

Post Dated Cheque Discounting Key Fact Sheet

The Key Fact Sheet (KFS) is provided to customers informing them about the key aspects and features of financing a Post-Dated cheque.

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

Post Dated Cheque discounting is one of the most methods of obtaining financing in local trade whereby the Seller delivers the underlying goods or rendered the services, sends the commercial documents including an invoice specifying the payment terms to the buyer directly. The buyer issues a PDC cheque favoring the seller as a guarantee for payment on an agreed due date.

This product is available to customers with approved credit facility offered as per bank's credit policy and internal credit assessment.

The PDC discounting facility is offered only for cheques issued in AED currency and domestically. Cheques issued in foreign currency or AED cheques issued outside UAE will not be considered for financing.

Product Description

Customers trade under open account terms and buyers issue Post Dated Cheques as a guarantee of payment to the seller on an agreed due date. Seller will discount these PDC cheques and obtain financing from banks thereby easing their cash flow.

Post Dated Cheque Discounting is a common way in UAE to obtain finance for the sales made to a buyer, where CBI will finance customer's receivable cheques and credit their account immediately.

Sub-related Product

All PDC Discounting Amendments.

Tenor

Maximum tenor will be specified in the Facility Offer Letter (FOL). The financing is supported by sales invoices, delivery notes and buyer's trade license. The tenor is typically 90 to 180 days from delivery date.

Collateral

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

Terms and Conditions

Please refer to Cheque Discounting Form for financing the cheques under the following [link](#).

The Terms and Conditions (including any relevant applications and documents) must be read as an integral part 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 pertaining 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 applicable law, will provide the Customer with 60 days notice prior to making such changes and/or as mutually agreed in the facility offer letter signed by you.

Product Features and Warning Statements

You must be aware about some of PDC discounting features details as follows: -

1. Banks assume no liability to finance all the PDC cheques irrespective of facility offered.
2. Banks are dealing with documents presented not with goods, services, and/or performance and/or its quality which the purchases may relate.
3. Customer availing this product must keep themselves aware of the terms and conditions specified in the FOL and the PDC Discounting form.
4. 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 exercising their right to settle the underlying exposure with penalties in case of past dues.
5. Customer must provide the bank with updated documentation and information that may affect their account and transactions.

Benefits

PDC discounting remain under open account transactions which contributes more than 80% of global trade. Sellers need upfront cash for their day-to-day business operations. Hence, they request financing from banks to manage their cash flows into the business. With approved facility with banks, customers can focus on their business (purchase and sales). and bank will arrange for PDC collections to settle underlying exposure accordingly.

PDC discounting comes under open account which is one of the mostly wide used payment methods in trade finance. It is agreed to trade on these terms after building adequate level of trust between counterparties.

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.cbiau.ae. You can also contact us on 600544440 (within the UAE) and +971 4 503 9000 (outside the UAE).