



DEFINING TRADE FINANCE



www.dlapipertradefinance.com

ABOUT US

DLA Piper is a global law firm with 4,200 lawyers located in more than 30 countries throughout the Americas, Asia Pacific, Europe and the Middle East, positioning it to help companies with their legal needs anywhere in the world. The Finance and Projects team advises on ground-breaking and award-winning trade finance deals, assisting national and international clients wherever they do business. A list of regional contacts can found at the back of this booklet.

“DLA Piper’s structured trade and commodity finance group has an excellent reputation for handling trade finance facility transactions, with its global network of offices and regional contacts paying dividends in terms of international support and visibility”

Chambers and Partners

DEFINING TRADE FINANCE

AAR	Against all risks.
Acceleration	Early demand for repayment of a Facility . A creditor will reserve to itself the right to declare a Facility due and payable before its scheduled maturity date after an Event of Default has occurred. The creditor may also have the right to declare that a Facility is repayable on demand, although not actually make demand for repayment.
Acceleration Clause	The clause permitting a creditor to demand early repayment of a Facility after an Event of Default has occurred.
Acceptance	Signification by the Drawee of a Bill of Exchange of his assent to the order of the Drawer . It must be in writing on the Bill of Exchange and signed by the Drawee .
Acceptance Letter of Credit	A Letter of Credit which provides that it will be honoured by Acceptance by the bank with which the Letter of Credit is available of a Bill of Exchange drawn by the Beneficiary .
Acceptor	A Drawee of a Bill of Exchange which has signified his assent to the order of the Drawer in due form. See also Acceptance .
Accession Letter	A letter which is signed by the original parties to a contract together with a person who also wishes to become party to that contract. A form of accession letter is often scheduled to a Facility Agreement or Security Document as a simple mechanism to allow additional parties to accede.
Accomplished Bill of Lading	See Spent Bill of Lading .
Accrue	To accumulate. Accrued interest is that interest which is due. This does not necessarily mean it is payable yet.
Acknowledgement of Assignment	An acknowledgement by the debtor of an Assignor evidencing receipt of a Notice of Assignment .
Additional Obligor	A person that accedes to a Facility Agreement or a Security Document during the life of a Facility .

Administration	<p>An insolvency procedure involving the appointment of an administrator. An administrator takes control of the company on behalf of all the creditors of the company generally to manage its affairs, business and property with a view to achieving one of three statutory objectives:</p> <ul style="list-style-type: none"> (a) rescuing the company as a going concern; (b) achieving a better result for the creditors as a whole than if the company was wound up; or (c) realising property to make a distribution to Secured Creditors. <p>The appointment of an administrator automatically imposes a Moratorium on any enforcement or other legal action by a creditor of the company.</p>
Administration Search	<p>A search typically undertaken by a creditor's lawyers on the date that the Facility Agreement is entered into and/or the date of Financial Close to check that the debtor is not in Administration. Typically inconclusive because it is not possible to search every court where a notice to appoint administrators could be filed and because England and Wales does not currently have a central registry recording administrations.</p>
Advance	See Drawdown .
Advance Payment	See Prepayment Finance .
Advance Payment Guarantee	A form of Demand Guarantee issued to secure a refund to a buyer under a contract of sale if the purchase price (whether in all or part) has been paid in advance.
Advance Ratio	See Loan to Value Ratio .
Advising Bank	A bank instructed by an Issuing Bank under a Letter of Credit , usually in the country of the Beneficiary , to communicate the terms of the Letter of Credit to the Beneficiary , to accept presentation of documents and to effect payment under the Letter of Credit .
Agency Fee	An annual fee payable by the debtor to the Agent in a Syndicated Facility structure.

Agent	<p>(a) A general term for a person appointed to act on behalf of a Principal entity or person. An agent has the power to enter into contracts on behalf of the Principal.</p> <p>(b) The person (usually one of the creditors) which administers a Syndicated Facility and acts as a channel of communication between the debtor and the Syndicate.</p>
Air Waybill	Document of carriage in respect of the carriage of goods by air.
Allonge	A piece of paper attached to a Bill of Exchange when there is no room on the Bill of Exchange for further Indorsements . An exception to the rule that an Indorsement must be written on the Bill of Exchange itself. Encountered principally in civil law countries, in particular, those which have adopted the Geneva Uniform Law on Bills of Exchange and Promissory Notes.
AML	Anti-money laundering.
Amortisation	Repayment of the capital element of a debt over time, often by an equal amount each year.
Amortising Facility	A Facility repaid by agreed payments over the Tenor of the Facility . A Facility may be fully amortising or amortising to a residual value.
Anticipatory Letter of Credit	See Green Clause Letter of Credit and Red Clause Letter of Credit .
APLMA	Asia Pacific Loan Market Association.
Applicant	The party who arranges for the opening of a Letter of Credit (in respect of a Commercial Letter of Credit , the buyer under the contract of sale).
Arbitrage	Taking advantage of discrepancies in prices or yields in different markets.
Arrangement Fee	A one off fee payable by the debtor to the Arranger for arranging the Facilit(y)(ies) .
Arranger	The banking entity which agrees and negotiates a Syndicated Facility .

Assignment	<p>The transfer of an asset from an Assignor to an Assignee. Unlike a Security Assignment, an assignment is not subject to the Equity of Redemption. An assignment may be either an Equitable Assignment or a Legal Assignment.</p> <p>Unlike the transferee of a Beneficiary of a Transferable Letter of Credit, an Assignee of a Letter of Credit has transferred to it the right to the proceeds of a Letter of Credit but not the right to perform (i.e. present documents) under the Letter of Credit.</p>
Assignee	The person to whom an Assignment or a Security Assignment is granted.
Assignment by way of Security	See Security Assignment .
Assignor	The person who grants an Assignment or a Security Assignment .
Attornment	In respect of a Pledge over goods or documentary intangibles, an agreement, typically by a third party, to hold the goods or documents for a creditor instead of a debtor. Provides the creditor with constructive possession of the goods or documentary intangibles and together with an intent to pledge creates and perfects the Pledge .
Autonomy of the Letter of Credit	A fundamental principle of a Letter of Credit (the other being Strict Compliance) according to which the Letter of Credit is separate from and independent to the underlying transaction giving rise to it. Absent fraud of the Beneficiary or illegality in paying under the Letter of Credit , the bank cannot otherwise refuse to make payment under the Letter of Credit against presentation of documents complying with the terms of the Letter of Credit . This gives rise to the closely connected principle that a Letter of Credit is a transaction in documents and documents alone.
Availability Period	The period during which a Facility can be utilised.
Aval	Essentially a Guarantee in respect of a Bill of Exchange . Recognised by many legal systems, particularly those of states which have adopted the Geneva Uniform Law on Bills of Exchange and Promissory Notes. It can be given either on the Bill of Exchange itself or on an Allonge .
AWB	See Air Waybill .

Back to Back Letter of Credit	<p>A Letter of Credit under which the documents presented may be presented (substituting at least the invoice) under another Letter of Credit (e.g. a seller, as Beneficiary under a Letter of Credit, requests the Advising Bank under that Letter of Credit to open another Letter of Credit in favour of the supplier of that Beneficiary on the security of the first Letter of Credit).</p> <p>See also Counter Letter of Credit.</p>
BAFT-IFSA	Bankers' Association for Finance and Trade/International Financial Services Association.
BAFT-IFSA Master Participation Agreement	BAFT-IFSA standard form agreement for Funded Participations and Risk Participations in Trade Finance transactions.
Balloon Payment	A payment under a Facility that is larger than the other repayments made over the Tenor of the Facility . Usually made near the beginning or at the end of the Tenor of the Facility .
Bank Guarantee	See Demand Guarantee .
Base Rate	The generally advertised rate of interest set by a creditor calculated to include Mandatory Costs and Cost of Funds .
Basel Committee	The Basel Committee on Banking Supervision. A committee established by the central bank governors of the Group of Ten countries at the end of 1974. The committee sets broad supervisory standards which are then implemented by national regulators called the Basel Accords (Basel I, Basel II and Basel III). Its conclusions do not themselves have legal force.
Basel II	The regulatory capital requirements published in June 2004 by the Basel Committee intended to replace those under the original 1998 Basel Capital Accord and implemented in the EU from 1 January 2007 by the European Capital Requirements Directive. The global financial crisis meant that banking supervisors began a fundamental reappraisal of Basel II before it had even been consistently applied in practice. The reappraisal led to Basel III .

Basel III	The latest version of the Basel Accord regulations issued by the Basel Committee following the global financial crisis and designed to protect the banking industry from future financial crises by requiring banks to maintain adequate leverage ratios and capital to cover potential losses. Basel III will result in all banks facing higher capital requirements and will be implemented in the EU by CRD IV .
Basis Point	A subdivision of one per cent. One hundred basis points equal one per cent so one basis point is equal to 0.01 per cent. This term is often used in stating the amount of the Margin . Also known colloquially as BIPS .
Basket	The exceptions permitted to negative Covenants e.g. in a Covenant not to incur additional indebtedness exceeding US\$100,000, the US\$100,000 exception is the basket.
BBA	The British Bankers Association, the trade association for the banking and financial services industry, representing the interests of banks and financial services firms operating in the UK.
Bearer	In respect of: (a) a Bill of Exchange , the person in possession of a Bill of Exchange which is payable to the bearer (i.e. which is expressed to be so payable, or on which the only or last Indorsement is a Blank Indorsement); and (b) a Bill of Lading , the person in possession of a Bill of Lading which makes the goods deliverable to the bearer (i.e. which is expressed to make the goods so deliverable, or on which the only or last Indorsement is a Blank Indorsement).
Bearer Bill of Lading	A Bill of Lading which makes the goods deliverable to the Bearer . Unlike a Straight Bill of Lading or an Order Bill of Lading it does not name the person to whom or to whose order the goods are to be delivered. See also, however, Order Bill of Lading which does not refer to a named Consignee .
Beneficiary	The party to whom the undertaking of the Issuing Bank (and the Confirming Bank in respect of a Confirmed Letter of Credit) under a Letter of Credit is given.
Bible	A collated set of copies of all documents pertinent to a given transaction prepared after Closing .

