be incurred by applying for this product. All the provision of any banking product/ services are at the sole discretion of CBI and subject to all applicable terms and conditions of CBI General terms and conditions of Accounts and Banking Services for establishments, companies and other legal entities that may be revised from time to time.

Customer Name:	
Customer Signature:	
Date of Signature:	

Disclaimer

The information in this Key Facts Statement is not the full terms of the contract, which is contained within the final terms of the account along with the documentation required to proceed with enclosed product mentioned therein.

For further enquiries, assistance, or complaints you may approach your designated relationship managers or our Trade Finance Team or by visiting its website www.cbi.ae. You can also contact us on 600544440 (within the UAE) and +971 4 503 9000 (outside the UAE).