banks instruments

Purchase Bank Draft Application and Term Sheet

Banks Instruments Limited | Hong Kong | Draft Template - Not for Execution

Regulatory capacity: any regulated activity described in this template must be performed only under the verified licence or exemption [INSERT], or by the named licensed third-party provider [INSERT]. Any security amount is contractual transaction security under definitive documents and is not a bank deposit or customer deposit with Banks Instruments Limited.

Purpose

This form records a proposed purchase of a bank draft or defined rights in its proceeds. A copy, scan, advice or broker statement is not proof that a draft is authentic, valid or collectible. The collection bank and drawer bank must approve the verification and collection process.

Draft information

- Purchaser: [INSERT]
- Seller or lawful holder: [INSERT]
- Drawer bank and branch: [INSERT]
- Draft number and issue date: [INSERT]
- Currency and amount: [INSERT]
- Payee and endorsement status: [INSERT]
- Place of payment and expiry if any: [INSERT]
- Current custodian: [INSERT]
- Proposed MT110 or other verification route: [INSERT]
- Collection bank and account: [INSERT]

Purchase terms

- Purchase consideration: [INSERT]
- Contractual performance security amount, if any: [INSERT]
- Arrangement, legal and collection fees: [INSERT]
- Broker commissions: [INSERT]
- Delivery and endorsement procedure: [INSERT]
- Payment and release conditions: [INSERT]
- Allocation of dishonor and return risk: [INSERT]

Due diligence package

The seller shall provide evidence of lawful ownership, consideration, issuance and custody; the original draft or approved control evidence; corporate authority; all endorsements; information regarding liens and prior presentation; and authority for bank to bank verification. The purchaser shall provide KYC, proof of purchase funds and verified collection instructions.

Process

1. Banks Instruments reviews the parties, draft records and proposed collection route.
2. The drawer or its bank confirms authenticity through an approved institutional channel.
3. The collection bank confirms it can process the draft and states whether the original is required.
4. The parties sign purchase, escrow, collection and fee documents.
5. The draft and purchase funds are controlled under the agreed closing procedure.
6. Consideration is released only upon the documented trigger in the definitive agreement.

Risk and status

The transaction may fail because of forgery, alteration, missing endorsement, stop payment, insufficient authority, sanctions, loss, duplicate presentation, expiration or dishonor. Banks Instruments does not guarantee collectability or bank performance.

This term sheet is non binding except for confidentiality, due diligence authorization, costs and governing law provisions expressly incorporated by signature.

Purchaser: [NAME TITLE SIGNATURE DATE]

Seller: [NAME TITLE SIGNATURE DATE]

Banks Instruments Limited: [NAME TITLE SIGNATURE DATE]