

# Export Collections

## What are export collections?

Export collections are also known as outward bills, outward collections, or export documentary collections. They give greater reassurance of payment than trading on an open account basis when you export. They use the banks to maintain control over your shipping documents and by extension the goods, subject to the method of payment.

Your buyer gets reassurance that the goods have been shipped and can review the paperwork before making payment. But you don't have to wait for goods to arrive before receiving payment and you keep control of the goods until payment is made.

That means both parties benefit which can be helpful during negotiations.

## How does it work?

1. You agree the terms of sale with your buyer and get details of their bank.
2. You ship the goods to them and send the shipping documents to us, along with an export collection form giving us your instructions.
3. We'll send the documents and details of the terms (including tenor and settlement instructions) to your buyer's bank.
4. Your buyer makes payment or confirms a payment date. Their bank will then release the documents to them.
5. Once we get payment from the buyer's bank, we send it to you.

## How it could help you

- Simpler, cheaper, faster and safer than trading on 'open account' terms.
- Provides peace of mind as shipping documents are held with the banks until payment, or acceptance to pay at a later date, is received.
- Convenient for you and your business, as we'll save you the effort of collecting and chasing payments.
- Increased control over your exports.
- You don't need a trade facility.
- It's governed by internationally recognised rules issued by the International Chamber of Commerce.

## How much does it cost?

A collection commission and postage costs will apply per transaction. Full details will be provided by your Relationship or Trade & Supplier Finance Director.

## Things to think about

If the transport document is not a document of title, such as a marine bill of lading, the buyer may be able to get the goods without the original documents and could refuse payment of the collection.

If the buyer doesn't pay for or accept the documents, they will be returned to you unpaid.

This product does not give you a guarantee of payment by any bank.

If you need a guarantee of payment should the importer default on payment, you can ask for the export collection to be 'avalised'. That's a specific endorsement which banks can add to give a guarantee. There may be an extra cost for this.

**For more information, please contact your local Relationship Director or Trade & Supplier Finance Director.**

