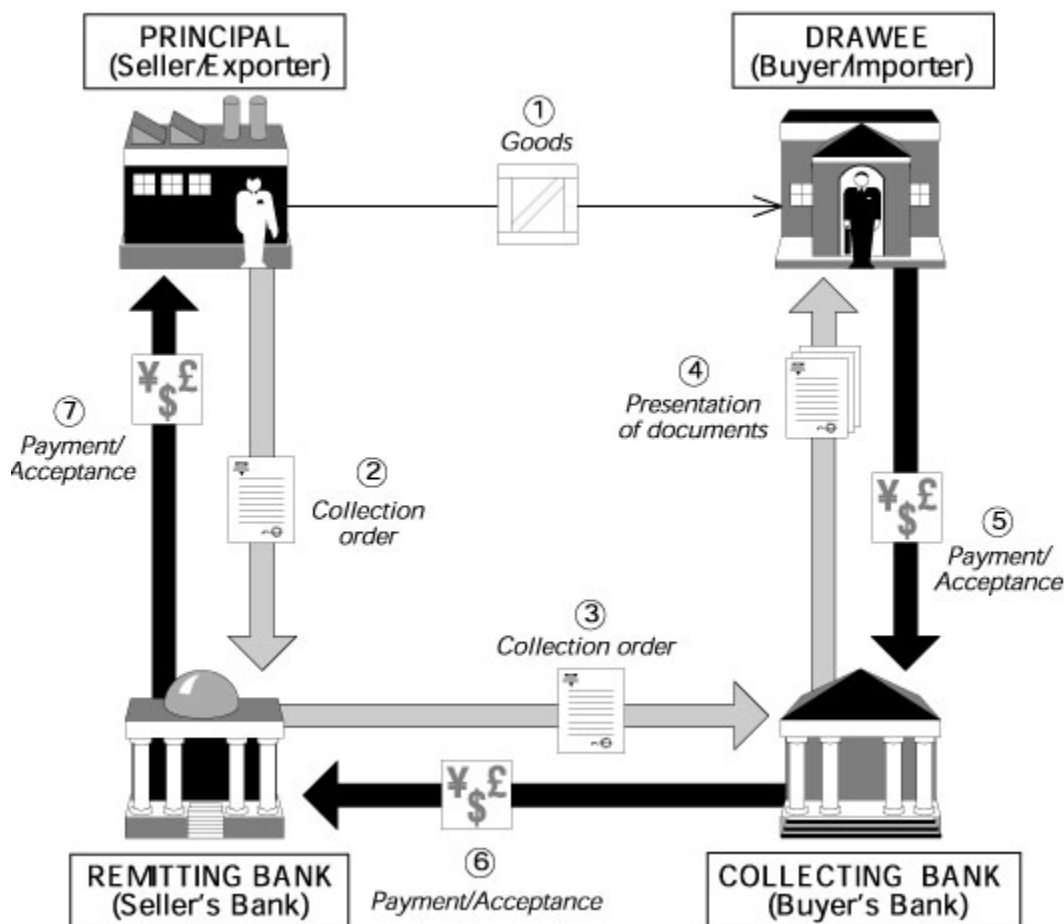


DOCUMENTARY COLLECTIONS

What are Documentary Collections?



Documentary Collections can be considered as an international Cash On Delivery (COD): the Buyer pays for goods upon delivery. A documentary collection, however, is distinguished from a typical COD transaction in two ways: (1) instead of an individual, shipping company, or postal service collecting the payment, a bank handles the transaction, and (2) instead of cash on delivery for goods, it is cash on delivery for a title document (Bill of Lading) that is then used to claim the goods from the shipping company.

Banks, therefore, act as intermediaries to collect payment from the buyer in exchange for the transfer of documents that enable the holder to take possession of the goods. The procedure is easier than a Letter of Credit, and the bank charges are lower. The Bank, however, does not act as surety of payment but rather only as collector of funds for documents.