Bilateral Facility	A Facility made available by a single creditor. Contrast with a Syndicated Facility .
Bill of Exchange	An unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to the Bearer .
Bill of Lading	A document issued by or on behalf of a Carrier to the Counterparty (usually referred to as the Shipper) to a contract of carriage of goods by sea. Principal functions include: (i) Document of Title ; (ii) receipt by the Carrier ; (iii) evidences apparent condition of the goods; (iv) evidences the terms of the contract of carriage; and (v) operates to transfer contractual rights.
BIP	See Basis Point .
BIS	Bank for International Settlements. An international organisation which fosters cooperation among central banks in pursuit of monetary and financial stability. Its head office is in Basel, Switzerland.
B/L	See Bill of Lading .
Blank Indorsement	An Indorsement of a Bill of Exchange or a Bill of Lading which specifies no Indorsee (in respect of a Bill of Exchange) or transferee (in respect of a Bill of Lading). A Bill of Exchange or a Bill of Lading so indorsed becomes payable to the Bearer .
Boilerplate Clauses	Standard clauses dealing with the mechanics of the operation of an agreement, e.g. the means by which notices may be served.
Bona Fide	In good faith.
Bonded Warehouse	A warehouse in which goods are stored to defer payment of any duty payable on such goods until entry into the domestic market in which the warehouse is located.
Borrowing Base Certificate	A certificate issued to a creditor by a debtor or an independent third party certifying the value of assets against which Borrowing Base Finance is provided (and may be secured).

Borrowing Base Finance	<p>Finance provided (and often secured) against specified assets (e.g. inventory, receivables, reserves typically at a Mark to Market value), the availability of which is determined by reference to a Loan to Value Ratio and may be subject to a Top Up Undertaking.</p> <p>See also Inventory Finance, In Tank Financing, Stock Finance and Warehouse Finance.</p>
Break Costs	<p>Where money is borrowed for a particular period and is repaid early, break costs may arise. These are theoretically linked to the loss or cost to the creditor of having to redeploy its underlying borrowings for the full period. It is common to see (e.g. in LMA documentation) an obligation on a debtor which wishes to prepay to pay the difference between the amount which would have been payable had the Prepayment not occurred, and the return available from depositing the Prepayment with a bank in the interbank market. Also called Broken Funding Costs.</p>
Broken Funding Costs	<p>See Break Costs.</p>
Bullet Repayment	<p>Where a Facility is repaid by a single repayment, often after little or no Amortisation.</p>

CAD	See Cash Against Documents .
Capital Adequacy	The rules requiring a bank to maintain a certain amount of capital. This is determined by reference to the amount of business which it does and the commercial risks associated with that business. This capital is required to give depositors confidence in banking institutions and to ensure that adequate capital is available to be written off against losses. An increase in capital adequacy requirements will give rise to increased costs which the creditor will often seek to pass on to its debtors.
Capital Requirements Directive IV	European Union directive (and related regulation) setting out the capital requirements for credit institutions and investment firms to ensure consistent application within the European Union of Basel III .
Capitalisation of Interest	Instead of paying interest, the debtor is permitted to add it to the loan, i.e. to borrow to pay interest.
Carriage and Insurance Paid	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers the goods, cleared for export, to the Carrier nominated by him. The seller contracts (or procures a contract) for and pays the cost of carriage to bring the goods to the named place of destination and insures against the buyer's risk of loss of or damage to the goods during the carriage.
Carriage Paid To	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers the goods, cleared for export, to the Carrier nominated by him. The seller must contract (or procure a contract) for and pay the cost of carriage to bring the goods to the named destination.
Carrier	Any person who, pursuant to a contract of carriage, undertakes to perform or procure the performance of carriage by rail, road, sea, air, inland waterway or a combination of such modes.
Cash Against Documents	Indicated invoice amount to be paid by the buyer/importer at sight on presentation of relevant commercial documents e.g. Bill of Lading , insurance certificate, etc.

Cash Cover	An amount deposited by an Applicant with an Issuing Bank or by an account party with the bank issuing a Demand Guarantee in respect of the Contingent Liability of the Issuing Bank or the bank issuing the Demand Guarantee (as applicable) under the Letter of Credit or Demand Guarantee (as applicable).
Cash Sweep	Also known as Locked Box . While a cash sweep is in operation, any surplus income not required for debt service is retained by the creditor and used to reduce the Facility outstanding rather than released to the debtor. Where this right is only exercisable if the creditor considers that a financial Covenant is not being complied with it is known as a soft Locked Box .
CBD	Cash before delivery.
Certificate of Inspection	A certificate issued by an independent inspection organisation certifying, at a minimum, that the inspector has inspected goods and found them to be in apparent good condition in relation to an inspection undertaken either pre or post shipment.
Certificate of Origin	A certificate issued by a seller or a recognised third party as to the place of growth, production or manufacture of goods.
Certificate of Quality/Quantity	A certificate issued by a seller or recognised third party that goods are of a particular quality or quantity. Absent fraud, the certificate will be binding if so agreed between the parties.
Certified Copy	A copy of a document which is certified by a solicitor or other professional as a true and complete copy of the original document.
CFR	See Cost and Freight .
CHAPS	Clearing House Automated Payments System. An electronic transfer system for sending real-time gross settlement same-day value payments in sterling from bank to bank.
Charge	The right to appropriate an asset to discharge a debt such that a creditor may look to that asset and its proceeds to discharge the indebtedness in priority to unsecured creditors and subsequent encumbrancers. Like a Mortgage , a charge is a non-possessory Security . Unlike a Mortgage , a charge does not transfer ownership of the asset to the creditor. A charge may be a Fixed Charge or a Floating Charge .

Chargee	The person to whom a Charge is granted.
Chargor	The person who grants a Charge .
CIF	See Cost Insurance and Freight .
CIP	See Carriage and Insurance Paid .
Claim	Presentation of documents under a Demand Guarantee or Letter of Credit .
Classic FOB	See Classic Free on Board .
Classic Free on Board	See Strict Free on Board .
Claused Bill of Lading	A Bill of Lading which is qualified by a statement of defect in the goods.
Clean Bill of Lading	A Bill of Lading which bears no clause or notation which declares a defective condition of the goods and/or packaging.
Clean Collection	A Collection involving financial documents (e.g. Bill of Exchange) only. See also Documentary Collection .
Clean Down	A requirement for a debtor under a Revolving Facility to reduce the level of borrowing to a specified level (even zero) for a given period of time.
Clean Transfer	A transfer of a Facility by a creditor such that both the legal and commercial risk in the Facility is transferred. This is carried out to reduce the Capital Adequacy requirements of the creditor in respect of the Facility .
Clog on the Equity of Redemption	English law will not enforce any absolute impediment on the debtor's right to redeem a Charge or Mortgage . It similarly prohibits a Mortgagee or Chargee obtaining a collateral advantage from the grant of Security , e.g. the grant of an option to acquire the property charged. Both are categorised as clogs on the Equity of Redemption .
Closing	Completion of the transaction. Often involves a meeting at which the final documentation is signed.
Club Deal	A Syndicated Facility which may be arranged on a less formal basis than a normal Syndicated Facility . So far as the debtor is concerned the documents are much the same. It is only the Syndication process that is less formal. Often there will only be two creditors who do not intend to sell down.
Co-financing	Where different creditors agree to fund under the same documentation and Security packages yet may have different interest rates, repayment profiles and Tenors .

Collateral Management Agreement	A tripartite agreement between a debtor, a creditor and a Collateral Manager setting out, <i>inter alia</i> , the obligations of the Collateral Manager which usually include Undertakings to hold the relevant assets to the order of the creditor and to regularly inspect and report to the creditor on those assets.
Collateral Manager	An independent third party engaged pursuant to a Collateral Management Agreement to protect the interests of a creditor in the assets of a debtor against which the creditor is financing and may be secured.
Collecting Bank	Any bank, other than the Remitting Bank , involved in processing a Collection .
Collection	The handling by banks, in accordance with instructions received, of documents in order to: (i) obtain payment and/or Acceptance ; (ii) deliver documents against payment and/or against Acceptance ; or (iii) deliver documents on other terms and conditions. See also Clean Collection and Documentary Collection .
Combined Bill of Lading	See Through Bill of Lading .
Commercial Letter of Credit	A Letter of Credit in respect of which the documents to be presented for payment include commercial documents relating to the goods (e.g. documents evidencing shipment of the goods such as a Bill of Lading). See also Standby Letter of Credit .
Commitment	An obligation by a creditor to make Facilities available. Usually the obligation will be conditional on satisfaction of Conditions Precedent .
Commitment Fee	A fee paid in return for a Commitment to lend money.
Commitment Letter	A letter setting out the terms on which a creditor may, in principle, make Facilities available. Usually binding regarding fees and any Break Costs which may be incurred prior to execution of a Facility Agreement , but is otherwise non-binding.
Committed Facility	A Facility available to a debtor on satisfaction of specified conditions, rather than at the discretion of the creditor.

