

## Secure Your Next Trade or Project with a Top-Rated Bank Instrument

### Securities Lending with Secure Payment Options\*



Version: May 2024

**Overview:** Keston's securities lending service provides investment grade bank bonds purposed to issue cash-backed bank instruments (SBLC, BG or MTN) from A-rated European portfolio banks: HSBC PLC, UBS AG, BNP Paribas, Deutsche Bank AG, Barclays Bank PLC, or Standard Chartered PLC. The bank instruments may be borrowed using one of three secure payment options requiring funds to be reserved by the borrower's paying bank through delivery of the instrument (SWIFT MT760); payment is completed or matures only after delivery.

**Bond Reservation:** After contract signing, borrower completes the settlement cost beginning at USD/EUR 35,000 or issues its RWA via SWIFT MT999. Settlement cost includes a 20-day call option that is placed on the selected bank bond for the borrower's order. The option is placed on the bond in the borrower's name, verifiable via Euroclear, Refinitiv Eikon, and Bloomberg. Bond documents along with the bank instrument pro forma invoice are securely delivered to the borrower.

**Payment Commitment:** Before the call option expires (20 days) the borrower commitments payment for their order using one of the following three options: conditional payment via SWIFT MT103, documentary letter of credit via SWIFT MT700, or bank draft via SWIFT MT110 (42 day maturity or value date). Payment commitment options are available for instruments USD/ EUR 10M and above.

**Delivery / Renewal:** The bond is ordered then placed with its assigned portfolio bank. Within 21 days, the bank instrument (SBLC, BG, or MTN) is sent via SWIFT MT760 to the borrower's receiving bank. Payment is due or matures upon delivery and verification by the borrower's bank. The bank instrument is renewed for another year or returned 15 days before maturity.

#### BANK INSTRUMENTS OFFERED:

MEDIUM-TERM NOTE (MTN)

STANDBY LETTER OF CREDIT (SBLC)

BANK GUARANTEE (BG)

#### BANK INSTRUMENT BENEFITS:

- Bank-to-Bank Delivery
- Commodity & Trade Leverage
- Secure Loans with No Guarantee
- Low Acquisition Cost
- Monetizable with High Liquidity
- Standard Market Value (up to 90%)
- Divisible, Transferable, and Assignable
- Credit Enhancement

#### PAYMENT COMMITMENT OPTIONS:

CONDITIONAL (SWIFT MT103)

CONDITIONAL DLC (SWIFT MT700)

42 DAY BANK DRAFT (SWIFT MT110)

#### FOR MORE INFORMATION:

Keston Capital Partners

[www.kestoncap.com](http://www.kestoncap.com)

[order@kestoncap.com](mailto:order@kestoncap.com)

# General Procedure

1. After Application acceptance (via Keston's Authorized Representative), a Keston Account Manager sends to Borrower via official (@kestoncap.com) electronic mail its Deed of Agreement to be electronically signed and returned to Keston;
2. Keston (Provider) digitally countersigns and returns the DOA to the Borrower, which thereby automatically becomes a full commercial recourse contract (Agreement);
3. Within 5 days, Borrower issues the Settlement Cost (based on tranche size beginning at \$/€ 35,000) or issues its [RWA via SWIFT MT999](#) to the Provider to reserve the bank bond for the borrowing of the bank instrument (MTN/SBLC/BG);
4. Provider places a 20-day call option on the selected investment grade bank bond (collateral), for the face value amount of the MTN/SBLC/BG as ordered by the Borrower;
5. Within 3 banking days, Provider sends all details of the bond (verifiable via Euroclear, Bloomberg, and Refinitiv Eikon terminal) for Borrower to confirm the instrument in their name along with the Pro forma Invoice for its payment commitment;
6. Within 3 banking days, Borrower executes and returns the Pro forma Invoice for its payment commitment to Provider for the order / delivery of the MTN/SBLC/BG;

*Note: The call option maybe extended for an additional 30 days (\$/€ 25,000) if Borrower cannot issue its conditional payment via SWIFT MT103 prior to call option expiration.*

7. Within 3 banking days, Borrower instructs its bank to send its payment commitment to the Provider's assignor / bank under its assigned transaction code before expiry of call option;
8. After receipt of the payment commitment and successful due diligence, the bank bond will be placed at its portfolio bank for issuance of cash-backed MTN/SBLC/BG delivered by SWIFT MT760 to the Borrower's receiving bank;
9. After receipt and verification of the MTN/SBLC/BG by the Borrower's bank, the payment commitment becomes due or matures as agreed;

*Note: The payment commitment is cancelable if the SBLC is not delivered to the Borrower's receiving account via SWIFT MT760 within 21 days of hard copy receipt.*

10. Fifteen (15) days before the maturity date of the bank instrument, Borrower's bank returns back the MTN/SBLC/BG to the Provider's issuing bank unencumbered and free of liens.

