banks instruments

SBLC and BG Lease or Purchase 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.

Transaction summary

This term sheet records the proposed commercial structure for a standby letter of credit or bank guarantee transaction. Only the provisions under Binding provisions are intended to bind the signatories after signature. Every other provision is an indicative, non binding basis for negotiation. No issuance, purchase, lease, payment or delivery obligation exists until all parties execute definitive agreements and all conditions are satisfied.

- Applicant or client: [INSERT]
- Instrument: [SBLC BG]
- Transaction type: [LEASE PURCHASE]
- Currency and face value: [INSERT]
- Issuing bank and rating requirement: [INSERT]
- Receiving bank and account: [INSERT]
- Initial term and expiry: [INSERT]
- Delivery method: [SWIFT MT760 EUROCLEAR OTHER]
- Proposed wording reference: [INSERT]
- Intended use: [INSERT]

Indicative commercial terms

- Provider or purchase price: [INSERT PERCENT OR AMOUNT]
- Arrangement fee: [INSERT]
- Legal, authentication and transfer charges: [INSERT]
- Contractual performance security amount, if any: [INSERT]
- Broker commissions: [INSERT OR ATTACHED SCHEDULE]
- Payment timing: [INSERT]

All amounts are estimates until confirmed in definitive documents. Fees shown by an online calculator are planning illustrations and do not bind any party.

Standard process

1. The client submits the application, KYC and KYB package, transaction rationale, proof of funds and bank coordinates.
2. Banks Instruments completes initial compliance and feasibility review.
3. The parties agree instrument wording, issuer criteria, receiving bank requirements, fees, communications and protections.
4. The client and provider execute definitive documents. Any trustee, counsel or escrow agreement is executed separately with the appointed regulated party.
5. Required funds or security are placed according to the signed documents and independently verified.
6. The issuing bank sends any agreed pre advice, readiness message or authenticated communication.
7. The receiving bank completes authentication and confirms its readiness under the agreed protocol.
8. The instrument is transmitted through the specified SWIFT or securities settlement route.
9. The receiving bank authenticates the instrument. Contractual fees are released only when the stated conditions are met.
10. The parties complete any post issuance reporting, return, discharge or expiry steps required by the definitive documents.

Timing

The target timetable is [INSERT] banking days after all conditions are satisfied. Timing depends on compliance review, bank availability, wording approval, message authentication, correspondent routing, public holidays, securities settlement windows and other third party actions. No timeline is guaranteed.

Verification and communications

Instrument verification must occur bank to bank or through another method accepted in the definitive documents. Screenshots, unsigned letters, unverifiable portals and broker assurances are not proof of issuance or funds. No broker or client may contact a bank officer, provider or counterparty outside the agreed protocol.

Performance protection

If selected, the definitive documents may require a bank acknowledged agreement, independent attorney trustee, escrow structure, staged payment or a negotiated non performance amount. The executed schedule must insert the percentage or amount and identify the protected amount, funding evidence, breach standard, exclusions, cure period and release procedure. It is not effective merely because this term sheet mentions it. A performance security amount is not a customer deposit with Banks Instruments.

Conditions precedent

The transaction is subject to satisfactory due diligence; verification of authority, funds and bank accounts; acceptance of wording by the relevant banks; execution of definitive documents; payment or secured availability of agreed fees; absence of sanctions or legal restrictions; and any credit or provider approval.

Client acknowledgements

The client understands that the instrument is a bank obligation only if validly issued and authenticated in accordance with its terms. Banks Instruments is not the issuing bank, receiving bank, deposit-taking institution or custodian. Any regulated role must instead be performed under a separately verified licence or exemption [INSERT], or by a named licensed third-party provider [INSERT]. Credit exposure, enforceability, transferability, monetization and regulatory treatment must be assessed by the client and its advisers.

Binding provisions

Upon signature, only the obligations concerning confidentiality, authorization of due diligence, responsibility for expressly approved third party costs, the bank communication protocol, non circumvention, governing law and dispute resolution are binding. No exclusivity, fee, performance security, issuance, purchase, lease, payment, delivery or non performance obligation is binding unless it appears in a later definitive agreement signed by the relevant obligated parties.

This term sheet is governed by Hong Kong law. Disputes regarding its binding provisions shall be resolved by [CONFIRMED FORUM].

Signatures

For Banks Instruments Limited

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]

For the client

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]