Company Voluntary Arrangement	A procedure under which an insolvent company can make proposals to its creditors for the payment of its debts. The proposal will usually allow for a payment of only part of the sums due. Creditors are entitled to vote on the proposal, but if approved it binds all those creditors who were given notice of the proposal.
Complying Presentation	Delivery of documents under a Letter of Credit to the Issuing Bank or a Nominated Bank or the documents so delivered that is in accordance with the terms and conditions of the Letter of Credit .
Compound Interest	See Capitalisation of Interest .
Condition Precedent	A condition which must be satisfied by a debtor before a Facility may be utilised. After the Facility Agreement has been signed, no money can be borrowed until the conditions precedent have been satisfied.
Condition Subsequent	A condition of a Facility that is to be satisfied after Utilisation . There is usually a time period specified.
Confirmed Letter of Credit	A Letter of Credit to which the Advising Bank or Correspondent Bank adds its own undertaking to that of the Issuing Bank to honour or negotiate the Letter of Credit (as applicable).
Confirming Bank	An Advising Bank or a Correspondent Bank which adds its own undertaking to that of the Issuing Bank to honour or negotiate the Letter of Credit (as applicable).
Consignee	The person specified as such in a Bill of Lading (or Sea Waybill) to whom, or to whose Order (in respect of a Bill of Lading) the goods are to be delivered.
Contingent Liability	An amount which may become due depending on future events.
Correspondent Bank	An Advising Bank which is the Issuing Bank's correspondent in the country of the Beneficiary .
Cost and Freight	An Incoterm which may be used in respect of transport by sea or inland waterway. The seller delivers the goods on board the vessel or procures the goods already so delivered. The seller contracts (or procures a contract) for and pays the costs and freight to bring the goods to the named port of destination. The seller clears the goods for export.

Cost Insurance and Freight	An Incoterm which may be used in respect of transport by sea or inland waterway. The seller delivers the goods on board the vessel or procures the goods already so delivered. The seller contracts (or procures a contract) for and pays the costs and freight necessary to bring the goods to the named port of destination and obtains insurance against the buyer's risk of loss of or damage to the goods during the carriage. The seller clears the goods for export.
Cost of Funds	The cost to a creditor of making Facilities available to a debtor. A creditor's cost of funds on a LIBOR Facility will usually be LIBOR plus its Mandatory Costs . These costs are generally passed on by the creditor to the debtor.
Counterindemnity	An indemnity issued in respect of a Demand Guarantee by: (i) the account party (analogous to an Applicant under a Letter of Credit) in favour of that account party's bank and any other bank issuing the Demand Guarantee on the instruction of that account party's bank; (ii) the account party's bank in favour of any intermediary bank between the account party's bank and any bank issuing the Demand Guarantee ; and (iii) any intermediary bank in favour of the bank issuing the Demand Guarantee , in each case in respect of any amount paid under the Demand Guarantee by the account bank, any intermediary bank or the bank issuing the Demand Guarantee (as applicable).
Counter Letter of Credit	In respect of a Back to Back Letter of Credit , the Letter of Credit in respect of which the Applicant is the ultimate buyer.
Counterparty	A party to an arrangement or contract (e.g. the provider of hedging is the hedge counterparty).
Countervailing Letter of Credit	See Counter Letter of Credit .
Country Risk	An estimate of the likelihood of a state rescheduling its own debt. This will prompt currency inconvertibility. Sometimes referred to as Sovereign Risk .
Covenant	(a) An agreement to do or not to do something. A breach of a covenant in a Facility Agreement is almost invariably an Event of Default , if not remedied within any Cure Period . (b) Often used to describe an entity's financial worth.
Covenant Lite	A Facility Agreement with few (if any) financial Covenants or to the extent they exist, are more lenient than usual.

CP	See Condition Precedent .
CPT	See Carriage Paid To .
CRD IV	See Capital Requirements Directive IV .
Credit Agreement	See Facilit(y) Agreement .
Credit Approval	A creditor's credit or underwriting function approving the provision of a Facility and setting out its terms.
Cross Default	An Event of Default under one Facility which is triggered by a default of an Obligor under another Facility or other financial obligation.
Crystallisation	The conversion of a Floating Charge to a Fixed Charge . Whether this is automatic or by notice depends on the wording of the Floating Charge . While the Floating Charge has not crystallised the Chargor is free to dispose of the assets charged. Once crystallised the Chargor cannot do so, until it has discharged the Charge .
Cure Period	The period a debtor enjoys to remedy a Default before the creditor is entitled to accelerate payment. Also referred to as a Grace Period .
Customs Bonded Warehouse	See Bonded Warehouse .
CVA	See Company Voluntary Arrangement .
CWO	Cash with order.

D/A	See Documents Against Acceptance .
DAP	See Delivered At Place .
DAT	See Delivered At Terminal .
DDP	See Delivered Duty Paid .
Debt Service	The payments of interest and Principal due under a Facility for a given period of time.
Deed	A special form of contract which complies with special rules as to creation. Unlike a contract, a deed needs no consideration to be given to be effective. Actions for breach of a deed may be brought during the period of 12 years from the breach. Certain transactions require the use of a deed, e.g. the grant of a power of attorney.
Deed of Priority	A contractual arrangement regulating the priority of Security Documents of different creditors.
Deed of Release	The document by which a creditor discharges its Security in whole or part. The deed of release can be executed in escrow so as to take effect only on payment of the redemption monies.
Default	Circumstances which would, with the expiry of any Grace Period , giving of notice or making of any determination by the creditors, be an Event of Default .
Default Interest	A higher interest rate payable after a Default or on an overdue amount. Set at a level such that the rate exceeds the rate at which the debtor could borrow elsewhere.
Deferred Payment Finance	A form of Import Finance pursuant to which a creditor purchases goods from a supplier and sells such goods on deferred or extended payment terms to its debtor.
Deferred Payment Letter of Credit	A Letter of Credit which provides for payment to be made upon the expiry of a period from the presentation of documents or the date of the relevant transport document.
Delivered At Place	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers when the goods are placed at the buyer's disposal on the arriving means of transport, ready for unloading at the named place of destination. The seller clears the goods for export.

Delivered At Terminal	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers when the goods are placed at the buyer's disposal, unloaded from the arriving means of transport, at a named terminal at the named port or place of destination. The seller clears the goods for export.
Delivered Duty Paid	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers when the goods are placed at the buyer's disposal cleared for import ready for unloading from the arriving means of transport at the named place of destination. The seller has to bear all the costs and risks involved in bringing the goods thereto including any duty for import.
Delivery	In respect of a Bill of Exchange or a Bill of Lading , transfer of possession, actual or constructive from one person to another.
Demand Facility	A Facility that is repayable on the demand of the creditor, typically an overdraft.
Demand Guarantee	An independent, primary obligation of a bank to pay a specified amount if the specified conditions for payment are satisfied (normally presentation of a written demand for payment by the beneficiary of the demand guarantee together with any other stipulated documents). Distinguishable from a suretyship guarantee in that the guarantor's obligations under a suretyship guarantee are secondary or co-extensive in nature with those of the Principal under the underlying contract. A demand guarantee is similar in effect to a Standby Letter of Credit . See also Advance Payment Guarantee, Bank Guarantee, Performance Bond, Performance Guarantee, Repayment Guarantee and Silent Payment Guarantee .
Derivative	A financial instrument based on an underlying contract, asset or funding, such as a swap or option.
DFI	Development Finance Institution.
Discounting	Negotiation of a Bill of Exchange by a bank at a discount to the amount payable under the Bill of Exchange (i.e. its "face value") typically equivalent to the bank's rate of interest from the date of Negotiation of the Bill of Exchange to the date for payment under the Bill of Exchange .

Dishonour	A Bill of Exchange may be dishonoured either for non-payment or non- Acceptance .
Documentary Bill of Exchange	A Bill of Exchange to which shipping documents (e.g. Bill of Lading) are attached. If a sale and purchase agreement provides for payment by Acceptance of the seller's Bill of Exchange in return for shipping documents, the seller may send to the buyer a Bill of Exchange together with the Bill of Lading to obtain the buyer's Acceptance on the Bill of Exchange .
Documentary Collection	A Collection involving financial documents (e.g. Bill of Exchange) and commercial documents (e.g. Bill of Lading). See also Clean Collection .
Documentary Credit	See Letter of Credit .
Document of Title	Term applied to: a) a Bill of Exchange as a result of it being Negotiable ; and b) a Bill of Lading as a result of it being Transferable .
Documents Against Acceptance	A Collection in respect of which the documents (e.g. Bill of Lading) are delivered to the Drawee under the Collection against Acceptance of the Bill of Exchange .
Documents Against Payment	A Collection in respect of which the documents (e.g. Bill of Lading) are delivered to the Drawee under the Collection against payment of the Bill of Exchange .
D/P	See Documents Against Payment .
Draft	See Bill of Exchange .
Drawdown	Each occasion on which a debtor uses its Facilities , e.g. borrows money or requests the issue of a Letter of Credit . Also referred to as a Utilisation .
Drawdown Notice	The notice issued by a debtor to a creditor informing the creditor that the debtor wishes to use the Facility , e.g. by the creditor making a loan or issuing a Letter of Credit . Also referred to as a Utilisation Request .
Drawee	In respect of: (a) a Bill of Exchange , the person upon whom a Bill of Exchange is drawn and who is thereby ordered to pay; and (b) in respect of a Collection , the party to whom presentation of the documents is to be made in respect of a Collection .

Drawer	Person who draws the Bill of Exchange and gives the order to pay.
Drawstop	The ability of creditors to decline to permit Drawdown under a Facility , usually as the result of a Default .
Drop-dead Fee	A fee payable whether the underlying transaction proceeds or not.