For the Seller and Buyer, a documentary collection falls between a Letter of Credit and Open Account in its desirability.

Documentary Collections (including Bills of Exchange) can be another option to be considered when negotiating a contract of sale. Collections can be either sight or term, also depending on contract of sale terms.

If the collection is “at-sight”, that is, Documents Against Payment (D/P Sight), the Importer/Buyer must pay the amount of the collection, before they receive the documents that are needed to clear the goods.

If the collection is at a previously negotiated agreed term, that is, Documents Against Acceptance (D/A xxx days/xxx days from shipment date), the Importer/Buyer is usually required to accept a Bill of Exchange before documents are released.

Collections are sent and received with various instructions and each collection will be treated individually, depending on the instructions.

Import Collection Document

How will I be notified of arrival of my Import Collection document? And what should I do?

For Documents against Payment (D/P)

You will receive a “Debit Note” via fax from UOB.

There are two settlement options for you to select from:

- To debit from your account OR
- To employ Trust Receipt Financing (You will need to have a pre-arranged Trade Facility)

You will need to collect the Original Debit Note from your designated collection location.
(Not applicable if you have existing Master Trust Receipt Agreement with UOB)

Prior to collecting your import documents from your collection location, you are required to obtain signatures of the Company signatories on the Original Debit Note together with your Company Stamp and provide UOB with your settlement instructions for the Import Collection bill.

If you choose to debit from your account, you can also obtain signatures of the Company signatories on the faxed copy together with your Company Stamp and provide UOB with your settlement instructions for the Import Collection bill.

For Documents against Acceptance (D/A)

You will receive a “Debit Note” via fax from UOB.

You will need to collect the Original Debit Note and Bill of Exchange from your designated collection location.

Prior to collecting your import documents from your collection location, you are required to obtain the signatures of the Company signatories on the Bill of Exchange and Original Debit Note (optional) together with your Company Stamp to exchange for your import documents.

On the maturity date of D/A bill, you are required to let us have your instructions regarding the settlement of the bill.

There are two settlement options for you to select from:

- To debit from your account OR

- To employ Trust Receipt Financing (You will need to have a pre-arranged Trade Facility and is subjected to the availability of your TR Tenor)

Trust Receipt Financing

Can UOB accept my instruction for “Debit Note” via fax to require Trust Receipt Financing?

UOB can accept your instruction via fax when you sign up Master Trust Receipt Agreement with UOB. [A Master Trust Receipt Agreement](#) is a blanket Trust Receipt that covers all your business transactions that require Trust Receipt financing from the Bank.

How it works:

When your import documents arrive at the Bank, you no longer need to make a trip to the Bank to collect your Original Debit Note for signature in order to obtain Trust Receipt Financing.

With the Master Trust Receipt Agreement* in place, you can now simply sign on the fax copy of the Collection Notice we send to you, and return the same copy to us by fax for processing.

You just need to make ONE trip to the Bank to pick up your approved Trust Receipt financing documents. To apply, you may obtain the [Master Trust Receipt Agreement Form](#) from UOB Trade Services.

Only upon successful application, will you then be able to execute your instruction via fax to UOB.
*You would need to sign a Fax indemnity to enable us to act on your instructions by fax.

What type of financing can I obtain as a Seller in Documentary Collections?

In instances where financing is required, UOB may consider granting you the following facilities:

- Export Collections/Discounting: UOB may consider granting an advance on your Export Documents. You will need to have a pre-arranged Trade Facility to facilitate the processing of your discounting and that the Bank has recourse to you.

How do I apply for Export Documentary Collection?

You can simply download and print out the Documentary Collections Form from the following link:
www.uob.com.sg/corporate/commercial/useful/business_resource.html

Alternatively, you can visit any [UOB Group Branch](#) to obtain the Application Forms.

Submit the completed Documentary Collections Form and Bill of Exchange together with your shipping documents to any [UOB Group Branch](#). Please ensure that both documents bear signatures of the Company Signatories and the Company Stamp.