

One Stop Guarantee Program (OSGP)

– Ensure prompt issuance, transparent and predictable pricing in issuing of local guarantees

The One Stop Guarantee Program is a predefined procedure to ensure enhanced effectiveness in the issuing of local guarantees. This arrangement aims to reduce long end-to-end processing times and random pricing which are often features of issuing guarantees in emerging markets.

Characteristics

The One Stop Guarantee Program – or OSGP – is a set-up arranged jointly by Nordea and Standard Chartered Bank. By utilising the OSGP you will have a predefined procedure for issuance of local guarantees in a large number of countries in emerging markets.

Issuing of local bank guarantees often implies aspects of which neither you nor your bank can be in control. It may relate to the local bank's risk commission, handling fees and time required to provide the actual guarantee to the final beneficiary. Procedure and policies for managing claims and how to terminate the undertaking may also differ, not only by specific countries, but also by individual banks.

OSGP – One Stop Guarantee Program

Nordea has set up a standardised procedure together with Standard Chartered Bank to overcome the challenges mentioned above and to make local issuing of international guarantees as efficient as possible.

You send your guarantee application directly to Nordea, as is the normal procedure for any guarantee. Nordea will interchange and design the transaction together with Standard Chartered's London office. They will then distribute the actual case to the local site where the guarantee is issued. The program covers the major and most important markets in Asia, Africa and the Middle East. Countries where this service is available are listed overleaf.

Benefits of the OSGP

The OSGP offers multiple benefits compared to not having a predefined end-to-end procedure. These include:

- Reduced cycle-time from application until the guarantee is in the hands of the beneficiary. This often reduces time to receive payment e.g., in issuing of down payment guarantees.
- Prompt remittance by using the digital global SWIFT-network reduces time further.
- Competitive, predefined and transparent pricing of local services due to Nordea's credit rating.
- Full access to Standard Chartered's local country expertise.
- Allied partner on-site assisting in claims and termination of guarantees.

Administration

Communication and your access to records of outstanding transactions are managed in exactly the same way as for any kind of guarantee. This is irrespective of whether you use Nordea's Trade Finance Global interface or a trade finance multi-banking channel, such as SWIFT MT798.

On the next page you will find illustration of how related procedures work.

CONTACT

Please contact us to find out more about our Trade Finance solutions

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SHORT CUTS

Read how the very biggest corporates with massive guarantee needs organise their operation and what they regard as being key success factors

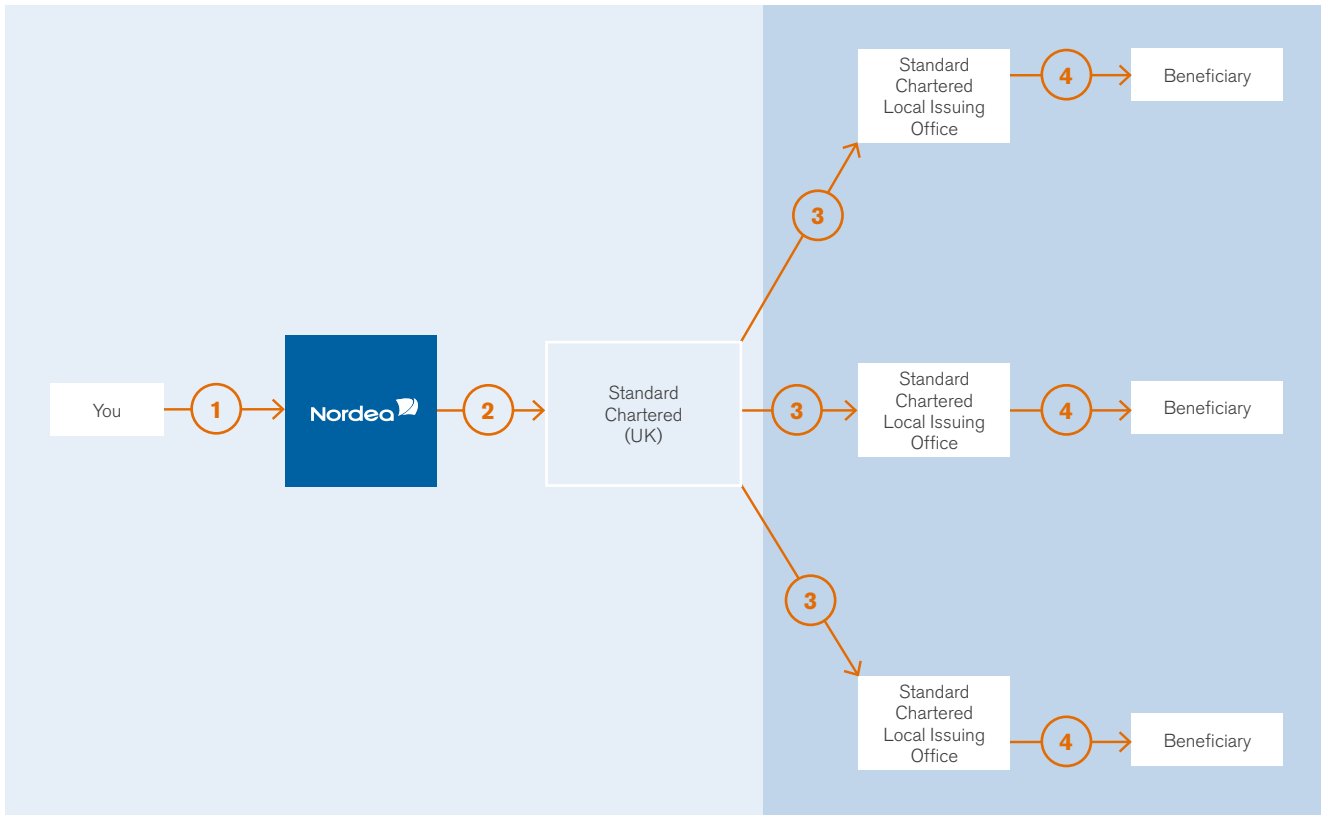
INSIGHTS.NORDEA.COM/RISK-AND-REWARD-TRADE-FINANCE-SUB-SAHARAN-AFRICA

FACTS

Management of contractual guarantees in emerging markets is often cumbersome, time consuming and expensive. Nordea provides effective solutions to manage the majority of aspects to be considered in the end-to-end process.

In areas where Nordea has no local presence, services are based on collaboration with local banks and alliances with banks operating in those areas.

Disputes are raised and resolved between the counterparties



1. You submit guarantee application to Nordea
2. Nordea issues counter indemnity and submits to Standard Chartered's London office by sending a SWIFT MT 760 message
3. Standard Chartered's London office issues a counter-guarantee to the issuing office in the beneficiary's location
4. The issuing office issues a guarantee to the beneficiary locally

Countries where OSGP is available

- Asia
- Bangladesh
- China
- India
- Indonesia
- Japan
- Macau
- Nepal
- Singapore
- South Korea
- Pakistan

Africa

- Ivory Coast
- Cameroon
- Ghana
- Gambia
- Kenya
- Mauritius
- Nigeria
- Tanzania
- Uganda

Other jurisdictions may be possible according to a separate agreement

Please note that local taxes apply just like they do for local banks in general.