Equitable Assignment	An Assignment which does not comply with s.136 of the Law of Property Act 1925. See also Legal Assignment .
Equitable Security Assignment	A Security Assignment which does not comply with s.136 of the Law of Property Act 1925. See also Legal Security Assignment .
Equity of Redemption	The debtor's right to redeem (i.e. pay off) a Security .
eUCP 600	See Uniform Customs and Practice Supplement for Electronic Presentation 600 .
Event of Default	A specified event or circumstance which entitles a creditor to Accelerate a Facility . The circumstances giving rise to an Event of Default are usually listed at length in a Facility Agreement and heavily negotiated.
Evergreen Facility	A Facility that is automatically renewed at the end of each agreed period until cancelled by one party.
Evergreen Letter of Credit	A Letter of Credit (usually a Standby Letter of Credit) which is automatically reinstated following the specified Expiry Date unless the Issuing Bank gives notice that it is to expire.
Exchange Control	Government regulations covering the inflow and outflow of foreign exchange.
Exhausted Bill of Lading	See Spent Bill of Lading .
Expiry Date	The date specified in a Demand Guarantee or Letter of Credit following which documents cannot be presented.
Export Credit Agency	Government related entity which facilitates the export of goods of the relevant country principally by the provision of: (i) guarantees of payment to banks which provide Export Finance ; (ii) support for Export Finance at favourable interest rates; and (iii) export insurance.
Export Finance	See Pre-Export Finance , Post-Export Finance and Prepayment Finance .
Expropriation	The seizing of assets e.g. in a nationalisation.
Extended Payment Finance	See Deferred Payment Finance .
EXW	See Ex Works .

Ex Works

An **Incoterm** which may be used irrespective of the mode of transport used. The seller delivers when the goods are placed at the disposal of the buyer at the seller's premises or another named place not cleared for export and not loaded on any collecting vehicle.

E

Facilit(y)(ies)	An offer by a creditor to make financial accommodation available, which might be a loan or some other financial instrument e.g. a Letter of Credit .
Facilit(y)(ies) Agreement	A document under which a creditor agrees to make a Facility or Facilities available to a debtor. Usually the creditor's obligations are conditional upon satisfaction of Conditions Precedent .
Facility Letter	See Facilit(y)(ies) Agreement .
Factoring	Assignment of receivables usually disclosed to the debtors of the Assignee for the purpose of providing finance to the Assignee and assisting the Assignee with the administration of its sales ledger.
FAS	See Free Alongside Ship .
FATCA	The US Foreign Account Tax Compliance Act. A tax measure which will come into force in stages from 1 January 2013 and which obliges certain foreign financial institutions to enter into an agreement with the US Internal Revenue Service in relation to providing reporting to the US Internal Revenue Service on the financial institutions' US account holders or suffer a potentially very substantial Withholding Tax on payments of US sourced income and capital from 1 January 2014.
FCA	See Free Carrier .
FCL	Full Container Load.
FCR	See Forwarder's Certificate of Receipt .
Fee Letter	A letter that sets out details of the fees payable by a debtor in respect of a Facility e.g. Arrangement Fee , Agency Fee . Use of a separate letter means the amount of the fee is kept confidential.
Financial Close	When all the financing documentation has been executed and Conditions Precedent satisfied or waived. Drawdowns under a Facility Agreement are then permissible.
Fine Trade Bill of Exchange	A Bill of Exchange which bears the Acceptance of a bank.
First Loss Payee	The first person entitled to receive the proceeds of a successful claim under an insurance policy.
Fixed Charge	A Charge which prohibits the Chargor from dealing with the assets subject to it.

Fixed Charge Receiver	A person appointed by a creditor holding a Fixed Charge pursuant to a power contained in the Fixed Charge to enforce the creditor's Security . Although often referred to as an LPA Receiver , this is technically inaccurate as the receiver is appointed pursuant to an express provision contained in the Fixed Charge rather than the Law of Property Act 1925.
Floating Charge	A Charge which floats over the assets subject to it (e.g. stock-in-trade), allowing the Chargor to deal with such assets in the ordinary course of its business until the Charge crystallises over the assets.
Floating Rate	An interest rate that is periodically reset during the Tenor of the Facility , typically by reference to changes in LIBOR or a creditor's Base Rate .
FOB	See Free on Board .
Force Majeure	Events outside the control of parties to a contract, such as acts of nature, governments or regulators. Contract performance is forgiven or extended by a period of force majeure.
Foreign Bill of Exchange	A Bill of Exchange which is not an Inland Bill of Exchange . A foreign Bill of Exchange must be protested to establish its Dishonour whereas an Inland Bill of Exchange need not be (although it may be).
Foreign Trade Zone	Special commercial and industrial areas in or near ports of entry where foreign and domestic goods may be brought in without being subject to payment of customs duties. Goods, including raw materials, components, and finished goods, may be stored, sold, exhibited, repacked, assembled, sorted, graded, cleaned or otherwise manipulated prior to re-export or entry into the national customs authority. Duties are imposed on the goods (or items manufactured from the goods) only when the goods pass from the zone into an area of the country subject to the customs authority. Foreign trade zones are also called Free Trade Zones , free zones and free ports. See also Bonded Warehouse .
Forfeiting	Discounting of Bills of Exchange or Promissory Notes on a non-recourse basis to the Indorser .

Formal Demand	A demand for repayment of sums lent under a Facility Agreement .
Forwarder's Certificate of Receipt	A receipt issued by a Freight Forwarder in respect of goods received by it.
Forwarding Agent	See Freight Forwarder .
Foul Bill of Lading	See Claused Bill of Lading .
Free Alongside Ship	An Incoterm which may be used in respect of transport by sea or inland waterway. The seller delivers when the goods, cleared for export, are placed alongside the vessel at the named port of shipment.
Free Carrier	An Incoterm which may be used irrespective of the mode of transport used. The seller delivers the goods, cleared for export, to the Carrier nominated by the buyer at the named place. The seller is responsible for loading only if delivery occurs at the seller's premises.
Free on Board	An Incoterm which may be used in respect of transport by sea or inland waterway. The seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The seller clears the goods for export. See also Classic Free on Board, Simple Free on Board and Strict Free on Board .
Free Trade Zone	See Foreign Trade Zone .
Freight Forwarder	A person engaged by a Shipper either as Principal or as Agent of the Shipper whose principal duties are to procure third parties to perform, <i>inter alia</i> , the carriage, storage, packing and handling of goods.
FTZ	See Free Trade Zone .
Full Set	In respect of: (a) a Bill of Exchange , typically two or three, the whole of which constitute one Bill of Exchange ; and (b) a Bill of Lading , typically three or four each of which is an original carriage document. Although Bills of Lading remain commonly issued in sets, Bills of Exchange issued in sets are rare.

Funded Participation	<p>(a) A funding arrangement between a creditor under a Facility Agreement and a third party (the participant). The participant places funds with the creditor on terms that those funds will only be repaid, and interest will only be paid, when corresponding amounts of Principal or interest are received by the creditor under the Facility Agreement. A participant merely has a contractual right to receive funds from the creditor and does not have a beneficial interest in the Facility Agreement. Accordingly, a participant takes credit risk both on the debtor and the creditor. A participant under a funded participation has no direct rights against the debtor. A funded participation is not usually suitable where the Facility being participated is a Revolving Facility.</p> <p>(b) If certain conditions are satisfied, a funded participation will allow a creditor which is subject to UK accounting principles and is regulated by the Financial Services Authority to obtain Off Balance Sheet treatment for the participated Facility (but not for undrawn Commitments).</p>
Further Assurance	<p>A clause imposing on the parties obligations to perform acts in the future to give effect to a transaction occurring now e.g. to serve a notice or complete a registration. Such a clause provides a safety net to require cooperation if it transpires something unpredicted needs to be done.</p>
FX	<p>Foreign exchange.</p>

Grace Period	<p>(a) After a Default has occurred, days of grace may be stated within which the Default may be remedied before the right to Accelerate arises.</p> <p>(b) A period when interest or Principal is not yet payable.</p>
Green Clause Letter of Credit	<p>A variant of the Red Clause Letter of Credit also enabling the Beneficiary to draw on the Letter of Credit in advance of the shipment of the underlying goods but requiring that the goods are stored in the name of the bank.</p>
Gross Up	<p>Generally a right given to a creditor under a Facility Agreement to require an additional payment to be made by the debtor if the amount of interest paid by the debtor is reduced by the debtor being required to deduct Withholding Tax from the amount payable. The gross up clause entitles the creditor to receive the full amount due, even if this is achieved by the payment costing the debtor more than that.</p>
Guarantee	<p>An Undertaking to be answerable for the debt or default of a third party. An accessory contract pursuant to which the obligations of the guarantor are co-extensive with those of the principal debtor. Contrast a Demand Guarantee.</p>

Haircut	Acceptance by a creditor of a reduction on its strict entitlement. For example, a reduction in interest or fees or, in the context of a loan sale, a sale at a discount to the par value of the loan.
Hardening Period	The time between the date of a transaction and the date from which the transaction is no longer vulnerable to be set aside under the relevant insolvency legislation.
Heads of Terms	A relatively informal description of the terms of an agreement reached on which final legal documentation is based. Heads of terms are not usually binding.
Holder	The Payee or Indorsee of a Bill of Exchange who is in possession of it, or the Bearer .
Holder for Value	A Holder of a Bill of Exchange in respect of which value has at any time been given for that Bill of Exchange .
Holder in Due Course	The Holder of a Bill of Exchange who has received it by Negotiation , which is complete and regular on its face, before it was overdue, without notice of Dishonour , in good faith, for value, and with no notice of any defect in title of the person who negotiated it.
Holding Certificate	Document issued by an owner or an operator of a storage facility (e.g. a tank farm) or a Collateral Manager to a creditor in respect of goods owned by a debtor stored at the storage facility usually specifying that the goods are held to the order of the creditor.
Honour	In respect of a Letter of Credit , to pay at sight (if it is a Sight Letter of Credit); to incur a deferred payment undertaking and pay at maturity (if it is a Deferred Payment Letter of Credit); to accept a Bill of Exchange drawn by the Beneficiary and pay at maturity (if it is an Acceptance Letter of Credit).
Hypothecation	See Charge .

