



Shinhan

# Shinhan Bank

Trustworthy financial partner of Corporate customers

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## TRADE FINANCE PRODUCTS



# 1. EXPORT DOCUMENTARY COLLECTION

## Product information:

- ✦ Shinhan Bank Vietnam acts as Remitting bank to forward Customer's export documents to Collecting bank nominated by Importer for collecting export proceeds.
- ✦ There are two (2) basic types of collections:
  - ◆ **D/P (Deliver Documents against Payment):** Collecting bank shall only release documents against Importer's payment.
  - ◆ **D/A (Deliver Documents against Acceptance):** Collecting bank shall only release documents when Importer (Drawee) accepts to pay on maturity date.
- ✦ This product applies to both local and international trade.

## Benefits

- ✦ Ensure your shipping documents to be released against Importer's payment/acceptance only.
- ✦ Put Exporter in a position to negotiate better terms & conditions.
- ✦ Simple procedure & effective cost.

# 2. L/C ADVISING

## Product information:

- ✦ Shinhan Bank Vietnam acts as Advising bank to advise L/C to Customer.
- ✦ Advising bank mentioned on your Sales contract should be Shinhan Bank Vietnam – SWIFT code: SHBKVNXXXX.

## Benefits:

- ✦ Promptly advise with worldwide banking network.
- ✦ Ensure the authentication of L/C before advising.
- ✦ Be consulted L/C terms & conditions carefully to avoid discrepancies/difficulties before presentation.

# 3. L/C TRANSFER

## Product information:

- ✦ Transferable L/C is a type of L/C that may transfer rights and obligations under the L/C from 1st Beneficiary (intermediary) to 2nd Beneficiary via Transferred L/C.
- ✦ L/C can only be transferred in case original L/C is a transferable L/C and Shinhan Bank Vietnam is nominated as a Transferring bank.
- ✦ Provided that L/C does not prohibit partial shipment or partial transfer, L/C can be transferred to more than one 2nd Beneficiary. The total transferred amount must not exceed original L/C amount.

### Benefits:

- ✦ Not required for credit facility.
- ✦ Keep confidential the information of 2nd Beneficiary.
- ✦ Customer is consulted carefully in L/C transfer.

## 4. NEGOTIATION/COLLECTION DOCUMENTS UNDER L/C

### Product information:

- ✦ Shinhan Bank Vietnam acts as Presenting bank which shall receive presented documents from Customer to further make presentation to Issuing bank/Confirming bank for their honor.
- ✦ Subject to L/C terms & conditions, your requirements and the compliance of documents, Shinhan Bank Vietnam shall:
  - ◆ Forward documents (Collection).
  - ◆ Negotiate documents (Negotiation).

### Benefits:

- ✦ Offer competitive interest rate (in case of Negotiation).
- ✦ Examine documents exactly & promptly.
- ✦ Provide Exporter in easier way to negotiate payment terms with Importer.
- ✦ Make quickly & effectively payment tracing.
- ✦ Negotiate up to 100% claimed amount.

## 5. EXPORT L/C 'FORFAITING'

### Product information:

- ✦ For export documents under usance L/C, Customer can utilize Forfeiter's service for purchasing documents which is accepted by Issuing bank.
- ✦ Forfeiter is Shinhan Bank Vietnam's Correspondent bank.
- ✦ This Forfaiting is subject to recourse basis.

### Benefits:

- ✦ Convert usance payment of export receivables into sight payment, improve liquidity.
- ✦ Avoid country risk.
- ✦ Forfaiting up to 100% of export value.
- ✦ Eliminate interest rate risk & exchange rate risk.
- ✦ Be free from the cash management.

## 6. EXPORT FACTORING (EF)

### Product information:

- ✦ Shinhan Bank Vietnam makes factoring for short-term Accounts Receivable with payment terms by open account, D/A or Deferred T/T payment.
- ✦ Export Factoring is subject to recourse basis.

### Benefits:

- ✦ Factoring ratio up to 100% (\*) approved Account Receivables amount.
- ✦ Factoring period up to 180 days.
- ✦ No penalty for early prepayment.
- ✦ Allow recourse period. (\*)
- ✦ Improve Customer's cash flow.
- ✦ Offer competitive interest rate. (\*)

(\*) Subject to Shinhan Bank Vietnam's applicable policy.

