

Islamic Trade Finance Solutions

SHARE FUND is committed to providing its Customers with a range of innovative Islamic financial solutions. Choosing SHARE FUND Partner Banks Islamic Trade Solutions means that Customers can be certain that their trade facilities are structured in accordance with Shariah requirements. SHARE FUND offers a comprehensive range of trade solutions to support your import and export activities and any guarantees your business needs to issue.

Import Documentary Credits

Import Documentary Credits are a payment method that reduces risk and strengthens the Customer's negotiating position with the seller. Payment will only be made if the supplier has shipped the goods and complied with all the terms and conditions prescribed in the Documentary Credits.

Benefits include:

- Shariah-compliant alternative to conventional Documentary Credits
- Helping to manage working capital
- There is a possibility for them to be used to increase the credit period a supplier is willing to give
- Documentary Credits issued by SHARE FUND partner Islamic Banks, an HSBC Group member, are widely accepted as payment assurance by suppliers and their banks
- Ensuring a supplier has met their terms and conditions before they are paid
- Strengthening Customer's negotiating position by offering a guaranteed payment

How Import Documentary Credits Work

SHARE FUND partner Islamic Banks opens Shariah-compliant Documentary Credits based on Wakala, Murabaha and Musharaka concepts:

Wakala:

The Bank acts as the agent for the Customer to open a DC against commission, without any ownership obligation.

Murabaha:

Sale on a Cost plus Profit basis

At the Customer's request, SHARE FUND partner Islamic Banks opens the DC and purchases goods from the exporter. Once Banks has constructive possession (arrival of documents) or actual possession (arrival of goods), we then sell the goods to the Customer on a cost plus profit basis. If the Customer opts for subsequent finance, financing profit is built into the Murabaha price and is paid on a deferred basis.

Musharaka:

Partnership

The Bank and the Customer form a partnership and jointly purchase the goods from the exporter through the DC, whereby the Customer's ownership ratio in the value of goods

is equivalent to the cash margin placed with the Bank. Once documents or goods arrive, the Bank sells its ownership share to the Customer on a cost plus profit (Murabaha) basis. If the Customer opts for subsequent finance, financing profit is built into the Murabaha price and is paid on a deferred basis.

SABB will pay the negotiating bank on the due date by debiting the Customer's account (if no financing is availed) or by utilising Import finance availed by the Customer.

Shipping Guarantees

Immediate access to goods without having to wait for the transport documents helps Customers avoid missing business opportunities due to delays, and ensures they don't have to pay storage fees or demurrage charges.

Islamic Import Finance

Islamic Import Finance is a Shariah-compliant solution that assists Customers in meeting their obligations under documentary credits or collections.

Benefits include:

- Bridging the gap between payment for imported goods and receipt of funds through subsequent sales
- Giving Customers greater flexibility and liquidity
- Ensuring no business opportunities are missed due to inadequate cash flow
- Customers' negotiating positions with suppliers are strengthened as they are able to accept quick payment terms

SABB offers Three options to Customers to meet their financing needs:

Tawarruq Facility:

This is used to settle a Customer's liability for an import where Customers have full ownership of the goods or where ownership has already passed on to them. The Bank purchases a commodity at a specified cost price from a broker and sells the same to the Customer on a deferred payment basis at a Sale price (cost price plus profit). The Customer then sells the commodity (through the agent) to another broker on an immediate payment and delivery basis to generate the desired amount of financing to settle the outstanding import bill.

Murabaha:

Sale on a Cost plus Profit basis

At the Customer's request, Banks opens the DC and purchases goods from the exporter. Once Bank has constructive possession (arrival of documents) or actual possession (arrival of goods), we then sell the goods to the Customer on a cost plus profit basis. If the Customer opts for subsequent finance, financing profit is built into the Murabaha price and is paid on a deferred basis.

Musharaka:

Partnership

The Bank and the Customer form a partnership and jointly purchase the goods from the exporter through the DC, whereby the Customer's ownership ratio in the value of goods is equivalent to the cash margin placed with the Bank. Once documents or goods arrive, the Bank sells its ownership share to the Customer on a cost plus profit (Murabaha) basis. If the Customer opts for subsequent finance, financing profit is built into the Murabaha price and is paid on a deferred basis.