Import Finance	Finance provided against the value of goods deliverable pursuant to a contract of sale either in transit or following import into country of destination (e.g. by way of issue of a Letter of Credit in favour of the seller of the goods).
In Tank Financing	Inventory Financing in respect of which financing is provided (and often secured typically by way of Pledge) against inventory (e.g. oil, petroleum products) held in tank.
In the Money	In respect of a party to a Derivative transaction, a transaction is in the money if early termination of the transaction would give rise to liability of the Counterparty .
Incoterms® 2010	The International Chamber of Commerce rules for the use of domestic and international trade terms with entry into force 1 January 2011.
Independent Payment Undertaking	An Undertaking issued by a buyer pursuant to a contract for sale to make payment to the person to whom the Undertaking is addressed against presentation of the documents specified therein. Prevalent in the oil trade and addressed typically to the financing bank of a seller under a contract for sale to finance the seller's own purchase of oil under a back to back contract for sale. As the Undertaking is addressed to the financing bank, the financing bank has recourse to the buyer which issued the Undertaking .
Indorsee	A person to whom a Bill of Exchange has been indorsed.
Indorsement	In respect of a: <ul style="list-style-type: none"> (a) Bill of Exchange, in order to operate as a Negotiation must be written on the Bill of Exchange (or on an Allonge) and signed by the Holder (the signature of the Holder is sufficient) and completed by Delivery; and (b) Bill of Lading, in order to operate as a Negotiation must be written on the Bill of Lading and signed by the Consignee, the Shipper or a transferee of either of them (each as applicable).
Indorsement in Blank	See Blank Indorsement .
Indorser	The former Holder of a Bill of Exchange who has indorsed it.
Information Memorandum	A document detailing a financing, usually in connection with its Syndication .

Inland Bill of Exchange	<p>A Bill of Exchange which is or on the face of it purports to be both drawn and payable within the “British Islands” or drawn within the “British Islands” upon some person resident therein.</p> <p>An Inland Bill of Exchange need not be protested to establish its Dishonour (although it may be) whereas a Foreign Bill of Exchange must be.</p>
Insolvency Set Off	<p>In the event of Administration (Rule 2.85 Insolvency Rules 1986) or Liquidation (Rule 4.90 Insolvency Rules 1986) of a company an account shall be taken of what is due from each party to the other in respect of mutual dealings, and the sums due from one party shall be set-off against the sums due from the other and only any balance owed by the company is provable in the Administration or the Liquidation (as applicable) of the company. Insolvency set off is mandatory and cannot be excluded by agreement of the parties.</p>
Intercreditor Agreement	<p>An agreement entered into by debt and hedge providers to a company, governing the priority of repayment and Security between them. Commonly found in Syndicated Facility transactions.</p>
Interest Holiday	<p>A period when interest is rolled up or capitalised rather than being paid in cash by a debtor.</p>
Interest Period	<p>The period for which an interest rate is fixed or the period at the end of which interest is payable.</p>
Interest Ratchet	<p>A method of changing the interest rate payable in respect of a Facility depending on the financial performance of the debtor or assets over which Security has been granted.</p>
Intermodal Transport Document	<p>See Multimodal Transport Document.</p>
International Standby Practices 98	<p>Rules that apply to a Standby Letter of Credit when the Standby Letter of Credit expressly states that it is subject to the rules. They are binding on all parties thereto unless expressly modified or excluded by the Standby Letter of Credit. Published by the International Chamber of Commerce.</p>
Inventory Finance	<p>Borrowing Base Finance in respect of which finance is provided (and often secured typically by way of Pledge) against the value of inventory.</p>

Inverse Order	In respect of instalments, the latest first. This term is usually used in the context of the application of Prepayment proceeds against the instalments in the repayment schedule and means from the end, from the expected maturity.
IPU	See Independent Payment Undertaking .
Irrevocable Letter of Credit	A Letter of Credit which can only be cancelled with the consent of the Applicant , Beneficiary and the Issuing Bank . UCP 600 can only apply to Letters of Credit which are irrevocable.
ISDA	International Swaps and Derivatives Association, Inc. A global trade association representing participants in the privately negotiated Derivatives industry. Responsible for drafting the standard form ISDA Master Agreement .
ISDA Master Agreement	The standard agreements published by ISDA on which most hedging transactions are transacted.
ISDA Schedule	The schedule attached to the ISDA Master Agreement which contains all the party and deal specific terms of the arrangement between the parties. These include, <i>inter alia</i> , the tax representations, documents to be delivered, and certain key definitions.
Islamic Finance	Finance which complies with Islamic (Shari'ah) law. Interest cannot be charged. Instead the loan is structured using discounts, sale/lease, profit participation or repurchase agreements. Murabahah Finance is a prevalent form of Islamic Finance used in Trade Finance .
ISP 98	See International Standby Practices 98 .
Issuing Bank	The bank which is requested by the Applicant to open a Letter of Credit .

KYC

Know Your Customer used as a shorthand for the obligation to comply with regulations relating to the avoidance of money laundering.

L/C	See Letter of Credit .
LCL	Less than container load.
Legal Assignment	<p>An Assignment or Security Assignment which complies with s.136 Law of Property Act 1925 namely that it is: (i) absolute (i.e. unconditional); (ii) of the whole of the debt (and not part of it); (iii) in writing; (iv) signed by the Assignor; and (v) notified to the debtor of the Assignor.</p> <p>An Assignment which fails to meet any of these criteria will be an Equitable Assignment. The distinction between a Legal Assignment and an Equitable Assignment is of limited practical importance.</p>
Legal Security Assignment	<p>A Security Assignment which complies with s.136 Law of Property Act 1925 namely that it is: (i) absolute (i.e. unconditional); (ii) of the whole of the debt (and not part of it); (iii) in writing; (iv) signed by the Assignor; and (v) notified to the debtor of the Assignor.</p> <p>A Security Assignment which fails to meet any of these criteria will be an Equitable Security Assignment. The distinction between a Legal Security Assignment and an Equitable Security Assignment is of limited practical importance.</p>
Letter of Credit	An undertaking by a bank to pay (either immediately or at a future time) against specified documents on terms that the bank will be reimbursed by the Applicant .
Letter of Credit Available by Negotiation	<p>A Letter of Credit which may be negotiated by a Nominated Bank by Discounting the Bills of Exchange presented to it under the Letter of Credit.</p> <p>See also Negotiation Letter of Credit.</p>
Letter of Indemnity	<p>An indemnity issued by a seller to a buyer or a buyer to a Carrier in respect of any loss which may be suffered by a buyer or a Carrier (as applicable) as a result of the seller or the buyer (as applicable) being unable to provide the buyer or the Carrier (as applicable) with Bills of Lading. Letters of indemnity are prevalent in the oil trade.</p> <p>Also applied to an indemnity offered by a Shipper to a Carrier for any loss which may be suffered by a Carrier resulting from the issue of a Clean Bill of Lading although the Carrier is aware that the goods are not in apparent good order and condition.</p>

Lien	The right of a creditor to detain goods until money owed to that creditor is paid. Of the various categories of lien, the most relevant to Trade Finance is the common law (or possessory) lien and the contractual lien. The former arises by operation of law whereas the latter is created by contract. Like a Pledge , a lien is a form of possessory Security . Unlike a Pledge : (i) a lien does not give rise to a right of sale of the goods; and (ii) the goods are deposited not for Security but for some other purpose (e.g. storage).
Limited Recourse Finance	Finance pursuant to which the creditor's recourse to the debtor is limited to a specified amount or percentage of the debtor's indebtedness to the creditor. Often used in respect of Prepayment Finance , the creditor's recourse for the remaining amount or percentage of indebtedness of the debtor to the creditor is by enforcing its Security , typically a Security Assignment .
LMA	Loan Market Association.
Liquidation	The process of realising the assets of a company for distribution to the creditors or members of the company. Liquidation can be compulsory or voluntary – either result in the company's dissolution.
Liquidator	The insolvency practitioner appointed to effect a Liquidation of a company.
Loan Agreement	See Facilit(y)(ies) Agreement .
Loan to Value Ratio	Financial Covenant commonly used in Trade Finance transactions which typically requires the indebtedness of the debtor to the creditor to remain below a specified percentage (reference to ratio notwithstanding) of the value (usually Mark to Market) of the assets financed (which may also be secured in favour of the creditor).
Locked Box	See Cash Sweep .
LOI	See Letter of Indemnity .
Loss Payee	The person to which an insurance loss payment or settlement may be paid directly.

LPA Receiver

A person appointed under the Law of Property Act 1925 by a creditor holding a **Fixed Charge** over property to enforce the creditor's **Security**. An LPA receiver has the powers and duties specified in and limited by the Law of Property Act 1925 but these can be modified by express provisions in the **Fixed Charge**.

See also **Fixed Charge Receiver**.

