

SBLC & BG Transaction

Have you negotiated a credit line with your bank? We can arrange collateral you may need to trigger and draw from that credit line. For your transaction a securities dealer will buy, hold and lend the unconditional use of the securities to your bank in the form of an SBLC or Bank Guarantee to serve as your cash collateral.

You bank will have to provide a conditional payment to account for the borrowing and lending fee. You will enter into a Securities Borrowing and Lending Agreement. After you have committed to the transaction and placed a reservation and commitment fee, the securities dealer places a Call Option to buy the securities specifically for your transaction.

Within 20 days, your bank sends the agreed conditional payment to the securities dealer who in return advises a fully cash backed Bank Guarantee or Standby Letter of Credit via SWIFT MT760. Your receiving bank verifies and pays the lending fee.

You now have the required collateral and can draw cash to start your project.

15 days prior of the maturity date of the BG or SBLC you can ask for an extension for another year, or returns the Securities backed BG or SBLC to the investor.

Requirements

If you want to access valid SBLC or BG collateral to back up a credit line, then you will need a bank, or several banks willing to work with you on this. They will have to offer you a credit line you can draw from, once the instrument arrives via SWIFT MT760. The borrowing and lending fee can be paid from that credit and your project can be financed by drawing from that credit line.

You need a bank willing to issue a conditional payment for the borrowing and lending fee. This can be your own bank, the receiving bank, or a third party bank, regardless where your SBLC or BG is going to be sent to, we can offer a solution and structure the transaction accordingly. **Only if you can get this conditional payment confirmation from an acceptable bank, you can get this SBLC or BG.** Without this, your transaction will not take off.

Considerations

A Basic Essential Requirement:

[Which of the 4 conditional payment options can you get from any of your banks to pay for the borrowing and lending fee?](#)

[Will your bank accept a Standby Letter of Credit, or a Bank Guarantee as collateral?](#)

We may be able to Offer a Solution for that:

Will you disclose full details of this transaction to your receiving bank?

Will your bank fully cooperate with you and accept collateral resulting from a borrowing and lending transaction?

Will they guarantee to return the SBLC/BG 15 days prior maturity?