

## Invoice Discounting/Financing Key Fact Sheet

The Key Fact Sheet is provided to customers informing them about the key aspects and features of discounting / financing the sales invoice on an Open Account basis (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

Open account Sales is one of the methods of payment in international trade whereby the Seller ships the underlying goods and sends the commercial documents to the buyer directly.

The open account sales invoice discounting / financing is not governed by any set of rules like LCs (UCP) and Collections (URC), since it is directly managed between the buyer and seller.

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

### Product Description

Sales Invoice Discounting is a common trade finance product offered to CBI clients (Exporter), where CBI will discount/finance customer's sales invoices payment terms and credit their account immediately.

### Sub-related Product

All Sales Invoice Discounting Amendments.

### Tenor

Maximum tenor will be specified in the Facility Offer Letter (FOL). The financing is supported by sales invoices along with transport documents or delivery notes covering the underlying shipment. The tenor is typically 90 to 180 days from shipment 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 Invoice Discounting Application for financing the open account sales 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 invoice discounting/ financing via open account features details as follows: -

1. Banks assume no liability to discount/finance all the open account sales invoices 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 Invoice Discounting application form.
4. Customer will be least secure under open account sales as he got paid after the delivery of underlying goods to the buyer and even after certain credit period of time as per credit terms agreed between them. while, in case of advance payment customer become most secure as he receipts his due pre-shipment of the underlying goods and in such case, there is no requirement for invoice discounting/financing.
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 exercising 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 transactions.

### Benefits (Payment Vs. Performance Risks)

In international trade, invoice discounting/financing comes under open account transactions contribute more than 80% of global trade. Exporters/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) without worrying about the buyer payments.

Invoice discounting/financing comes under open account is one of the mostly wide used payment methods in trade finance. It is normally agreed to trade on these terms after each party is known to the other and trusted.

### 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.

<b>Customer Name:</b>	
<b>Customer Signature:</b>	
<b>Date of Signature:</b>	

### 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](http://www.cbiau.ae). You can also contact us on 600544440 (within the UAE) and +971 4 503 9000 (outside the UAE).