

## Scale of Charges on Trade Transactions

1. Opening Commission on Letters of Credit (L/C)
  - 1.1 0.25% flat charge for each duration of 6 months or part thereof, with a minimum charge of HK\$500.
  - 1.2 Opening commissions on back-to-back letters of credit shall follow the scale above, with a minimum charge of HK\$800.
  - 1.3 On L/C calling for usance drafts or stipulating deferred payment terms to pay the negotiating bank on maturity of the draft or on the deferred payment date(s), the issuing commission shall be as above, plus 0.0625% for each month (or part of a month) of the tenor of the bill drawn under it or for the deferred payment period, with a minimum of HK\$350 to be collected when payment is effected.
2. Opening and Drawing Commission on Revolving Letters of Credit
  - 2.1 0.25% opening commission with a minimum of HK\$500 will be charged on the face value of the L/C at the time it is opened.
  - 2.2 Drawing up to the face value of the L/C will be free of commission; thereafter, a 0.125% commission will be levied on all drawings under the credit, with a minimum charge of HK\$400 per drawing.
3. Opening Commission on Standby Letters of Credit (also called Standby Documentary Credits)
  - 3.1 0.125% per month or part thereof will be charged for the duration of the L/C, with a minimum charge of HK\$500.
  - 3.2 Opening commission will be charged in full at the time an L/C is established. For commission calculation purposes, credit will become valid on the date the L/C is opened. The commission cannot be refunded.
4. Amendments to Letters of Credit
  - 4.1 A flat charge of HK\$400 will be levied on all amendments to L/C other than back-to-back L/C, with the exception of those amendments covering increases in amount or extensions in duration. In the case of an increased amount, commission will be charged on the same basis as for the opening of a new L/C. In the case of an extended duration, a flat rate of HK\$400 will be charged if the extension begins during the six-month period. If the extension is for more than six months, a commission will be charged on the outstanding balance on the same basis as for the opening of a new L/C.
  - 4.2 A flat charge of HK\$500 will be levied on all amendments to back-to-back L/C, with the exception of those amendments covering increases in amount or extensions in duration. In the case of increased amounts, the commission shall be charged on the same basis as for the opening of a new back-to-back L/C. In the case of extended durations, a flat rate of HK\$500 will be charged if the extension begins during the six-month period. If the extension is longer than six months, the commission shall be charged on the outstanding balance on the same basis as for opening a new back-to-back L/C.
5. Letter of Credit Advising Charges
  - 5.1 For advice provided in relation to L/C issued by correspondent banks and any subsequent amendments, the Bank shall charge HK\$300 per L/C or amendment.
6. Commission on Transfer of Letters of Credit
  - 6.1 For a simple transfer of the whole of an L/C, without any alteration to its terms and conditions, there will be a minimum charge of HK\$450. If the second beneficiary is domiciled outside Hong Kong, the minimum charge will be HK\$500.
  - 6.2 For transfers that involve alterations to the terms and conditions specified in the original L/C, commission shall be charged at 0.25% for each duration of 6 months. The minimum charge will be HK\$700 for beneficiaries in Hong Kong, and HK\$800 for beneficiaries outside Hong Kong.
  - 6.3 Commission for amendments to transferred credit/transfer of subsequent amendments is the same as above for L/C with an increased amount or extended duration, and a flat HK\$300 for L/C without an increased amount or extended duration.

