



# HANKS OIL AND GAS LIMITED

Oil & Gas, Commodities Supply, Project Funding/Financial Securities

## ELIGIBILITY CRITERIA TO GET A BANK SECURITY

- Applicant should have at least 5 Years Business Experience in the Industry.
- Applicant should have well prepared Business Plan & Cash Flow Projection.
- Applicant and Applicant's Company should have Decent Credit History.
- Applicant should have Constant Income flow.
- Applicant's Age between 23 years and 65 years at the time of applying.
- A good relationship with your bank, to prove that you may require to submit Bank Reference Letter.
- A timely debt repayment history.
- Applicant should have an active Trade Account in the same bank from which he/she is applying for the Bank Security (SBLC/BG). **NOTE: If you do not have an active Trade account you can open one by yourself or we may assist you to get one.**
- Applicant must have all the financial documents notarized by a FCA Regulated Law firm based in The United Kingdom (Preferably FCA Firm registered in London) **NOTE: If you do not have a FCA Law firm, you may find one by yourself or we may assist you to get one.**
- A few assets such as FDs, investments, immovable property, etc.
- Applicant should not have any Bankruptcy History.
- Post execution of the Contract, Applicant should allow us at least 30 banking days' time to get a Bank Security.

## DOCUMENTS REQUIREMENTS TO APPLY FOR BANK SECURITY

- Identity and address proof (Preferably Passport)
- Proof of business (Preferably Business Registration Certificate)
- Business profile
- Business plan & Cash Flow Projection
- Profit/loss statements and balance sheets of the previous year.
- CV of the Applicant.
- Bank Reference Letter.
- Previous year Audit report.
- Client Information Sheet (CIS)
- Letter of Intent (LOI)
- Pro-forma Invoice - Only for DLC
- Corporate Resolution (CR)
- Non-Solicitation Statement (NSS)
- Non-Circumvention and Non-Disclosure Agreement (NCNDA)
- Irrevocable Master Fee Protection Agreement (IMFPA)
- Approved SWIFT Verbiage

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## TRANSACTION PROCEDURE FOR BANK SECURITIES (BG/ SBLC) – LEASE/PURCHASE

- Applicant submits the Complete Filled CIS/Application form along with his/her LOI along with required Securities Type (Use Updated Security List), Face Value, Issuing Bank Name, Receiving Bank Details.
  - Issuing Platform will check the Availability of the requested Securities and reply to the Applicant with Security Issuing Authority Profile details (or suggest an alternative Security).
  - Legal Desk will verify the documents with the FCA Regulated Firm (Notarizing Firm) and access Applicant's capabilities. Accepted applicants will receive the Issuer Executed Legal Agreement for Securities Issuance Program.
  - Applicant will submit the Executed Agreement to issuing authority. This Agreement should be Notarized by the Notary Public.
  - Within two (2) banking days from the receipt of the Notarized Contract, issuing authority will lodge the contract to its Securities issuing bank.
  - Within three (3) banking days from the document's submission to the bank, Security Issuing Authority will send a SWIFT MT199/799 to the Beneficiary's Bank.
  - Within five (5) banking days from the document submission, Issuing Bank will send the Tradable & Transferable Securities/Security through SWIFT MT760 to the Beneficiary's Bank.
  - Within Fifteen (15) banking days from the receipt and verification of the SWIFT MT760, beneficiary bank will transfer the pre-approved Lease/Purchase fee through SWIFT MT103.
  - If the beneficiary does not honour the payment, then the Issuer will place a claim on the Securities which will cause the receiver's bank to return the SWIFT MT760.
  - The Issuing Bank has one week within the reception of the payment of the Securities to send the hard copy of the Securities to the beneficiary bank through a courier that is bank bounded.
- NOTE: In our contracts, the Beneficiary must return the Leased Securities to the Issuing Platform 15 days prior to the year anniversary of the contract. For any additional services from us will be charged, the fee for the additional services are nonrefundable.**

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## TRANSACTION PROCEDURE FOR BANK SECURITIES (DLC) – LEASE

*There are different types of letters of credit and various scenarios in which letters of credit (L/C) are used. The basic letter of credit procedure:*

- *The buyer and the seller draw up a purchase and sales agreement. The purchase and sales agreement between the buyer and the seller stipulates that payment is made through a letter of credit.*
- *The buyer submits the LOI along with required DLC Type (Use Updated Security List), Face Value, Issuing Bank Name, Receiving Bank Details to issue a letter of credit. The letter of credit must be in accordance with the purchase and sales agreement.*
- *Issuing Platform will check the Availability of the requested Security and reply to the Applicant with Security details (or suggest an alternative Security). The reply will be attached with an Application/CIS Form.*
- *Applicant will fill and submit the Application/CIS with supporting documents like Proforma Invoice & Purchase Contract.*
- *Legal Desk will verify the documents and access Applicant's capabilities. Accepted applicants will receive the Legal Agreement of Securities Issuance Program.*
- *Applicant will submit the Executed Agreement to issuing authority.*
- *Issuing authority will counter-sign the agreement and submit a copy to the Applicant.*
- *Issuing authority will issue the Payment Invoice for the Lease fee of the required DLC.*
- *Applicant, within five (5) banking days, instructs his Bank to transfer the Lease Fee on Letter of Credit transaction.*
- *Within three (3) banking days from the receipt of the Lease Charges, the issuing bank sends the letter of credit to the advising bank through SWIFT MT700.*
- *The advising bank verifies the authenticity of the letter of credit and forwards the letter of credit to the seller.*

### **The seller checks if:**

- *The letter of credit corresponds to the terms and conditions of the purchase and sale agreement.*

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- *He can meet the requirements of the letter of credit within the specified period or by the specified date.*
- *He can produce the documents stipulated in the letter of credit. These documents include the invoice, transport documents such as the bill of lading, or quality certificates.*
- *After ensuring that the terms of the letter of credit can be met, the seller produces the goods and prepares shipment.*
- *The seller prepares the documents that prove that the goods are ready for shipment and presents these documents to the advising bank. The advising bank sends the documents to the issuing bank.*
- *The issuing bank checks the documents and if approved, the issuing bank transfers the payment to the seller through the advising bank.*
- *The issuing bank hands over the documents to the buyer. The documents allow the buyer to clear the goods from the customs and take possession of the goods. The buyer pays the issuing bank.*

## AMENDMENTS:

*When the letter of credit is advised to the seller by the advising bank, the seller checks if the requirements of the letter of credit can be met. If the seller is unable to meet any term or condition of the letter of credit, or the letter of credit differs from the purchase and sale agreement, the seller must notify the importer and request an amendment to the letter of credit.*

*For example, the seller asks to extend the expiry date and the latest shipping date if they are unable to manufacture the merchandise in time. An importer can request an amendment to increase the value of the letter of credit to purchase a higher quantity of merchandise.*

*When all parties agree, the amendment is incorporated into the terms of the letter of credit and advised to the exporter through the advising bank. The seller starts shipment after the amendments have been agreed to.*

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