MAC Clause	Material adverse change clause. Also known as a material adverse effect or MAE clause. A clause permitting a creditor to refrain from lending or to demand repayment following the occurrence of unspecified adverse events, which may be beyond the control of the debtor. Usually heavily negotiated.
Mandate	(a) The formal appointment of a bank to advise on or arrange a financing. (b) The banking document which specifies the formalities to be observed when operating a bank account, e.g. a requirement to have two signatures.
Mandatory Costs	A component of the interest charged to a debtor on a LIBOR based floating rate Facility . In addition to LIBOR, the Margin and any increased costs, the debtor has to pay this additional cost which is usually calculated according to a standard formula, suggested by the LMA . The mandatory cost is the additional cost which a creditor incurs based on the amount of their underlying borrowings including supervision fees to the Financial Services Authority and the cost of placing deposits with the Bank of England or the European Central Bank.
Mandatory Prepayment	An obligation imposed on a debtor to pay back all or part of a Facility earlier than anticipated. This may be to bring the Facility back within the agreed financial Covenants or may be due to some supervening event, e.g. it becoming illegal to continue with the Facility . Contrast Voluntary Prepayment .
Margin	The profit component of an interest rate charged by a creditor. The margin is usually expressed as a percentage rate per annum above LIBOR, Mandatory Costs and other Cost of Funds or Base Rate .
Margin Call	A demand that a party to a Derivative transaction deposit money or securities as security for the exposure of the Counterparty to the transaction.
Marine Insurance	Broadly, insurance covering loss or damage of goods at sea. The terms of the contract of sale normally provide whether the costs of marine insurance are to be borne by the seller or the buyer (see also CIF, FOB).

Mark to Market	The value of assets (typically goods) derived from their market value rather than their historic value often ascertained by reference to a specified market (e.g. London Metals Exchange (LME), New York Mercantile Exchange (NYMEX), Shanghai Futures Exchange (SHFE) etc) or index (e.g. Metal Bulletin in respect of non-ferrous metals and steel markets), Platts (in respect of energy, petrochemicals and metals) etc). Particularly relevant to Borrowing Base Finance .
Market Flex	A creditor's right to amend the terms of an existing loan within certain pre-agreed parameters if an attempted Syndication does not attract the required level of participants.
Mate's Receipt	Document issued by a shipowner acknowledging his receipt of goods including their quantity and condition which may be presented to the shipowner in exchange for Bills of Lading .
Mezzanine Debt	Higher risk, less well-secured debt. Mezzanine debt usually attracts a higher rate of interest than Senior Debt . A Facility may be structured with various risk bands to accommodate different creditors' appetite for risk.
Moratorium	The statutory prohibition on enforcement of Security or legal process that comes about as a result of an application for Administration .
Mortgage	Transfer of ownership of an asset by way of Security subject to the Equity of Redemption . A Mortgage is a non-possessory Security .
Mortgagee	The person to whom a Mortgage is granted.
Mortgagor	The person who grants a Mortgage .
Multimodal Transport Document	A document issued by a multimodal transport operator pursuant to which the operator undertakes responsibility for a cargo of goods from the time of receipt to the time of delivery notwithstanding that two or more modes of transport will be used in respect of the transit of the goods.
Murabahah Finance	A form of Islamic Finance Deferred Payment Finance pursuant to which a creditor purchases an asset from a supplier and sells it to a debtor on deferred or extended payment terms with a fixed maturity date. The creditor receives a deferred sale price comprising a cost price plus a premium.
Mutatis Mutandis	The necessary changes being made.

Negative Pledge	An Undertaking by a debtor to a creditor or third party to a creditor in respect of finance provided by the creditor to the the debtor that it will not grant Security over any of its assets (other than Security in favour of the creditor in respect of a secured financing).
Negotiable	An instrument which is negotiable is: (a) Transferable ; and (b) capable, as a result of such transfer, of conferring upon the transferee good title to the instrument irrespective of any defect in the title of the transferor. A Bill of Exchange is Negotiable (unless expressly excluded – see also Non Negotiable). A Bill of Lading is Transferable (if made Transferable – see also Bearer Bills of Lading, Non Negotiable, Order Bills of Lading and Straight Bills of Lading).
Negotiation	Negotiation, in respect of: (a) a Bill of Exchange , occurs when it is transferred from one person to another in such a manner as to constitute the transferee the Holder of the Bill of Exchange . A Bill of Exchange payable to the Bearer is negotiated by Delivery . A Bill of Exchange payable to Order is negotiated by the Indorsement of the Holder completed by Delivery ; (b) a Bill of Lading , see Transferable ; and (c) a Letter of Credit , occurs when the Nominated Bank purchases Bills of Exchange (drawn on a bank other than the Nominated Bank) and/or documents under a Complying Presentation , by advancing or agreeing to advance funds to the Beneficiary on or before the day on which reimbursement is due to the Nominated Bank .
Negotiation Bank	A bank which has purchased documents to be presented under a Negotiation Letter of Credit .
Negotiation Letter of Credit	A Letter of Credit in respect of which the undertaking of the Issuing Bank (and, in respect of a Confirmed Letter of Credit , the undertaking of the Confirming Bank) are directed to any bank which discounts any Bill of Exchange and other documents specified in the Letter of Credit . See also Letter of Credit Available by Negotiation .

Nominated Bank	The bank or banks with which a Letter of Credit is available (i.e. at which the documents specified in the Letter of Credit may be presented). See also Advising Bank and Confirming Bank .
Non Negotiable	In respect of a: a) Bill of Exchange , a Bill of Exchange which contains words prohibiting transfer or indicating an intention that it should not be Transferable ; and b) Bill of Lading , a Bill of Lading which makes the goods deliverable to the Consignee only and does not contain words providing for transfer, or contains words purporting to prevent transfer.
Non Transferable Letter of Credit	A Letter of Credit which is not designated as a Transferable Letter of Credit .
Notice of Assignment	Notice of an Assignment or a Security Assignment to the debtor of the Assignor , which <i>inter alia</i> : (i) prevents that debtor from making payment to the Assignor rather than the Assignee ; (ii) secures priority of the Assignee over a subsequent Assignee ; and (iii) is one of the required criteria for a Legal Assignment or a Legal Security Assignment .
Notify Party	The party specified as such in a Bill of Lading to whom notification of arrival of the goods should be given by the Carrier .
Novation	A rewriting of a contract to allow both the benefit and burden of a contract to be transferred to a new party. A novation can only occur with the consent of all the parties to a contract.

Obligee	The person entitled to enforce performance of an obligation by another, the Obligor .
Obligor	The person required to perform an obligation.
Off Balance Sheet	A transaction that is not required to be shown in the balance sheet of a company or in the consolidated balance sheet of a group of companies.
On Demand	See Formal Demand .
Open Account	Payment by buyer to seller by way of telegraphic transfer, mail or SWIFT transfer usually against documents of title to the goods or delivery of the goods sold.
Order	In respect of: (a) a Bill of Exchange , a Bill of Exchange which is expressed to be so payable (e.g. to “x” or order or to the order of “x”), or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it should not be Transferable ; and (b) a Bill of Lading , see Order Bill of Lading .
Order Bill of Lading	A Bill of Lading which makes the goods deliverable to the order of a person named in the Bill of Lading . The Bill of Lading may either specify delivery to a named Consignee or to his “order or assigns” (i.e. made out to the order of the Consignee) or merely to “order or assigns” without naming a Consignee (i.e. made out to the order of the Shipper).
OTC	Over the counter. Bilateral trading of financial instruments between the parties to them, rather than via an exchange.
Out of the Money	In respect of a party to a Derivative transaction, a transaction is out of the money if early termination would give rise to a liability of that party to the Counterparty .
Overriding Letter of Credit	See Counter Letter of Credit .

Packing Letter of Credit	See Green Clause Letter of Credit and Red Clause Letter of Credit .
Packing List	Used for, <i>inter alia</i> , freight calculation and customs purposes, includes details of Consignee , vessel and port of departure and contents and weight of each package.
Pari Passu	Ranking equally.
Participation	In the context of loan trading a back to back funding arrangement with a third party. Participations are not usually restricted under Facility Agreements . Participants are not normally given the right to direct the creditor to vote under the Facility Agreement in accordance with the participant's wishes except in limited circumstances. A participant does not normally obtain any direct rights under the Facility Agreement . See also Funded Participation and Risk Participation .
Participation Agreement	The agreement between a creditor and a third party in respect of a Participation . The Participation may have beneficial effects for the original creditor's Capital Adequacy requirements.
Payee	The person specified in a Bill of Exchange to whom, or to whose Order , the money is to be paid.
Payment Under Reserve	If the bank to which documents are presented by a Beneficiary under a Letter of Credit contends that the documents do not comply with the terms of the Letter of Credit , the bank may nevertheless be willing to make payment under the Letter of Credit to the Beneficiary against an indemnity issued by the Beneficiary or "under reserve". If the Applicant is not willing to take up the documents as presented by the Beneficiary , the bank will seek to recover the payment under the Letter of Credit by claiming under the indemnity issued by the Beneficiary .
Performance Bond	A form of Demand Guarantee issued to secure a buyer if he has a claim for damages against the seller for non-performance, in particular non-delivery of the goods or delivery of defective goods.
Performance Guarantee	See Performance Bond .

