

Solutions for Importers

▶ Import Documentary Collection Solution

Maximised working capital, reduced risk



Reliable and cost-effective payment to your suppliers

Sourcing products globally can increase opportunities but the consequences can be unpredictable, especially in unfamiliar markets. HSBC's Import Documentary Collection Solution is a simple, cost-effective and secure means of trading internationally, that allows you to inspect commercial documents before making payment.

Benefits to You

- ▶ **Simple and cost effective.** An import documentary collection is generally faster, simpler and more cost effective than issuing a documentary credit (DC).
- ▶ **Additional payment control.** In contrast to paying your supplier in advance of receiving goods, an import collection allows you to inspect commercial documents before making payment or agreeing to pay at a fixed future date.
- ▶ **Flexibility.** Under an import collection, you have the flexibility to easily change contract terms on shipping, delivery and insurance right up until goods are shipped.
- ▶ **Improved cash flow.** Collections can improve your cash flow by giving you the flexibility to negotiate credit terms with your seller. Moreover, you do not need to place a deposit or use bank facilities, which are required under an import DC.

Your Needs

This is the solution for you if:

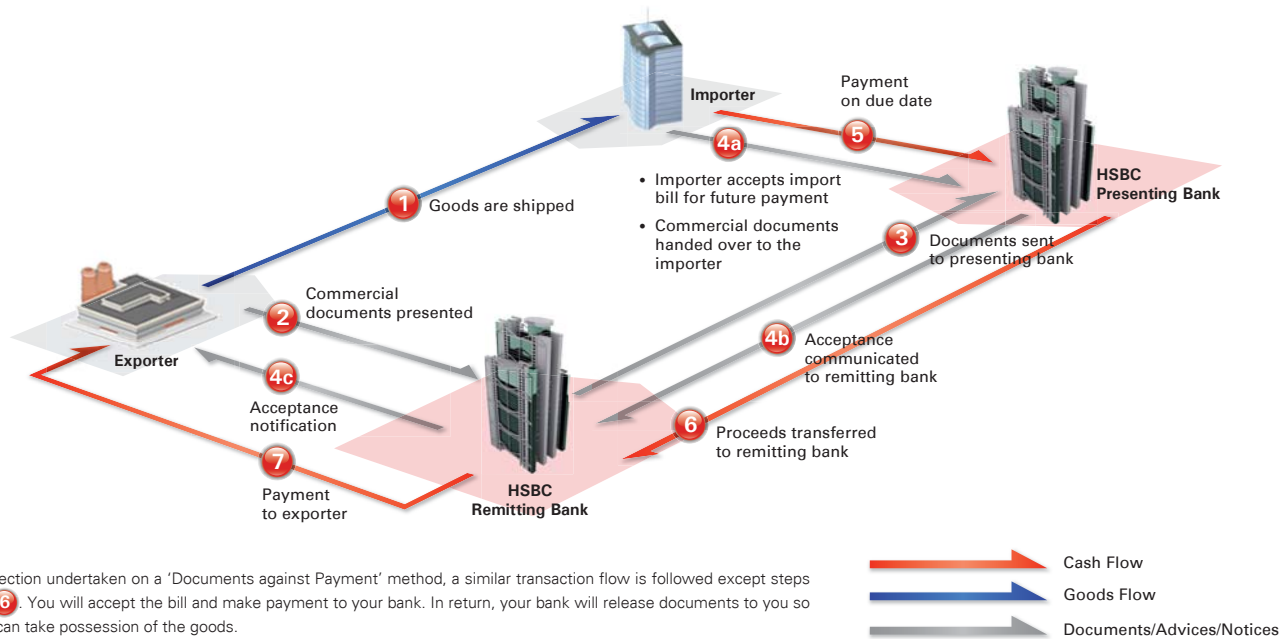
- ▶ You would like to import goods without paying cash in advance or using credit facilities.
- ▶ You would like to strike a balance between your need to ensure goods are shipped in accordance with your requirements and your supplier's need to ensure payment is received.

Product Features

- ▶ **Documents processing under international rules.** Collections help protect buyers and suppliers with terms subject to international rules and regulations*.
- ▶ **Documents handled via banks.** Under a collection, documents and payment are processed via your bank and your supplier's bank. You have the security of knowing that goods have been shipped before making payment, while your supplier can retain control of commercial documents until you fulfill the terms of the collection.
- ▶ **Two collection methods.** HSBC offers two common documentary collection methods, giving you peace of mind while helping to reduce costs. They include:
 - **Documents against Payment (D/P):**
Commercial documents are released against payment by the buyer, either at the time documents are presented or at a future date specified in the draft.
 - **Documents against Acceptance (D/A):**
Commercial documents are released against the importer's acceptance of future-dated drafts.
- ▶ **One collection – one bank.** If your supplier uses HSBC on the export side of the transaction, you may benefit from faster issue resolution in the event of a dispute.

How It Works

The diagram below illustrates the process flow of a typical documentary collection using the D/A method:



Electronic Value-added Services

- ▶ **Internet Trade Services.** Settle, accept or reject import bills in real time. You can also view your trade account status and facilities position online.

Related Products

- ▶ **Import Finance.** Obtain funding against your future sales to pay your suppliers upfront.
- ▶ **Shipping Guarantee/Delivery Order/Air Waybill Release.** Allow you to take control of the goods without presenting an original copy of the transport documents when goods arrive before the documents, thereby avoiding additional storage fees or demurrage charges.
- ▶ **Pre-Set Exchange Rates and Forward Contracts/Options.** Protect your business against future currency fluctuations by fixing an exchange rate upfront.

Contact Us

Contact your HSBC Relationship Manager or Trade and Supply Chain Specialist to start using HSBC's Import Collection Solution. You can also call HSBC Trade and Supply Chain during regular business hours or visit us on the Web at www.hsbc.co.za for further information.

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* HSBC handles collections in accordance with the Uniform Rules for Collection (ICC Publication No. 522), a set of international standards for the handling of collections 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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