GUARANTEE

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Trade Finance

Standard Bank *É POSSÍVEL*

The Standard Bank Angola is part of The Standard Bank Group, a leading African Financial Services Group with universal banking capabilities. We operate in 20 countries in Africa, including South Africa, as well as in other key markets globally.

Standard Bank Angola offers a comprehensive range of trade finance products that aim to ensure your working capital requirements and risk mitigation needs are met.

Guarantees

Requesting bank guarantees in a commercial contract is a common practice in the market. In large-scale transactions, especially in international trade, it goes without saying that bank instruments that secure performance and payment obligations are a vital part of managing risk in business. When concluding contract, it is prudent to partner with a bank that has the cross-border transaction expertise and knowledge of international trade to provide tailored solutions and sage advice. Among national and international banks, Standard Bank is a preferred trade bank with the client base and accolades to stand testimony to our capabilities.

Securing performance and payment obligations

Through bank guarantees, Standard Bank provides you and your contracting parties with assurance, through a written undertaking, that if the terms and conditions of the contract are not met the bank will make certain payments on behalf of the contracting party.

Standard Bank intervenes and provides you and counterparties with the assurance that it will pay a predetermined amount of money in the event of default. When purchasing goods or services offshore, it is difficult to assess the potential expertise or financial prospects of your supplier of goods and services. For this reason, you should request your counterparties to provide a bank guarantee that the supplier will perform as agreed. Standard Bank facilitates the issuance of this guarantee to you through our widespread network of international banks, that covers where your counterparties are banked. Sellers of goods can also require you to provide guarantees to secure your payment obligations.

A Bank Guarantee is a bank's commitment to honour payment to a beneficiary if the opposing party does not fulfil its contractual obligations. It protects both parties in the transaction but favours the beneficiary (usually the importer).

Guarantees are classified into two categories, namely:

1. Performance Guarantees;
2. Lending/Financial Guarantees.

A performance guarantee guarantees payment to the beneficiary in the event that the applicant (the bank's client) fails to perform its obligations in terms of the underlying relationship/contract. The guaranteed amount may remain the same for the full duration of the guarantee or may be reduced by the applicant's performance in terms of the underlying contract. All reductions must be effected in accordance with the terms of the guarantee. Depending on the bank's capital holding requirements, a lower commission would be levied on the applicant for the issuance of a performance guarantee.

A lending (financial) guarantee guarantees payment to the beneficiary in the event that the applicant (the bank's client) fails to pay an amount in terms of the underlying relationship/contract. The guaranteed amount may remain the same for the full duration of the guarantee or may be reduced by payment due in terms of the underlying contract. All reductions must be effected in accordance with the terms of the guarantee. As there is a much higher capital holding requirement placed on the bank for the issuance of lending (financial) guarantees, a higher commission would be levied on the client.

For further information on our products and services, contact your Transactional Solution Manager or Relationship Manager.

Disclaimer
This information is of an advertising nature and does not dispense with the consultation of legally required pre-contractual and contractual information and does not constitute a contractual proposal.
Contractual proposal is subject to prior approval by the entities involved and subject to the conditions defined according to the risk profile for each operation.