

Trade Finance

Advance Against Trade (AAT)

- A simple financing products tailored for Exporters

For the Seller

The facility is a financing made available to exporters to :

- Finance their purchase of domestic and/or foreign raw materials prior to shipment (must not be used to finance the customers' purchase of fixed assets)
- Finance the post shipment portion (upon shipment) of their export of goods to overseas buyers

Benefits

- Ready access to credit facilities at competitive interest rates
- Ease of cash flow
- End to end financing arrangement to ensure smooth supply chain flows

General Features

The AAT is used to advance genuine purchases of raw materials/ working capital requirement for production of goods for export that is related to customers' nature of business. It must not be used to finance the customers' purchase of fixed assets. Available in HKD, USD and RMB.

The AAT provides financing to Exporters through :

1. AAT Pre-shipment financing (AAT-Pre), against:

- a) Export Documentary Credit (DC), or
- b) Purchase Order issued by Overseas Buyer (PO) or Sales Contract (SC), provided that post shipment documents MUST BE channeled to the Bank

2. AAT Post-shipment (AAT-Post), against:

All documents required under Export DC or in the case of financing against PO/SC, original Invoice and Transport Documents.

What are my major obligations?

- a) To place in the Bank's custody upon AAT-Pre drawdown, the original Documentary Credit (DC) or original/certified copy of Purchase Order (PO) or Sales Contract (SC) signed by your Authorised Personnel and thereafter you will not accept any amendment, variation or cancellation of the said DC/PO/SC without giving the Bank prior written notification.
- b) To deliver to the Bank upon AAT-Post drawdown, all drafts and documents related to the negotiation of the said DC, namely the Invoice(s) and Transport Documents etc of the said PO or SC prior to the maturity date of the related AAT-Pre granted.
- c) You must utilise the financing proceeds from relevant AAT-Post or other existing Post-Shipment Financing facilities offered by the Bank to offset the outstanding AAT-Pre bill, before the residual balance of the said financing proceeds (if any) is credited to your account in the Bank.
- d) You have not obtained and will not obtain any other source of financing for the trade transaction concerned.
- e) The documents presented to the Bank to support the financing must be of genuine and current trade transactions.
- f) You authorize the Bank to debit your account with the Bank for the interest and any charges, costs or expenses with respect to this AAT.