7. Confirming Letters of Credit Issued by Other Banks
  - 7.1 A confirmation commission at a monthly rate subject to quotation, shall be payable for each month or part thereof, for the duration of the L/C, at a minimum charge of HK\$400. For confirmed credits, which provide for deferred reimbursement, an additional charge on the same basis as the confirmation commission will be levied, covering the period from the expiry date of the L/C to the latest date on which deferred payment may be received.
8. Commission on Hong Kong Dollar Bills Paid under Letters of Credit issued in Favour of Local or Foreign Domiciled Beneficiaries
  - 8.1 Commission will be charged at the rate of 0.25% on the settlement of bills, with a minimum charge of HK\$350.
  - 8.2 When commission in lieu of exchange has been charged on a back-to-back transaction, or proceeds of an export bill denominated in a foreign currency have been converted into HK\$ or credited to a HK\$ account, where it relates to one and the same movement of goods and provided that both import and export transactions are processed by the Bank, this commission may be waived.
9. Documentary Bills Covering Exports Passed to Other Banks for Negotiation, Acceptance, Payment, or Deferred Payment
  - 9.1 Documents on a with-recourse basis – a commission of 0.25% flat will be charged, with a minimum charge of HK\$250.
  - 9.2 Documents on a without-recourse basis – a commission of 0.125% flat will be charged, with a minimum charge of HK\$250.
10. Handling Commission for Export Bills under Letters of Credit Where Documents are Checked by the Bank
  - 10.1 A minimum commission of HK\$300 for each set of invoices will be charged.
11. Hong Kong Dollar Bills Purchased without an L/C, and Hong Kong Dollar Bills Purchased under Letters of Credit Issued by Correspondent Banks
  - 11.1 A flat charge of 0.25% will be levied on the such transactions, with a minimum charge of HK\$350.
12. Export Bills (except bills for collection or on excess drawings under letters of credit) Special Handling Charge for Small Amounts
  - 12.1 Where the face amount is less than US\$10,000 or its equivalent in other currencies, there will be a minimum handling charge of HK\$200.
13. Acceptance and Deferred Payment (under Other Banks' Letters of Credit)
  - 13.1 A commission will be charged at 0.0625% per month or part thereof, for the duration of the acceptance and / or deferred payment incurred (minimum HK\$350).
14. Commission on Export Bills for Collection
  - 14.1 Commission will be charged at the rate of 0.125%, with a minimum of HK\$320.
  - 14.2 Long outstanding commission will be charged on overdue items outstanding for 4 months from the date of maturity at the rate of 0.125%, with a minimum charge of HK\$150 per month.
  - 14.3 For direct settlement made between a buyer and seller, commission of HK\$350 per item will be charged.
  - 14.4 For carrying out a drawer's instruction to release documents to a drawee free of payment, a handling fee of HK\$200 will be charged on each item.
15. Negotiating Bills of Exchange
  - 15.1 Foreign currency bills are negotiated at the prevailing rates.
  - 15.2 If an export bill is paid in a foreign currency, a commission in lieu of exchange will be charged.
16. Shipping Guarantee
  - 16.1 A flat charge of HK\$320 will be levied on each guarantee at the time of issue. In the event that the relative documents are not ultimately received through the Bank, there will be an additional charge of 0.25% of the invoice value of the goods, with a minimum charge of HK\$320.
  - 16.2 Non-Redeemable Shipping Guarantee Commission with a minimum of HK\$500.

17. Commission on Import Bills for Collection
  - 17.1 0.125% will be charged, with a minimum charge of HK\$350.
  - 17.2 For direct settlement between buyer and seller, a commission of HK\$350 per item will be charged.
  - 17.3 A flat charge of HK\$100 will be levied on unsettled import collection bills for every 3 months they are overdue.
18. Commission in Lieu of Exchange
  - 18.1 Where foreign currency is tendered in payment of a debt or obligation in the same currency, the Bank shall charge a commission in lieu of exchange at 0.25% flat, with a minimum charge of HK\$350. It shall be charged in the following circumstances:
    - a. When import transactions are settled in whole or in part in the same currency as the related bill of exchange or other documents.
    - b. When proceeds of bills of exchange or any other documents are paid out, in whole or in part, in the same foreign currency as the related bill of exchange or other documents.
19. Countersignature Discrepancy Guarantee
  - 19.1 0.125% will be charged on a bill amount (minimum HK\$200), which requires a discrepancy guarantee countersigned by the Bank for any export bill passed to any local bank for negotiation.
20. Commission on drawings exceeding the L/C amount (minimum HK\$450).
21. Commission on drawings under expired L/C, chargeable on a 6-month basis with a minimum charge of HK\$450.
22. Commission on endorsing title documents for warehousing goods under import bills, with a minimum charge of HK\$300.
23. A flat charge of HK\$100 will be levied on goods warehoused for over 3 months.
24. Commission on partial retirement of import bills, at a minimum of HK\$50 per payment.
25. Commission on direct presentation under L/C issued by the Bank, at a minimum of HK\$200.
26. For L/C negotiation with letter of indemnity / cable negotiation, a handling fee of HK\$150 will be charged.
27. A flat charge of HK\$300 will be levied on each Packing Loan application or amendment.
28. A flat charge of HK\$300 will be levied on a credit extension for a Packing Loan.
29. A flat charge of HK\$300 will be levied on each Term Loan application or amendment.
30. A flat charge of HK\$200 shall be levied on the extension of the tenor or amending the terms under collection, D/A or D/P bills purchase.
31. Transshipment effected through the Bank under B/B Credit (including S/G) – switch transaction, with a minimum charge of HK\$500.
32. A handling fee of HK\$300 (excluding charges of the Hong Kong Association of Banks and other out-of-pocket expenses) will be charged for each loss of an L/C by the beneficiary.
33. A flat charge of US\$60 will be levied on each set of discrepant documents drawn under an L/C issued by the Bank. Unless otherwise stated, any such charge will be debited from the account of the beneficiary.
34. A flat charge of US\$50 will be levied on each set of inward collection bills with shipments consigned to our Bank. This shall be charged to the account of drawer unless the collection schedule stipulates that charges cannot be waived.
35. A handling fee shall be charged on the same scale as for opening an L/C if a customer requests to withdraw an application that has been prepared / approved by the Bank.