Pledge	Actual or constructive delivery of possession of an asset to a creditor by way of Security which, unlike a Lien , entitles the creditor to sell the asset in the Event of Default by the Pledgor . In practice, assets susceptible to a pledge are goods and documentary intangibles (e.g. Bills of Lading, Bills of Exchange, Promissory Notes). Like a Lien , a pledge is a form of possessory Security .
Pledgee	The person to whom a Pledge is granted.
Pledgor	The person who grants a Pledge .
Post-Export Finance	Finance provided to a seller by Discounting Bills of Exchange presented by the seller in respect of a Collection , a Letter of Credit Available by Way of Negotiation or a Negotiation Letter of Credit , or by prepaying a Deferred Payment Letter of Credit .
Pre-Export Finance	Finance provided (and often secured by way of Security Assignment) against the value of receivables payable in respect of the export of goods.
Preference	An arrangement between a debtor and a creditor (such as granting Security) which is intended to put the creditor in a better position than other creditors in the event of the debtor's insolvency. These types of arrangements may be set aside in the event of the debtor's insolvency.
Preferential Creditors	Those creditors of a company listed in schedule 6 of the Insolvency Act 1986 who are due payment of debts from an insolvent company ahead of creditors holding only Floating Charges and unsecured creditors. After 15 September 2003 the Crown is no longer a preferred creditor leaving employees' claims for wages and holiday pay together with contributions to occupational pension schemes.
Prepayment	Repayment of amounts before their scheduled dates for repayment. If obligatory rather than optional, it is referred to as Mandatory Prepayment .
Prepayment Fee	Fee payable by a debtor when a Facility is prepaid (in full or in part) prior to the expiry of the Tenor to compensate the creditor for its loss of anticipated profit on the loan.
Prepayment Finance	A form of Export Finance pursuant to which a buyer makes payment for goods in advance of their delivery. A buyer may finance such payment in advance by way of Limited Recourse Finance .

Prescribed Part	Pursuant to section 176A of the Insolvency Act 1986, a specified proportion of a company's net property (Ring Fenced Fund) which is applied towards payment of unsecured debts as opposed to holders of a Floating Charge (except in so far as it exceeds the prescribed statutory maximum or the amount required for the satisfaction of unsecured debts).
Presenting Bank	The Collecting Bank making presentation of the documents to the Drawee in respect of a Collection .
Principal	<p>(a) The capital element of a debt.</p> <p>(b) The person appointing an Agent who is bound by the Agent's actions.</p> <p>(c) In respect of a Collection, the party (usually the seller) entrusting the handling of a Collection to the bank.</p>
Promissory Note	An unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to the Bearer .
Protest	<p>A formal declaration that a Bill of Exchange has been dishonoured made by a notary public.</p> <p>A Foreign Bill of Exchange must be protested to establish its Dishonour whereas an Inland Bill of Exchange need not be (although it may be).</p>

Rating	A ranking of creditworthiness or ability to repay, usually grades of A to E. Ratings are often provided by a Rating Agency .
Rating Agency	Organisations which produce Ratings . Rating agencies include Standard & Poor's, Fitch and Moody's.
RCF	See Revolving Facility .
Received Bill of Lading	A Bill of Lading which states that the goods have been received by the Carrier for shipment.
Recharacterisation	Recharacterisation of a sale and purchase as a loan against Security (which will be void for lack of registration).
Red Clause Letter of Credit	A Letter of Credit enabling the Beneficiary to draw on the Letter of Credit in advance of the shipment of the underlying goods which is payable against documents other than transport documents. The clause permitting the Beneficiary to draw on the Letter of Credit in advance is traditionally printed in red. Typically used by the Beneficiary to finance its own purchase or production of the goods.
Remitting Bank	The bank to which the Principal has entrusted the handling of a Collection .
Repayment Guarantee	See Advance Payment Guarantee .
Repeating Representation	A Representation that is deemed repeated at specified times, including each time that a client makes a Utilisation Request .
Repo	See Repurchase Finance .
Representation	Any express or implied statement made by one of the parties to a contract to another, regarding a particular fact or circumstance.
Repurchase Finance	A form of Inventory Finance pursuant to which a creditor purchases goods from a debtor and sells the goods back to the debtor following the expiry of a specified period.
Reserved Based Finance	Borrowing Base Finance provided against the value of reserves (e.g. oil).
Revocable Letter of Credit	A Letter of Credit which may be cancelled or amended by the bank undertaking to pay, without the consent of the Beneficiary . UCP 600 cannot apply to Letters of Credit which are revocable.

Revolver	See Revolving Facility .
Revolving Facility	At the end of each Interest Period of a revolving facility loans must be repaid but may then be immediately redrawn.
Revolving Letter of Credit	A Letter of Credit for which the credit limit is not limited to a fixed amount but rather is restored as provided for in the Letter of Credit (e.g. by reference to a period of time or shipment).
Ring Fenced Fund	See Prescribed Part .
Risk Participation	<p>A funding arrangement between a creditor under a Facility Agreement and a third party (participant) pursuant to which the participant undertakes to pay to the creditor funds corresponding to Principal or interest due and payable by the debtor to the creditor under the Facility Agreement in the event that the creditor does not receive such funds from the debtor.</p> <p>A participant may have rights to influence how the creditor exercises its discretion under the Facility Agreement but usually only when the risk participation relates to the whole of the creditor's Commitment and loans. Risk participations are particularly appropriate in respect of Revolving Facilities or where the creditor's Commitment relates to a Contingent Liability such as a Letter of Credit.</p>

Sea Waybill	<p>A document which is not a Bill of Lading but is such a receipt for goods as contains or evidences a contract for the carriage of goods by sea and identifies the person to whom delivery of the goods is to be made by the Carrier in accordance with that contract.</p> <p>Unlike a Bill of Lading, it is non-Transferable. Presentation of the sea waybill by the Consignee is not, however, required to take delivery of the goods.</p>
Secured Creditor	A creditor having the benefit of a Security over the assets of a debtor or a third party.
Security	Charge, Mortgage, Lien or Pledge.
Security Agent	See Security Trustee .
Security Assignment	<p>Transfer of title to an asset by way of Security (Mortgage) with the Assignor having the right to have such asset reassigned to it upon discharge of its indebtedness (see Equity of Redemption). A security assignment may either be an Equitable Security Assignment or a Legal Security Assignment.</p> <p>In Trade Finance, a security assignment is commonly used in respect of receivables.</p>
Security Documents	A generic description of the suite of documents by which Security granted in respect of a Facility is created and evidenced.
Security Trust Deed	A document used in connection with a Syndicated Facility pursuant to which a Security Agent or Security Trustee , usually one of the creditors in the Syndicate , agrees to hold Security granted to the Syndicate on Trust for the Syndicate .
Security Trustee	In a Syndicated Facility the entity in whose favour all the Security Documents are entered into and who holds the Security created on Trust for the Syndicate from time to time.
Senior Debt	The part of a loan that is repayable first. Contrast with Mezzanine Debt .
Set Off	The discharge of reciprocal obligations to the extent of the smaller obligation. The relevant party applies a claim owed to him against a claim or liability owed by him.
Shari'ah Financing	See Islamic Finance .

Shipped Bill of Lading	A Bill of Lading which states that the goods have been shipped (i.e. put on board the carrying vessel).
Shipper	A seller of goods which is party to a contract of carriage of goods by sea.
Sight Bill of Exchange	A Bill of Exchange which is expressed to be payable on demand, or at sight, or on presentation or in which no time for payment is expressed.
Sight Letter of Credit	A Letter of Credit which provides for payment upon presentation of documents allowing time only for examination of the documents for compliance with the Letter of Credit .
Silent Confirmation	Confirmation of a Letter of Credit by an Advising Bank without the authorisation of the Issuing Bank .
Silent Participation	A Participation entered into without the knowledge of the debtor.
Silent Payment Guarantee	A form of Demand Guarantee in respect of which the account party (analogous to the Applicant under a Letter of Credit) is the seller rather than the buyer under the related contract of sale. Used principally in the oil trade in circumstances in which a seller requires Security for non-payment by a buyer without knowledge of the buyer.
Simple FOB	See Simple Free on Board .
Simple Free on Board	Free on Board in respect of which the buyer nominates the vessel onto which the goods are to be delivered on board by the seller pursuant to a contract of carriage entered into between the buyer (or its Agent e.g. Freight Forwarder) and the Carrier .
Skim	The part of a Margin retained by a creditor when it participates or Syndicates the Facility .
Snooze and Lose	A provision whereby consent is deemed to have been given to a request if a refusal is not given in a stated period of time.
Sole Loss Payee	The only person to whom an insurer will pay the proceeds of a successful insurance claim.
Sovereign Risk	See Country Risk .
Special Indorsement	Indorsement of a Bill of Exchange which specifies the person to whom, or to whose Order the Bill of Exchange is to be payable.
Specially Advised Letter of Credit	See Straight Letter of Credit .

Spent Bill of Lading	A Bill of Lading in respect of which the goods covered by it have been delivered to the person entitled to delivery under the Bill of Lading .
SPG	See Silent Payment Guarantee .
Standby Letter of Credit	A Letter of Credit where the documents to be presented for payment do not include commercial documents relating to the goods (e.g. documents evidencing shipment of the goods such as a Bill of Lading). Similar in effect to a Demand Guarantee . See also Commercial Letter of Credit .
Stock Finance	See Inventory Finance .
Storage Finance	See Inventory Finance .
Straight Bill of Lading	A Bill of Lading which makes the goods deliverable to the Consignee only and does not contain wording providing for transfer, or contains wording purporting to prevent transfer.
Straight Letter of Credit	A Letter of Credit in respect of which the undertaking of the Issuing Bank (and, in respect of a Confirmed Letter of Credit , the undertaking of the Confirming Bank) are directed only to the Beneficiary .
Strict Compliance	A fundamental principle of a Letter of Credit (the other being the Autonomy of the Letter of Credit), according to which the bank is entitled to reject documents which do not strictly conform to the terms of the Letter of Credit .
Strict FOB	See Strict Free on Board .
Strict Free on Board	Free on Board in respect of which the buyer nominates the vessel onto which the goods are to be delivered on board by the seller pursuant to a contract of carriage entered into between the seller and the Carrier but for the account of the buyer.
Subordinated Debt	Debt which cannot generally be repaid until other debt (usually called Senior Debt) has been repaid in full. Sometimes the senior creditor will allow payments of interest and Principal to the subordinated creditor as long as there is no Default under its own Facility .
Subordination	A rearrangement of the order in which payments of debt are to be made. The subordinated person agrees to accept its debt cannot be repaid until indebtedness to a third party is repaid in full. Strictly, subordination does not deal with the priority of Security , but often a document subordinating debt will also alter the priority of those interests.

