

## FAQ

### **1. How does IIF process work?**

We will provide financing based on submitted IIF loan request using invoice and proof of shipment received from your Supplier as the underlying loan request. For IIF related loan (if any), billing document or supporting documents in respect with the fee or cost incurred following the shipment or import of relevant goods and/or services from collecting party is required during submission. After we review the loan request and check the supporting documents, we will process the loan drawdown and credit the fund to supplier/Collecting Party's account stated in the underlying trade document. Then on the loan maturity date, BOC will debit your account with us for the loan repayment.

IIF is granted on a recourse basis, bank can claim from customer for the IIF funds that have been disbursed if a payment default occurs on the customer side.

### **2. What are the required documents that we need to submit for IIF request?**

Below are the required documents that need to be submitted for each IIF Loan request:

- Original IIF Application form: Import Invoice Financing Application;
- Original / Copy / Photocopy of document evidencing true sales, such as: Invoice / PO / Contract
- Original / Copy / Photocopy of proof of shipment or delivery evidence

Below are the additional required documents that need to be submitted for each IIF Related Loan:

- Original IIF Application form: Application for Import Invoice Financing- Related Loan
- Original / Copy / Photocopy billing document in respect with the fee or cost incurred following the shipment or import of relevant goods and/or services and other supporting document evidencing that the billing document is match with the underlying of IIF

### **3. What does Approved Supplier List mean?**

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

Approved Supplier List includes eligible supplier, which are supplier with a good reputation, maintain at least one year of relationship with the buyer or customer, have no record of service failure, and produces goods related with the product needed by customer's business.

### **4. What does Approved Collecting Party List mean?**

Approved Collecting Party List contains details of Collecting Parties details (i.e. name and address are the minimum requirements) that are eligible for IIF related loan transactions. A Collecting Party refers to a party or regulatory body entitled to receive payments for charges, fees, taxes, or duties related to shipment or import activities. The list will be as per your proposed prime names subjected to our

approval. IIF related loan can only be processed for your billing from collecting party that included in the Approved Collecting Party List.

Approved Collecting Party include eligible Government Institutions and Non-institution, which are collecting parties with a good reputation, maintain at least one year of relationship with the buyer or customer, have no record of service failure, and have no legal disputes with the buyer in past transactions.

#### **5. What is the requirement for applying IIF Loan?**

First of all, your IIF facility should be approved on facility level before submitting the IIF Loan transaction to the Bank. After that, you shall apply IIF loan request by submitting the required documents in point 2. At transaction level, the Supplier List must be included in the Pre-Approved Supplier List and the loan drawdown is subject to the drawdown terms and condition in the customer facility agreement.

#### **6. What is the requirement for applying IIF Related Loan?**

First of all, your IIF facility should be approved on facility level before submitting the IIF Related Loan transaction to the Bank. IIF Related Loan can only be submitted to the Bank if the relevant IIF Loan is also submitted to the bank. Upon IIF Related loan request, you shall submit required documents in point 2. At transaction level, Collecting Party must be included in the Pre-Approved Collecting Party List and the loan drawdown is subject to the drawdown terms and condition in the customer facility agreement.

#### **7. What cost are charged for each IIF?**

Below is list of charges that applied for each IIF:

| Charges Types | Remarks   |
|---------------|---|
| Interest      | Based on agreed pricing in the agreement. Charged in arrears on the IIF amount based on IIF tenor |

#### **8. How long is the IIF tenor? Is it possible to extend the tenor?**

IIF maximum loan tenor will be granted consistent with your cash conversion cycle which calculated based on your normal course of business. Generally, loan tenor for IIF is up to maximum 90 days. However, you can propose longer loan tenor as per your business requirement and it will be subject to our further approval. IIF tenor extension is not allowed, hence it is important to match the proposed tenor with your cash conversion cycle period.

#### **9. Once I submit an IIF request, when can I expect to receive funds?**

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

#### **10. I'm interested with IIF. How do I get started?**



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