

Import Collections

What are they?

Import collections (also known as Inward Bills, Inward Collections or Documentary Collections) offer a secure way of settling international trades with your suppliers, payments are made against sight of shipping documents, providing evidence goods are on the way to you.

How does it work?

Please see diagram on page 2.

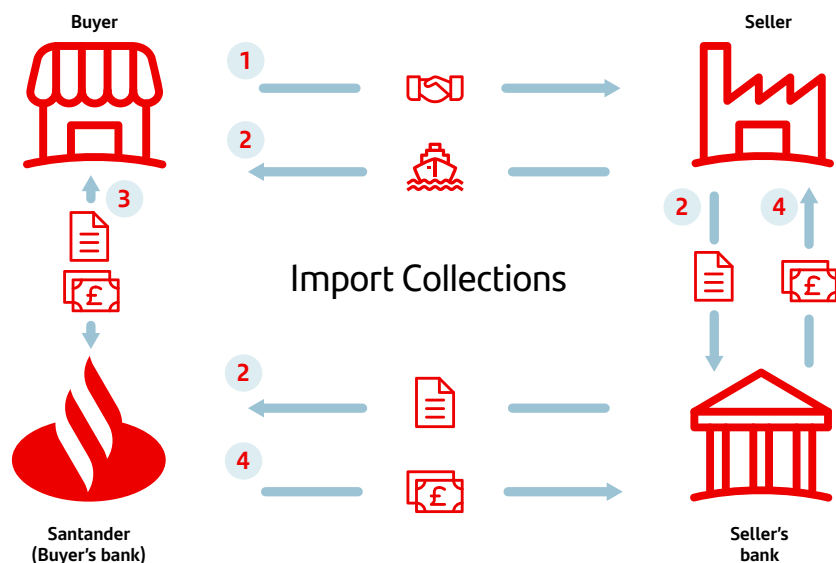
1. You agree the purchase terms with your supplier and provide Santander's details (i.e. the address to which their bankers should send the documents).
2. Your supplier ships the goods and sends the shipping documents (i.e. invoices, Insurance certificates, Bills of Lading) and payment instructions to their bank, who in turn sends the documents to Santander.
- 3a. Santander notifies you on arrival of documents and provide copies. In order to obtain original shipping documents, you must either give us authority to pay, or accept a bill of exchange for future payment dependent on the terms agreed with your supplier.
- 3b. Where a longer payment period has been agreed, Santander will release the original documents to you upon receipt of the accepted Bill of Exchange, i.e. your promise to pay at a later date. The accepted Bill of Exchange will be presented to you for final payment on maturity.
4. Payment is sent to the Buyer's Bank in accordance with their instructions.

Benefits

- Trade loans can be utilised to fund the payments due under the Collections (subject to a separate facility agreement)*
- Simple, inexpensive, fast and safer than trading on 'Cash in advance' terms.
- Provides comfort to you, as you do not pay until you have had sight of copy shipping documents (the originals will be held by Santander).
- Provides peace of mind to your supplier as documents are held by Santander until payment (or acceptance to pay at a later date) is received.
- Improves liquidity, as you will only pay once goods are shipped, plus a period of credit may be negotiated with the supplier.
- No bank facility required unless your supplier requests the acceptance of the bill of exchange to be guaranteed (Avalised) by Santander.*
- Governed by internationally recognised rules issued by the International Chamber of Commerce.

Considerations

- Contract terms can be altered (subject to agreement with your supplier) without incurring additional banking costs right up until goods are shipped.
- This product does not guarantee payment by any bank to your supplier.
- Delay in acceptance or payment might lead to you incurring demurrage costs.



What does it cost?

A collection commission fee will apply per transaction, this will vary depending on the type and size of the transaction, postage and other out of pocket fees will also apply. Full details will be provided by your Relationship or Trade & Supplier Finance Director.

Next steps

If you would like to know more about Import Collections:

- If you are an existing Santander client speak to your Relationship Director and/or one of our dedicated Trade & Supplier Finance Directors to discuss your specific requirements and whether Import Collections would work for you.
- Or visit santander.co.uk/solutions/finance/specialised-finance/trade-finance

***All lending is subject to status and our lending criteria. The right to decline any application is reserved.**