Subrogation	A person who has discharged the indebtedness of a debtor is entitled as a result to enjoy the benefit of any Security held by the creditor to whom payment has been made.
Supply Chain Finance	A financing product in which a creditor provides credit support for the distribution of goods by the early settlement of a supplier's invoices, but does not need to take Security from the supplier, relying primarily on the direct Covenant of the purchaser (which is effectively, its client) for reimbursement.
SWIFT	A service which permits financial messages (such as ISDA confirmations) to be sent securely so that recipients can rely on the identity of the sender.
Syndicate	The group of creditors participating in a Syndicated Facility .
Syndicated Facility	A Facility under which creditors participate severally, i.e. without liability should another creditor fail to honour its obligations. The Facility may start out as a Bilateral Facility but contain provisions enabling the original creditor to transfer elements of the Facility to other creditors. The Facility is usually administered by the Agent .
Syndication	The process under which a creditor in a Syndicated Facility transfers some or all of its Commitment and loan to a new creditor.

Tenor	The period for which a loan or debt instrument is to be outstanding.
Term	See Tenor .
Term Bill of Exchange	See Time Bill of Exchange .
Term Facility	A Facility that is available to the debtor for the Tenor . The creditor may only seek repayment in accordance with the provisions of the Facility Agreement . Contrast a Demand Facility .
Term Sheet	See Heads of Terms .
Termination	The expiry of a contractual relationship either by effluxion of time or service of notice.
Termination Event	See Event of Default .
Through Bill of Lading	In respect of the transit of goods involving multiple stages, a Bill of Lading by which the Carrier undertakes to carry the goods for the sea stage of the transit and either carry the goods for all other stages of transit or arrange contracts with Carriers in respect of such other stages of transit.
Time Bill of Exchange	A Bill of Exchange which is expressed to be payable at a fixed period after date or sight or on or at a fixed period after the occurrence of a specified event which is certain to happen.
Time Draft	See Time Bill of Exchange .
Top Up Undertaking	An Undertaking by a debtor to prepay a portion of the finance provided by a creditor or to provide additional quantities of assets in order to restore the Loan to Value Ratio to the specified percentage.
Trade Finance	Short-term lending to finance reserves, inventories, or receivables, where the exposure will be repaid from the proceeds of the sale of an underlying asset.
Tranche	Part of a Facility , often categorised by the use to which that part of the Facility may be put, or by the Margin to be charged.

<p>Transferable</p>	<p>The rights arising under an instrument which is transferable can be transferred by Delivery of the instrument (together with any necessary Indorsement). An instrument which is merely transferable and not Negotiable, confers upon the transferee, only such interest as the transferor had and the transferee does not take free from the transferor's defects in title.</p> <p>A Bill of Lading is transferable (i.e transfer operates as a transfer of constructive possession of the goods and may, if so intended (e.g, as specified in a contract of sale), operate as a transfer of the title to them) if made transferable (see also Bearer Bill of Lading, Non Negotiable, Order Bill of Lading and Straight Bill of Lading).</p> <p>A Bill of Exchange is Negotiable unless expressly excluded (see also Non Negotiable).</p>
<p>Transferable Letter of Credit</p>	<p>A Letter of Credit designated as such in respect of which the Beneficiary may request (although not require) the appropriate bank to make the Letter of Credit available to one or more other parties. Typically used by the Beneficiary of the Letter of Credit to pay its supplier.</p> <p>A transferable Letter of Credit avoids the risk inherent in a Back to Back Letter of Credit that documents which are accepted and paid against under a Letter of Credit issued on the Security of another Letter of Credit are not accepted and paid against under that other Letter of Credit.</p> <p>A transferable Letter of Credit is not a Transferable instrument.</p> <p>See also Assignment.</p>
<p>Trust</p>	<p>An arrangement whereby ownership of property (including receivables) is held strictly by one person for the benefit of another person. In order to create a valid trust there must be three certainties:</p> <ul style="list-style-type: none"> (a) certainty of objects – the words used to create the trust must be clear; (b) certainty of subject matter – the trust property must be clearly defined or capable of ascertainment; (c) certainty of objects – the beneficiaries of the trust must be clearly defined or capable of ascertainment.

Trust Receipt

Mechanism by which goods or **Bills of Lading** in respect of which the bank has been granted a **Pledge** are released to the **Pledgor** for the purpose of sale against an acknowledgement by the **Pledgor** that it holds the goods and the proceeds of sale on trust for the bank, the effect of which is that the bank's possession for the purposes of the **Pledge** is maintained. Typically used to allow a bank to release goods or **Bills of Lading** to a **Pledgor** to repay financing provided by the bank to the **Pledgor** from the proceeds of sale of the goods.

UCP 600	See Uniform Customs and Practice for Documentary Credits 600 .
Unconfirmed Letter of Credit	A Letter of Credit to which the Advising Bank does not add its own undertaking to that of the Issuing Bank to honour or negotiate the Letter of Credit (as applicable).
Undertaking	A legal promise.
Uniform Customs and Practice for Documentary Credits 600	Published by the International Chamber of Commerce, rules that apply to a Letter of Credit (including any Standby Letter of Credit to the extent applicable) when the Letter of Credit expressly states that it is subject to the rules. They are binding on all parties thereto unless expressly modified or excluded by the Letter of Credit . The rules are intended to supersede the Uniform Customs and Practice for Documentary Credits 500 (being the terms operative from 1993 to 2007).
Uniform Customs and Practice Supplement for Electronic Presentation 600	A supplement to the Uniform Customs and Practice for Documentary Credits 600 applicable to a purely electronic Letter of Credit (i.e. in respect of which documents are presented by the Beneficiary in electronic rather than paper form).
Uniform Rules for Collections 1995	Published by the International Chamber of Commerce, rules that apply to a Collection when the seller and the buyer agree that the Collection is to be subject to the rules.
Uniform Rules for Demand Guarantees 758	Published by the International Chamber of Commerce, rules that apply to a Collection by agreement of the parties to the Collection .
Upstream	From a subsidiary to a parent (e.g. an upstream Guarantee is a Guarantee of the parent company given by the subsidiary).
URC 1995	See Uniform Rules for Collections 1995 .
URDG 758	See Uniform Rules for Demand Guarantees 758 .
Usance Bill of Exchange	See Time Bill of Exchange .
Usance Draft	See Usance Bill of Exchange .
Utilisation	See Drawdown .
Utilisation Request	See Drawdown Notice .

**Voluntary
Prepayment**

The payment of an obligation prior to its due date at the option of the debtor. Often attracts a fee.

Warehouse Finance	Inventory Financing in respect of which the financing is provided (and often secured typically by way of Pledge) against inventory (e.g. metals, agricommodities) held in warehouse.
Warehouse Receipt	Document issued by a warehouseman to a creditor in respect of goods owned by a debtor stored in a warehouse usually specifying that the goods are held to the order of the creditor.
Warehouse Warrant	See Warehouse Receipt .
Wharfinger	Also wharf inspector, wharf superintendent and dock superintendent. Personnel in charge of receiving and registering goods in a port on behalf of the Carrier . A wharfinger's signature of the shipping note assures the Shipper that it can proceed to draw up the Bill of Lading pursuant to the terms of the note.
Winding Up	The process of liquidating a company's assets for distribution to its members or creditors.
Winding Up Search	A search of the Central Index of Winding Up Petitions at the High Court in London.
Withholding Tax	A tax on interest, rent or dividend payments, usually where paid overseas. It is usually required to be deducted at source by the payer unless paid to a person considered safe by the authorities to account for the tax, e.g. a qualifying creditor.

Yank the Bank

A right for a debtor of a **Syndicate** of creditors to require a dissenting creditor to be replaced.

CONTACT THE TEAM

ASIA PACIFIC

ASIA



Carolyn Dong
Partner (Foreign Legal
Consultant – PRC)
Head of Energy – China
(Finance & Projects)
T +86 10 8520 0601
+852 2103 0505
carolyn.dong@
dlapiper.com



Paul Lee
Partner
T +852 2103 0886
paul.lee@dlapiper.com

AUSTRALIA



Monique Stella
Partner
T +61 3 9274 5409
monique.stella@
dlapiper.com



Caroline Monks
Senior Associate
T +61 3 9274 5085
caroline.monks@
dlapiper.com

EUROPE AND AFRICA



Charles Morrison
Partner
T +44 (0)20 7796 6444
charles.morrison@
dlapiper.com



James Willcock
Senior Associate
T +44 (0)20 7153 7229
james.willcock@
dlapiper.com

MIDDLE EAST



Debbie Barbour

Partner

T +971 2 494 1524

debbie.barbour@

dlapiper.com

THE AMERICAS



Robert J Gruendel

Partner

T +1 212 335 4736

robert.gruendel@

dlapiper.com



www.dlapipertradefinance.com

DLA Piper is a global law firm operating through various separate and distinct legal entities.

Further details of these entities can be found at www.dlapiper.com

Copyright © 2014 DLA Piper. All rights reserved. | AUG14 | 2786262