

# Terms and conditions of (import) Documentary Collection

Valid from  
07.06.2017

## 1. GENERAL PROVISIONS

- 1.1. These terms and conditions of import documentary collection (hereinafter the **Conditions**) regulate the relations between the Bank and the Customer in cases where a Documentary Collection Order is submitted to the Customer as the drawee via the Bank and the Documents are released to the Customer.
- 1.2. In matters not regulated by the Conditions, the Bank and the Customer shall be governed by the Bank's General Conditions and the documents referred to therein. In case of any contradiction between the Bank's General Conditions and the Conditions, the Conditions shall apply. The Customer has reviewed the Bank's General Conditions, is aware of and consents to the Parties' rights and obligations arising therefrom.

## 2. TERMS AND DEFINITIONS USED IN THE CONDITIONS AND THE APPLICATION

- 2.1. **Documents** mean the shipping documents and/or a bill of exchange added to the Documentary Collection Order.
- 2.2. **(Import) Documentary Collection** means the following activities by the Bank: (i) release of Documents against acceptance; or (ii) release of Documents against payment; or (iii) release of Documents on other conditions specified in the Documentary Collection Order.
- 2.3. **Documentary Collection Order** means the terms and conditions placed by the Drawer or the Remitting Bank, specifying whether the Documents are to be released to the Customer against payment, against acceptance and/or on other conditions (collection order).
- 2.4. **Release of Documents against acceptance** means the condition specified in the Documentary Collection Order, according to which the Bank releases the Documents to the Customer against the Customer's commitment to pay on a fixed date and/or the Customer's acceptance of a bill of exchange.
- 2.5. **Release of Documents against payment** means the condition specified in the Documentary Collection Order, according to which the Bank delivers the Documents to the Customer only against payment of the Collection Amount.
- 2.6. **Collection Amount** means the amount specified in the Documentary Collection Order, which the Customer must pay upon receipt of the Documents or which the Customer obliges to pay on a fixed date in order to receive the Documents.
- 2.7. **Customer** means a legal person who serves as the receiver (buyer) of goods or services, and to whom the Documentary Collection Order and the Documents are submitted.
- 2.8. **Remitting Bank** is the bank that forwards the Documentary Collection Order and the Documents to the Bank (for submission to the Customer) on the Drawer's instructions.
- 2.9. **Drawer** means a private or legal person who has submitted the Documentary Collection Order and the Documents as the seller of goods or services (seller).
- 2.10. **Bank** means AS LHV Pank, registry code: 10539549, seated at Tartu mnt 2, Tallinn 10145, Republic of Estonia.

## 3. RELEASE OF DOCUMENTS

- 3.1. The Bank shall be governed, when processing a Documentary Collection Order and handling Documents, by the Documentary Collection Order submitted, the Conditions and the Bank's internal rules of procedure.
- 3.2. The Bank shall inform the Customer of the receipt of the Documentary Collection Order and the Documents as well as of the conditions of release of the Documents. The Bank shall continue processing the Documentary Collection Order and the Documents, when the Customer has accepted the Documentary Collection Order and the conditions of release of the Documents (i.e. when the Customer submits the corresponding confirmation to the Bank). The Customer shall have the opportunity to previously examine the Documentary Collection Order and the Documents at the Bank.
- 3.3. The Bank shall not release the Documents or copies thereof to the Customer before the Customer has accepted the Documentary Collection Order and the conditions of delivery of the Documents.
- 3.4. The Bank shall release the Documents to the Customer pursuant to the conditions set forth in the Documentary Collection Order, and in

the form presented to the Bank (by post or via courier service), except for the Bank's notes and inscriptions required for processing the Documentary Collection Order or for carrying out other collection procedures (including confirmations, stamps or other means or identification or symbols and the relevant release or enforcement procedures usually required or prescribed for Documentary Collection).

