Lease 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 temporary right to possess or present a bank draft under defined restrictions. The definitive agreement must state whether collection is prohibited, identify permitted use and establish custody, return and loss procedures. A draft may not be leased or used in a manner inconsistent with law or bank rules.

Draft and parties

- Lessee: [INSERT]
- Provider and lawful holder: [INSERT]
- Drawer bank and branch: [INSERT]
- Draft number, date, currency and amount: [INSERT]
- Payee and endorsement status: [INSERT]
- Custodian and original document location: [INSERT]
- Proposed MT110 or verification method: [INSERT]
- Permitted use and recipient: [INSERT]
- Lease period and return date: [INSERT]

Commercial and protection terms

- Lease fee: [INSERT]
- Contractual performance security amount: [INSERT]
- Legal, custody, courier and bank charges: [INSERT]
- Payment trigger and refund conditions: [INSERT]
- Loss, alteration and unauthorized collection protection: [INSERT]
- Broker commissions: [INSERT]

Process

1. The provider proves lawful title, authenticity, custody and authority to enter the lease.
2. The lessee supplies KYC, lawful purpose, fee capacity and proposed recipient details.

3. The relevant bank or custodian approves the verification and control method.
4. The parties sign definitive lease, custody, fee and return documents.
5. Possession or controlled presentation occurs only under the agreed procedure.
6. The draft is returned, cancelled or otherwise dealt with on the specified event.

Restrictions and risk

The lessee shall not alter, endorse, duplicate, collect, pledge or transfer the draft unless expressly authorized. It shall immediately report loss, conflicting claims or attempted unauthorized use. Banks Instruments does not guarantee authenticity, collectability, recipient acceptance or drawer bank performance.

Lessee: [NAME TITLE SIGNATURE DATE]

Provider: [NAME TITLE SIGNATURE DATE]

Banks Instruments Limited: [NAME TITLE SIGNATURE DATE]