## 7. IMPORT DOCUMENTARY COLLECTION

### Product information:

- ✦ Shinhan Bank Vietnam acts as Collecting bank. Collection documents shall be received at our counter and then released to Customer (Importer) subject to collection instruction.
  - ◆ For D/P (Deliver Documents against Payment): Customer must pay for full amount collected to obtain the documents at our counter.
  - ◆ For D/A (Deliver Documents against Acceptance): Customer must accept time draft to obtain the documents at our counter.

### Benefits:

- ✦ Not require for credit facility.
- ✦ Documents is received & managed by Shinhan Bank Vietnam.
- ✦ Easier to track payment status.
- ✦ Effective cost & fast-process.
- ✦ Be consulted by our experienced staffs.



## 8. IMPORT LETTER OF CREDIT (L/C)

### Product information:

- ✦ Letter of Credit (L/C) is irrevocable undertaking of Issuing bank to honor in Beneficiary's favor for a complying presentation.
- ✦ In order to request Shinhan Bank Vietnam to issue a L/C, Customers must be granted a suitable credit line or have sufficient fund to cover total undertaking amount.
- ✦ Subject to payment terms agreed by both Customer and Exporter, Shinhan Bank Vietnam provides import L/C types as follows:

### Benefits:

- ◆ **Sight L/C:** Customer must pay at sight upon our receipt of complying presentation.
  - ◆ **Shipper usance L/C:** Customer must accept upon our receipt of complying presentation and pay at maturity date based on L/C tenor.
  - ◆ **Usance payable at sight basis L/C (UPAS L/C):** Financing bank shall effect payment at sight in Beneficiary's favor with expenses for Customer's account against the complying presentation under L/C. Customer must cover for total document amount and arising financing charges during its financing period to Shinhan Bank Vietnam at the maturity date upon L/C tenor.
  - ◆ **Domestic Banker Usance L/C:** Shinhan Bank Vietnam is authorized to make payment at sight for the Beneficiary upon receipt of claim from Claiming bank for the complying presentation and has the right to collect interest amount in advance from Customer's account. Then, Customer must cover for the repayment at the maturity date. For this special L/C, Customer must meet other requirements (foreign currency loan) subject to prevailing Vietnam Law and Regulations.
- ✦ Shinhan Bank Vietnam issues L/C (except for **Domestic Banker Usance L/C**) for both domestic and international trade.

### Shipping Guarantee/Waybill Endorsement/Delivery Authorization

- ✦ In case the documents are not reached at Shinhan Bank Vietnam's counter but shipment has already arrived at Vietnamese ports/airports, Customer can receive consignment against the application for Shipping Guarantee or Delivery Authorization or Waybill Endorsement made by Shinhan Bank Vietnam.

### Benefits:

- ✦ Undertake that the shipping documents are strictly complied with terms of issued L/C.
- ✦ Track payment status promptly.
- ✦ Consulted by experienced staffs for L/C terms and conditions which meet Customer's requirements.
- ✦ **Allowable disbursement with preferential interest rate** for L/C payment (Subject to The Bank applicable policy).

- ✦ Quickly support with our worldwide correspondent bank network.
- ✦ For UPAS & Domestic Banker Usance L/C: Put you in a position to negotiate better terms & conditions for at sight price but usance payment term with favorable interest rate/charges.

## 9. IMPORT TRUST RECEIPT (T/R) LOAN

### Product information:

- ✦ Shinhan Bank Vietnam finances cost for imported goods, to cover Customer's import payment and then collect loan repayment by revenue from sale of such imported goods.

### Benefits

- ✦ Loan limit:
  - ◆ Revolving: Up to ½ of total import amount during recent 01 year; or ½ of total import amount expected in next 01 year.
  - ◆ Non-revolving: Up to actual amount of import.
- ✦ Support Importer to take advantages of your business opportunities.
- ✦ Increase Importer's liquidity.

*We believe finance should be*  
**+ More Friendly, More Secure, More Creative**