36. A handling fee shall be charged at the same scale as for opening a back-to-back L/C if a customer requests to withdraw an application where efforts have been made to examine master credit.
37. A handling charge at a rate of 0.125%, with a minimum charge of HK\$600, will be levied on each set of bills of exchange under inward collection bills for which protest about non-payment and / or non-acceptance has been registered, unless recovery of the charge can be made from the principal of the collection.
38. Commission on Import Invoice Financing Loans, Export Invoice Financing Loans, and Export Loans  
38.1 Commission will be charged at a rate of 0.125%, with a minimum charge of HK\$300.
39. Factoring  
39.1 Commission will be charged at a rate of 0.2% of the invoice amount of each receivable, with a minimum charge of HK\$250.
40. US\$ Cheques / Drafts Purchase or Discount  
40.1 The Bank will charge a customer a minimum of 14 days' interest for cheques / drafts drawn on and payable at banks in New York City, and 22 days' interest for non-New York cheques / drafts.  
40.2 A handling fee of HK\$120 per cheque / draft plus any correspondent bank / drawee bank charges will be charged.  
40.3 A return item processing fee of HK\$100 per returned cheque / draft plus any correspondent bank / drawee bank charges shall be levied.  
40.4 For status confirmation advice, the Bank will charge a handling fee of HK\$50 per cheque / draft plus any correspondent bank / drawee bank charges.

41. Finance Charges

Interest will be charged in respect of amounts outstanding in relation to all import and export bill transactions requiring BEA's financing, and in respect of all loans and advances at the Bank's prevailing interest rate, which is subject to fluctuation from time to time. The interest charged on export bill transactions for the transit period (subject to a minimum of 10 days) will be payable upfront on the date of advance. The proceeds of export bill transactions will be credited to customers in the same currency as the bills and / or converted into HK\$ at the T/T rate. Unless otherwise agreed, accrued interest on outstanding import bills financed, import invoice financing loans, export loans, and export invoice financing loans will be calculated up to and including the 14<sup>th</sup> day of each calendar month (or if the day(s) following the 14<sup>th</sup> day is / are non-business day(s), will be calculated up to and including such non-business day or the last day of such non-business days) ("Cut-off Day") and will be settled two business days after the Cut-off Day ("Settlement Day"), or the next business day subsequent to the Settlement Day if that is not a business day.

Additional interest will be charged on overdue items at the following rates:

<u>Transaction Type</u>	<u>1<sup>st</sup> month</u>	<u>2<sup>nd</sup> month and thereafter</u>
Import bills / loans or Invoice Financing Loans	+5%	+5%
Export bills	nil*	+5%

\* For sight bills only. For usance bills, overdue interest will be charged 2 weeks after the maturity date.

42. Incidental Expenses

42.1 Incidental expenses will be charged at the Bank's discretion.

Please note that this scale is subject to revision at any time without prior notice.