

FAQ

1. What is Export Invoice Discounting (EID)?

EID is a type of short-term loan provided to you (as the Seller) on a with recourse basis, for the purpose of financing sales of goods and/or services which have been shipped or delivered to the buyer under open account trading.

2. How does EID work?

We will provide financing based on submitted EID loan request using invoice sent to your buyer as the underlying loan request. After we review the loan request and check the supporting documents, we will process the loan drawdown and credit the fund directly to your account with us.

On the loan maturity date, EID loan repayment will be processed using sales proceed that received from your Buyer or if sales proceed not sighted, we will debit any of your account with us (recourse) for the loan repayment.

3. What are the benefits for us (customers)?

- **Acceleration of capital turnovers.** You can receive fund in advance before receiving payment from your Buyer by requesting EID loan to us.
- **Increase competitive advantage.** EID can provide more flexibility to you in providing extended payment terms to your Buyer, without disrupting your cash flow.
- **Simpler documents requirement and financing procedure.** Compared to financing solutions under documentary trade, EID requires simpler supporting documents (i.e. invoice and delivery evidence).

4. What are the required documents that we need to submit for EID loan request?

Below are the required documents that need to be submitted for each EID loan request:

- a. Original EID Application Form;
- b. Original / Copy / Photocopy of Invoice, which include payment instruction to remit the payment to your account with us
- c. Original / Copy / Photocopy of proof of shipment or delivery evidence

5. What does Approved Buyer List mean?

Approved Buyer list contains of your Buyers details (i.e. name and address are the minimum requirements) that eligible for EID loan transaction. The list will be as per your proposed prime names subjected to our approval. EID loan can only be processed for your sales transaction to Buyers that included in the Approved Buyer List.

6. Do I have to fund all of my invoices?

No. Unlike *factoring* services, EID allows you to select your invoice that will be submitted to us for financing. This will provide you more cost efficiency in terms of the financing cost.

7. What cost should I pay for each EID loan?

Below is list of charges that applied for each EID loan:

Charges Types	Remarks
Interest	Based on agreed pricing in the agreement. Charged upfront on the EID loan amount based on EID loan tenor



Administrative Fee / Handling Charges	Handling fee per transaction
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Charges amount will be subject to agreed pricing in the facility agreement.

8. How long can we get the loan tenor? Is it possible to extend the tenor?

Generally, loan tenor for EID is 90 days. However, you can propose longer loan tenor as per your business requirement and it will be subject to our further approval. EID loan tenor extension is not allowed; hence it is important to match the proposed tenor with your account receivable collection period.

9. Once I submit an EID loan request, when can I expect to receive funds?

Once a transaction is submitted and document requirement are complied, you can receive the fund at least in 1 (one) working day.

10. I'm interested with EID. How do I get started?

A credit facility agreement for EID facility must be set up before you start using EID. You may contact your Relationship Manager (RM) for EID facility set up or you also may reach us via phone at +6221 5205502 or via email at product.sales@bankofchina.co.id for further inquiries.