



BOV Trade Services

Product Information Guide

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General Product Information

Globalisation is bringing about growth and increased sophistication in international trade. This is inducing importers, exporters and traders to attain a better insight and understanding of some of the political, economic and environmental issues that make up the framework within which such trade takes place.

This process of change is in itself a complicated and risky business involving a number of players. International trade transactions are composed of an interlocking series of contracts involving exporters, importers, agents, banks, insurance and transport brokers and carriers.

International Trade

The international marketplace presents exciting opportunities and challenges for businesses:

- new markets
- new buyers
- new suppliers
- new competitors
- new and sometimes increasingly stringent regulations and many new risks.

It is therefore imperative that you ensure that you have the right support from your bank.

Quality advice from expert sources is an added value to traders to enable them to achieve their international business objectives. It is of undisputed importance that international traders develop a relationship with a financial services provider that understands their trade cycle and assists them in taking informed business decisions.

Trade Services at BOV

Bank of Valletta is committed to supporting businesses engaged in international trade. Our branches, business and corporate centres offer a wide and comprehensive range of trade services to the trading community. They are there to facilitate trade and to smooth the processes required to carry out business in overseas markets.

Besides the wide range of services provided by these BOV units, customers may call or be directed to our Trade Finance Centre at Santa Venera. This centre is equipped with highly trained officials and specialists who provide tailor made solutions for more sophisticated and complex trade transactions.

Our dedicated Business Development team has close ties with the European Union institutions, Government agencies and Constituted bodies. Through these links the team can provide advice and information on a wide range of areas such as EU and national funding sources, guidance on possible financing options for SMEs and / or start ups and internationalisation services. The latter function is complemented through the Bank's overseas representative offices in Brussels, Italy, Libya (currently operating from Malta) and Australia.

BOV has a broad network of partner and correspondent banks through which it can transact customer business with leading overseas banks. These banks are strongly established in their own countries and can deliver quality local banking services to our esteemed BOV customers. In turn, this network enables us to better understand the markets in which our customers operate – something we regard as fundamental to the success of our customers' business.

Bank of Valletta's approach is to build closer business relationships with trading companies at all levels. This enables us to better understand the particular needs of your business. We tailor and structure our financial products and services to achieve your needs and provide the competitive edge required for your international trading activities.

Benefits

In addition to the provision of advice and information, Bank of Valletta p.l.c. constantly strives to improve the range of International Trade Services and Products that facilitate your export and import process.

To this end we offer a selection of international trade products which form the core of our trade services. These services enable us to offer the buyer, seller or trader a comprehensive and structured trade finance solution.

Services to the exporter

- Pre and post-shipment finance in the form of a wide range of loan and overdraft facilities;
- International payments with online applications and notifications;
- Documentary credits;
- Standby letters of credit;
- Bank guarantees;
- Inward and outward bills for collection;
- Invoice finance;

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- Discounting and purchasing of export receivables;
- Currency hedging products.

Services to the importer

- Loans and overdraft facilities;
- Documentary and Standby letters of credit;
- Bills for collection;
- Shipping guarantees;
- International payments employing online facilities;
- Currency hedging products.

Services to the trader

- Documentary and standby letters of credit;
- Bills for Collection;
- Bank Guarantees;
- Back to Back Letters of Credit facilities;
- Letters of assignments;
- Transferable letters of credit;
- Standby letters of credit;
- Trade loans.

Important Information

Bank of Valletta p.l.c., (Bank or BOV) is committed to providing you with sufficient information that helps you to make informed decisions in relation to the acquisition of BOV products and services. We strongly recommend that you read this Product Information Guide carefully, and that you keep a copy of it for your reference.

If you would like to have anything in this Guide clarified, please feel free to contact us by e-mail to customercare@bov.com, or by calling our BOV Customer Service Centre on 2131 2020.

Throughout this Guide: the terms '**we**', '**us**' or '**our**' refer to BOV and each of our subsidiaries and associated companies, the issuer of the product or service; when we use the term '**you**' we mean you as the user of BOV products or services; when we refer to '**customer(s)**' we mean you or other user(s) of BOV products or services as applicable.

