

Trade Loans



What's a Trade Loan?

A trade loan is a flexible, short-term loan. They're typically linked to a specific import or export transaction. They can be used to fund regular or one-off purchases of goods and raw materials. Trade loans can also be used to fund related logistics costs such as for movement or storage of the goods.

Payments can be made to suppliers on your behalf, so you may benefit from any discounts from early settlement. It can also help to cover the period of time between paying suppliers, manufacturing goods and receiving payment.

Trade loans are available to UK-based companies with short-term borrowing needs (typically for terms of up to 365 days). Trade loans are available in Sterling, US Dollars and Euros. Other currencies may be available.

How it could help you

- Finance regular and one-off purchases of goods or services.
- By paying your suppliers early, you may benefit from early payment discounts and reduced costs.
- The facility extends your working capital until payment from the sale of goods is received.
- Can be used to settle purchases on open account, import/export collections or import/export letters of credit. Other products and facilities will need to be applied for separately.

How much does it cost?

We'll charge a margin, plus interest at a variable rate, administration charges, costs and expenses. A risk fee is determined by our assessment of any risk of non-payment. You'll also need to pay an arrangement fee to set up a trade loan facility. Full cost details will be provided by your Relationship or Trade & Supplier Finance Director.

We'll also provide a copy of the Trade Service Pricing Tariff, which will detail the Trade Service fees and how they are charged.

Things to think about

You'll need a Trade Finance facility to apply for a trade loan.

Any Trade Loan facility with us needs to be arranged by your Relationship Director. This is subject to status and our credit criteria. We reserve the right to decline any application.

Any request to draw funds must be accompanied by certain documents. We'll agree those with you when we set up your loan. This will vary depending on your individual requirements.

The product must be used for the purpose for which it was agreed at the outset. For example, paying suppliers.

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