Islamic Export Solutions

Documentary Credit Advising

SABB's association with HSBC and its global connectivity with banks in many countries enables your buyers to advise credits issued by banks worldwide through SABB in an efficient way.

Documentary Credit Confirmation

Documentary Credit Confirmation is a cost-effective way to minimise Customers' exposure to country and bank related risks with protection for DC payments. It assures payment by SABB against compliant documents even if the DC issuing bank is unable to pay.

Documentary Credit Transfer

As trading companies, Customers can transfer DCs to multiple suppliers without the need for credit facilities. It ensures that the underlying goods are supplied in accordance with the terms and conditions of the original DC.

Export Documentary Collections

Export Documentary Collections are a simple and secure alternative to Documentary Credits by protecting Customers' interests with documents and payment collections handled on their behalf.

Islamic Pre-Shipment Export Finance

Islamic Pre-Shipment Export Finance is a Shariah-compliant solution that assists Customers in fulfilling export orders in hand. Customers can obtain financing to buy raw materials, manufactured goods and pack them before shipment against the presentation of a Documentary Credit or confirmed purchase order from their buyer.

Islamic Post-Shipment Export Finance

Islamic Post-Shipment Export Finance is a Shariah-compliant solution that provides access to exports or sales proceeds ahead of the due date.

Benefits include:

- Improved cash flow and working capital by giving access to cash ahead of the due date
- Financing provided for exports under Documentary Credits and Documentary Collections
- Ability to obtain financing upon DC issuing bank's acceptance of documents or goods
- Risk of non-payment is greatly reduced
- Customers are allowed to reinvest sales proceeds immediately
- No credit facilities required

Islamic Guarantee Solutions

SHARE FUND partner Islamic Banks provides Customers with prompt issuance of guarantees in full compliance with Shariah requirements to help them meet their business needs. In addition, we assist Customers with the issuance of guarantees to or from their international business partners through HSBC's global network.

Benefits include:

- Various Shariah-compliant Guarantee products:

- Tender/Bid Bonds
- Performance Bonds
- Advance Payment Guarantees
- Miscellaneous Guarantees covering various transaction types for Retention, Customs, Financial, Payment, etc.
- Competitive market pricing
- Assurance from a reputable Bank to the beneficiary
- Beneficiary-specific clauses can be accommodated, subject to acceptance by Banks
- Foreign currency warranties can also be issued
- Simple documentation and quick turnaround time

Marine Takaful

Offered by SHARE FUND partner Islamic Banks Takaful, an HSBC Group entity like Banks the Marine Cargo Takaful Plan provides tailored solutions for a Customer's entire cargo protection needs. Banks Takaful's experienced marine experts will ensure that Customers are given comprehensive coverage at a competitive price. What's more, Banks Takaful is fully Shariah-compliant.

The Takaful Concept

Takaful means, "guaranteeing each other" in Arabic. It is a System of mutual insurance built around the concept of 'tabarru' (donation/ gift). 'Tabarru' contributions are made with the intention of helping other participants faced with difficulties and eliminating the resemblance of Takaful to gambling or exploitation. Each participant contributes to a fund to cover expected claims, while also benefiting from a share of investment returns. SHARE FUND partner Islamic Banks Takaful's role is to manage the Takaful operations and invest the Takaful contributions in line with Shariah principles. Participants share in profits of the fund with the understanding that these may be forfeited to cover losses.

Benefits include:

- Eligibility to receive a share of any declared surplus from the Takaful Fund
- Prompt documentation at Bank's Trade and Supply Chain counters
- Simultaneous processing of Documentary Credits and the issuance of marine insurance certificate/policies
- 24-hour service centre for Customer needs and claims
- Worldwide survey and settling agents to provide claim services overseas
- Coverage, including incidental extension, for a wide variety of cargos in transit by land, sea or air, to or from most countries worldwide

[DIŞ TİCARET FİNANMANI](#)

Share Fund Financial Services

One Liberty Plaza, 165 Broadway 23rd Floor, New York, US

sharefund@Gulfuscapital.com , (845)-480-8762