

## Trade Finance

### Trust Receipt (TR)

- *Finance supplier's payment*

#### For the Buyer

TR is a customised financing tool for Importer or Buyer. You can finance the whole invoice amount and you can choose to early settle the amount due at any time according to your own convenience.

### Benefits

- Financing supplier's invoice amount
- Early settlement option available with interest calculated up to settlement date only
- Improve cash flow by having additional time to convert your goods into cash

### General Features

The TR is a method of financing whereby the Bank retains the legal title to the goods but relinquishes physical possession to the Buyer / Importer of the goods who acts as the trustee or bank agent. The Buyer / Importer will dispose of the goods and repay the Bank (amount owing plus interest) out of the proceeds of the sales on or before maturity of the TR.

TR is strictly for financing of working capital requirement and must not be used to finance purchase of fixed assets e.g. plant, machinery, etc.

The minimum period of financing is 7 days and the maximum period can be up to the approved financing tenure by the Bank. Available in HKD, USD and RMB.

## What are my major obligations?

- a) The documents presented to the Bank to support the financing must be related to genuine and current trade transactions.
- b) Deliver to the Bank such satisfactory documentary evidence of the trade transaction (e.g. the original invoice, transport documents etc.) as may be required by the Bank.
- c) You have not obtained and will not obtain any other source of financing for the trade transaction concerned, including financing pursuant to a lease, hire purchase or factoring agreement.
- d) You authorise the Bank to debit your account with the Bank for the payment of any charges, interests, costs or expenses in respect of disbursement and repayment of the TR.