



## MID TERM NOTE MONETIZATION (MTN)



### INSTRUMENT & SERVICE DESCRIPTION:

Monetization, in general, is the process of converting or establishing something into legal tender. Monetizing a bank instrument such as a Mid Term Note (MTN), means raising Non-recourse loan against it.

In order to receive cash funds or raise a credit line against a bank instrument, it is important that the client is in control of the instrument and is worded specifically for the purpose of monetization

### MONETIZATION PROCEDURE

1. Mid Term Note (MTN) for 500 million or more from any one of the top banks like HSBC UK, Deutsche Bank Germany, RBS London, or Barclays UK are all acceptable for monetization.
2. MTN, SBLCs, BGs and BANK DRAFTS must be issued in the **NAME OF THE MONETIZER**. All bank instruments issued in the name of the client or any other third party cannot be monetized unless these are re-issued in favour of the designated bank account of the monetizer.

3. The client submits KYC / current dated BCL or RWA signed by two bank officers with their pin codes. **The name of the monetizer and the information for monetizers bank will be provided only after the client submits their KYC and RWA letter that is accepted / approved.**

#### **IF THE MID TERM NOTE (MTN) IS ALREADY ISSUED:**

The Client will send copies of original Mid Term Note (MTN) and also a ATV to verify on Bank to Bank basis. The Mid Term Note (MTN) owner must be willing to re-assign the bank instrument in favour of the monetizer backed by MT760.

#### **IF THE MID TERM NOTE (MTN) IS NOT YET ISSUED:**

If the Mid Term Note (MTN) is not issued, the client will arrange to send a **RWA letter** from the Mid Term Note (MTN) issuing bank with his KYC pack. After the positive verification of the Bank RWA letter, the client's Mid Term Note (MTN) issuing bank will send a free message MT799 to the designated bank of the monetizer as per desired verbiage.

We will need a free message MT799 direct from the issuing bank sent to our designated bank confirming that it is RWA to issue MT760 within the next 2 to 3 days.

#### **MID TERM NOTE (MTN) MONETIZATION LTV:**

- **Mid Term Note (MTN) monetization - 60% to 80% Non-Recourse**

#### **ESTIMATED COMPLETION TIME:**

7 Days after all documents are signed and verified

#### **SWIFT PROCESS**

1. After execution of the Mid Term Note (MTN) monetization contract by both parties the Client will instruct his bank to send SWIFT MT799 to the bank coordinates provided by the monetizer.
2. The monetizers bank on receipt of the SWIFT MT799 from the client's bank will reply with a SWIFT MT799.

3. On receipt of the monetizers bank SWIFT MT799 the Clients bank will deliver the Mid Term Note (MTN) by SWIFT MT760 to the monetizers bank.
4. Upon receipt, confirmation and delivery of the SWIFT MT760 the Mid Term Note (MTN) monetizer will within maximum four (4) banking days grant a Non-Recourse Loan for the LTV as agreed from its nominated bank to the Client.
5. The Mid Term Note (MTN) monetizer agrees to return the Mid Term Note (MTN) unencumbered fifteen (15) calendar days before the 1 year anniversary of the signed contract between the parties.

### **EUROCLEAR PROCESS**

1. After execution of the Mid Term Note (MTN) monetization contract by both parties the Client will instruct his bank to assign the Mid Term Note (MTN)) using FREE Euroclear Delivery to the bank coordinates provided by the monetizer.
2. The Clients Banker shall immediately email a certified Euroclear execution receipt of the Mid Term Note (MTN) delivery to the monetizer.
3. Upon receipt and confirmation of the Euroclear assignment and delivery, the Mid Term Note (MTN) monetizer will within maximum three (3) banking days grant a Non-Recourse Loan for the LTV as agreed from its nominated bank to the Client.
4. The monetizer agrees to return the Mid Term Note (MTN) unencumbered fifteen (15) calendar days before the 1 year anniversary of the signed contract between the parties.
5. The Mid Term Note (MTN) monetizer agrees to return the Standby Letter of Credit (SBLC) unencumbered fifteen (15) calendar days before the 1 year anniversary of the signed contract between the parties.



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