Purchase BG and SBLC 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 an application to purchase the contractual rights described in a proposed bank guarantee or standby letter of credit. It does not confirm that an instrument exists, that a bank will issue it or that title can be transferred. Any transaction remains subject to due diligence, bank approval and definitive agreements.

Applicant and transaction

- Purchaser legal name and application reference: [INSERT]
- Instrument: [BG SBLC]
- Currency and face value: [INSERT]
- Proposed issuing bank, country and minimum rating: [INSERT]
- Applicant to the issuing bank: [INSERT]
- Proposed beneficiary and receiving bank: [INSERT]
- Issue date, expiry and place of presentation: [INSERT]
- Governing rules and proposed wording: [INSERT]
- Delivery route: [SWIFT MT760 OTHER]
- Intended lawful use: [INSERT]

Commercial terms

- Purchase price or pricing formula: [INSERT]
- Arrangement and provider fees: [INSERT]
- Legal, authentication and bank charges: [INSERT]
- Escrow or trustee arrangement: [INSERT]
- Broker commission schedule: [INSERT]
- Payment trigger: [INSERT]
- Target timetable after satisfaction of conditions: [INSERT]

No calculator result or indicative percentage binds a party. The definitive agreement must state whether the purchaser acquires the instrument, a beneficial interest, proceeds rights or another defined contractual right.

Process

1. The purchaser supplies the complete KYC and KYB package, proof of purchase funds, bank coordinates and transaction purpose.
2. Banks Instruments completes compliance and feasibility review and coordinates provider due diligence.
3. The relevant banks review proposed wording, delivery and authentication.
4. The parties execute definitive purchase, escrow, fee and verification documents.
5. The purchaser places funds only under the signed payment and protection procedure.
6. The issuing and receiving banks complete the approved authenticated communication and delivery process.
7. Funds and fees are released only when the definitive closing conditions are satisfied.

Conditions and acknowledgements

Closing requires verification of funds, authority, issuer, account details and instrument wording; acceptance by the issuing and receiving banks; absence of sanctions or legal restrictions; and execution of all provider and protection documents.

Any bank acknowledged agreement, trustee arrangement or negotiated non performance amount must be expressly documented, funded or otherwise supported, and must state its percentage or amount, calculation base, triggers, exclusions and claim procedure. A reference in this form does not create a guarantee.

The purchaser shall obtain independent legal and tax advice and acknowledges issuer credit, enforceability, authenticity, timing, liquidity and fraud risks.

Applicant: [NAME TITLE SIGNATURE DATE]

Banks Instruments Limited: [NAME TITLE SIGNATURE DATE]