

Receivables Finance Frequently Asked Questions

1. How is HSBC's Receivables Finance different from an Overdraft facility?

- Our Receivables Finance (RF) is a combination of three different services - Financing, Credit Protection and Collections, as compared to an Overdraft facility which only provides financing.
- RF funding limits are modified in line with business growth.
- No tangible security required for RF.

2. What is the collateral security required?

No tangible collateral required for HSBC's Receivables Finance.

3. Can I use this facility for my export sales?

Yes. We provide export receivables financing services. Exporters will benefit greatly from both our financing and credit protection services.

4. How will the interest be charged?

The interest is calculated on daily outstanding balances. The monthly interest is the sum of daily interest calculated.

5. What is the maximum amount that can be withdrawn at one time?

You can withdraw up to the maximum limit that has been agreed upon, by submitting invoices raised on your buyers.

6. How often can I add buyers or change buyer limits?

Buyers can be added at any point of time as per your instructions to HSBC. Buyer limits can also be changed any number of times.

7. How do I repay the facilities?

The repayment for the facilities would be made from payments received from your buyers. HSBC will apply payments received from your buyers to the respective invoices as notified by the buyers. Regular Management Information (MI) will be sent to you, providing payment details against invoices and the list of outstanding invoices.

8. What does Credit Protection mean?

You are protected against the risk of insolvency of the buyer and protracted default, provided, inter alia, there are no commercial disputes.

9. Is credit protection offered for domestic customers?

Yes. Credit protection is also offered for your domestic invoices.