The Bank's Base Rate (BBR) means the basis, established by the Bank from time to time, on which the rate of interest payable generally on all Bank lending is determined. The current Bank Base Rate can be obtained either by visiting any BOV branch, or by calling our Customer Service Centre on 2131 2020 or through our website – www.bov.com.

Information contained in this Guide is subject to change from time to time and is up to date as at the stated Issue Date. BOV has no obligation to update, modify or amend this Guide or otherwise notify you of any change or revision.

The information provided in this Guide is general in nature and does not take into account your financial situation or investment requirements. Nothing in this Guide should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment, product or service or to engage in any other transaction, or to provide any investment advice or service. Nothing contained in this Guide constitutes investment, legal, tax or other advice and is not to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision.

This Guide is designed for use in Malta and is not directed to, nor intended for distribution or use by, any person or entity in any jurisdiction or country where the publication or availability of this Guide or such distribution or use would be contrary to local law or regulation. If you choose to use this Guide, it is your responsibility to comply with the applicable local, national or international laws and any use of this Guide outside Malta is entirely at your own risk. For guidance relating to your specific situation, please contact your legal adviser.

Use of BOV Products and Services is governed by the Terms and Conditions applicable once you sign the relevant application form and conditions.

Any complaints regarding the product or service should ideally be first discussed with an official of the Unit where the transaction took place or where the account is domiciled. If the response is not satisfactory, one may:

- contact the Bank's Customer Service Centre on 2131 2020; or
- write to The Manager, Customer Issues, Bank of Valletta p.l.c. 4th Floor, 45 Triq ir-Repubblika, Il-Belt Valletta, VLT 1113 - Malta; or
- complete a Bank's complaint form available in electronic format on our website – www.bov.com via 'Get in Touch'.

In the event that you are still not satisfied with the Bank's reply or no agreement was reached with the Bank, you may refer the matter in writing to the Office of the Arbitrator for Financial Services, as per the contact details provided below:

The Office of the Arbitrator for Financial Services, First Floor, Pjazza San Kalcidonju, Floriana FRN 1530, Malta.

Further information may be obtained through the official website: www.financialarbitrator.org.mt; Freephone (local calls): 8007 2366 and Telephone: 2124 9245.

CBM Directive No. 14 – Central Credit Register

In line with Directive No. 14 issued by the Central Bank of Malta relating to the establishment of a new Central Credit Register, information related to all your credit facilities in excess of €5,000 (if any) will be made available to the Central Bank for inclusion in this Register. In terms of this Directive, all banks in Malta are legally obliged to provide to the Central Bank all the necessary information on a monthly basis.

The credit facilities reportable for the purposes of this Register include loans, overdrafts, commitments, credit cards and other credit lines which are deemed to represent a credit exposure.

Access to the Register, which will be operated through a fully auditable system on the CBM portal, will be strictly limited to banks in Malta, whilst customers themselves, or their lawful representatives, may also request to exercise the right to have an extract of the information held on them on the Register.

Important Information relating to Trade Finance payment instruments

Please read the following important information relating to Trade Finance payment instruments that are governed by international law:

Letters of Credit

A Letter of Credit is an undertaking issued by a bank on behalf of the Buyer (applicant), to the Seller (beneficiary), to pay for goods and/or services, provided that the seller presents documents which fully comply with the Terms and Conditions of the Documentary Credit. Terms such as Documentary Credit, DC, LC, and Credit synonymously denote Letters of Credit.

All Letters of Credit should be established in accordance with the Uniform Customs and Practice for Documentary Credits developed by the International Chamber of Commerce. The current edition is Publication No. 600 2007 Revision. This offers added protection to practitioners of Letters of Credit by achieving a level of uniformity and standardisation in the interpretation of Letter of Credit Terms and Conditions.

Letters of Credit are handled by Bank of Valletta p.l.c., and international banks in accordance with a universally accepted set of rules and regulations, presently known as the UCP600, which are issued and upgraded by the International Chamber of Commerce. They are also governed by world-wide case laws.

Bills for Collection

Bank of Valletta p.l.c., and international banks handle Bills for Collection in accordance with universally accepted ICC rules for collection known as the URC522.