- 3.5. When releasing the Documents against payment, the Bank shall release the Documents to the Customer only upon full payment of the Collection Amount to the Bank. The Bank shall hold the Documents in its possession until that time. In such cases, the Bank shall not be held liable for any potential consequences attributable to delays in the release of the Documents.
- 3.6. When releasing the Documents against acceptance, the Bank shall release the Documents to the Customer (except for bill of exchange) after presented written undertaking and/or acceptance of a bill of exchange, i.e. before payment of the Collection Amount by the Customer. The Bank shall not be held liable for the payment or failure to pay the Collection Amount (either in full or in part) by the Customer.
- 3.7. When releasing the Documents against acceptance of a bill of exchange, the Bank shall not be held liable for the correctness of the signatures on the bill of exchange, or for the authorisation of the signatories with regard to the power of signing the relevant bill of exchange.
- 3.8. In the event that the Drawer has not specified in the Documentary Collection Order whether the Documents are to be released to the Customer against payment or against acceptance, the Bank shall release the Documents only against payment. In such cases, the Bank shall not be held liable for any potential consequences attributable to delays in the release of the Documents.
- 3.9. The Bank shall not clarify or review the received Documents. The Bank shall not check or be liable for the existence, contents, amount, quality, delivery, etc. of the goods/services purchased on the basis of the Documents. The Bank shall not be liable for the preservation, safekeeping, storage, insurance, etc. of the goods dispatched to the Bank. The Bank shall not take any further action to preserve, keep safe, etc. of such goods.
- 3.10. The Bank shall be governed, in the processing of the Documentary Collection Order, only by the instructions of the Drawer or the Remitting Bank (by whom the Documentary Collection Order has been submitted), unless otherwise explicitly stated in the Documentary Collection Order.
- 3.11. The Bank shall not be held liable for any consequences attributable to the processing of incomprehensible and/or ambiguous Documentary Collection Orders. The Bank shall not be held liable for the correctness (authenticity), validity or compliance of the Documents, for the actions or failure to act of the Remitting Bank or third parties, for any technical malfunctions regarding exchange of (electronic) data, delays, loss of data or erroneous data, or for the actions or failure to act of the postal service or courier service provider.
- 3.12. The Bank shall have the right not to process and/or to suspend processing of the Documentary Collection Order in the following cases:
  - 3.12.1. the Customer refuses to accept the Documentary Collection Order and the conditions of release of the Documents (i.e. fails to provide the Bank with the corresponding confirmation).
  - 3.12.2. the Customer has unfulfilled obligations (debt) to the Bank and/or the Customer has failed to appropriately perform an agreement entered into with the Bank and has failed to eliminate the debt and/or the breach by the date established for payment of the debt and/or elimination of the breach.
  - 3.12.3. the circumstances related to the Customer and/or the Drawer and/or the Documentary Collection Order and/or the Documents are liable to damage the interests of the Bank and/or Remitting Bank.
  - 3.12.4. a sanction (a legal act, international regulations, other transaction restrictions under public law (including state-enforced) or an embargo on trading, economic relations or financing, as established or enforced by the UN Security Council, the European Union, the US government, the Office of Foreign Assets Control and/or departments of the same) is imposed with regard to an obligation related to the Customer and/or the Remitting Bank and/or Drawer and/or the Documentary Collection Order or the Documents

and/or third parties related to the Documentary Collection Order or Documents.

#### 4. TRANSFER OF THE COLLECTION AMOUNT AND FEES

- 4.1. The Bank shall transfer the Collection Amount pursuant to the conditions set forth in the Documentary Collection Order on the payment date, provided that the Customer has fully paid to the Bank (to the account specified by the Bank) the Collection Amount by the term and in the currency specified in the Documentary Collection Order. The Bank shall not be held liable for the payment or failure to pay the Collection Amount (either in full or in part) by the Customer.
- 4.2. The Bank shall transfer the Collection Amount, which is paid by the Customer to the Bank, to the Remitting Bank or the Drawer (pursuant to the Documentary Collection Order) and shall not be held liable for the consequences of the actions or failure to act of the Remitting Bank and/or other banks, arising from any delays in the payment of the Collection Amount to the Drawer or any deductions of service fees from the Collection Amount.
- 4.3. The Bank's service fees and/or costs related to the processing of the Documentary Collection Order (hereinafter jointly referred to as **Fees**) shall be stipulated in the Bank's price list (the Bank's price list is available on the Bank's website at [www.lhv.ee](http://www.lhv.ee)).
- 4.4. The Fees shall be paid in accordance with the Documentary Collection Order by the Customer or the Drawer as follows:
  - 4.4.1. If, pursuant to the Documentary Collection Order, the Fees are to be paid by the Drawer, the Bank shall deduct the Fees from the Collection Amount paid to the Bank by the Customer, and transfer the remaining funds to the Remitting Bank or the Drawer (pursuant to the Documentary Collection Order);

- 4.4.2. If, pursuant to the Documentary Collection Order, the Fees are to be paid by the Customer, the Customer shall pay the Fees to the Bank (to the account specified by the Bank) together with the payment of the Collection Amount to the Bank.
- 4.5. If the Customer fails to pay the Fees to the Bank, the Bank shall have the right, without the Customer's corresponding consent or instruction, to debit the Fees in the full amount from the accounts opened by the Customer with the Bank. The Bank's right to debit the account(s) opened by the Customer with the Bank, as provided in this Article, shall not exempt the Customer from the obligation to fully pay all Fees to the account specified by the Bank.
- 4.6. The Bank shall have the right to withhold release of the Documents to the Customer until full payment of the Fees by the Customer to the Bank. In such cases, the Bank shall not be held liable for any potential consequences attributable to delays in the release of the Documents.

#### 5. FINAL PROVISIONS

- 5.1. By agreeing to the Documentary Collection Order and the conditions of release of the Documents, the Customer shall confirm having reviewed the Conditions and agreeing to the same.
- 5.2. The Bank shall have the right to unilaterally amend the Conditions by informing the Customer thereof at least 1 (one) month in advance.
- 5.3. These Conditions shall be governed by the legal acts of the Republic of Estonia. Any disputes arising from the Conditions shall be solved pursuant to the procedure provided in the Bank's General Conditions.
- 5.4. The processing of the Documentary Collection Order and the Documents shall be governed by the international regulations *ICC Publication of Uniform Rules for Collections, publication No. 522*).