# Top-Rated Bank Instrument

## Annual Service Fee

**2024 Special Price of 10%** (includes commission)

March 11 - December 31, 2024

MEDIUM-TERM NOTE | STANDBY LETTER OF CREDIT | BANK  
GUARANTEE

Portfolio Banks: HSBC PLC | UBS AG | BNP Paribas | Deutsche  
Bank AG | Standard Chartered | Barclays Bank PLC

Tier #	Face Value of the Bank Instrument (\$/€)	Cost (%)
1	5,000,000 - 1,000,000,000+	7.5+2.5% (10%)

### **NOTE:**

- \* Borrower's paying and receiving bank must be a minimum B-rated bank by Fitch, Moody's and/or Standard and Poor.
- \* Borrower may select their issuing bank for bank instruments with face value USD/EUR 49M and below from the portfolio banks listed above.
- \* Borrower (person or entity) must complete each order before opening a new one.
- \* See: [www.kestoncap.com](http://www.kestoncap.com) for our payment options; bank instruments below USD/EUR 10M must be secured with unconditional SWIFT MT103.
- \* Gross sales price must not exceed ten percent (10%) with two point five percent (2.5%) paid in sales commission from the Borrower under a Payment Guarantee Letter (PGL) endorsed by their paying bank, direct to their Authorized Representative or Introducing Broker, included within the securities lending deed of agreement.

# BANK INSTRUMENT APPLICATION FORM

All details are dealt with in a strictly confidential way and released only to professionals to structure a solution for the Security/Collateral requirements.

## Borrowing Securities on the Basis of a Global Master Securities Lending Agreement

To: *Keston Capital Partners*

Via Authorized Representative (AR):

AR Code:

Account Manager:

Date:

*This e-form is Adobe PDF fillable without modifying (click to download)*

### Application to Borrow Financial (Bank) Instrument

#### IDENTIFICATION OF SELECTED FINANCIAL INSTRUMENT *(red sections completed by Keston):*

ISSUING BANK	ISIN CODE	CURRENCY	AMOUNT REQUESTED	ANNUAL SERVICE FEE

\*\*\* payment terms, conditions and drafts are available at [www.kestoncap.com](http://www.kestoncap.com)

IT IS CONFIRMED THAT THIS APPLICATION IS FOR:

#### PURPOSE AND DELIVERY REQUEST *(please choose from the options below)*

1.	For the purpose to borrow instrument TO receive a fresh-cut MTN (Medium-Term Note) issued by Keston (lender) assignor bank after purchase of borrowed BOND/MTN
2.	For the purpose to borrow instrument TO receive a fresh-cut BG (Bank Guarantee) issued by Keston (lender) assignor bank after purchase of borrowed BOND/MTN
3.	For the purpose to borrow instrument TO receive a fresh-cut SBLC (Stand-by Letter of Credit) issued by Keston (lender) assignor bank after purchase of borrowed BOND/MTN
4.	With pre-advice by SWIFT MT799 from Keston (lender) assignor bank <b>(if option is not selected the Deed of Agreement [DOA] will be prepared WITHOUT pre-advice)</b>
5.	With <a href="#">RWA</a> to Keston's bank by SWIFT (MT199 or MT999) in lieu of Settlement Cost (see below) <b>(if option is not selected DOA will be prepared WITHOUT RWA and with call option invoice)</b>

KESTON IS NOT THE OWNER OF ABOVE SELECTED INSTRUMENT AND TO START THE TRANSACTION THE INSTRUMENT MUST BE RESERVED AT ITS STOCK EXCHANGE BY A CALL OPTION WITHIN SETTLEMENT COST CALCULATED FROM INSTRUMENT FACE VALUE AMOUNT AS BELOW:

INSTRUMENT FACE VALUE (FV)	SETTLEMENT COST*
FACE VALUE TO 500M EUR/USD	USD/EUR 35,000
FACE VALUE FROM 501M TO 999M EUR/USD	USD/EUR 43,000
INSTRUMENTS HAVING FV HIGHER THAN 1B EUR/USD	USD/EUR 47,500

\* SETTLEMENT COST WILL BE PAID BY KESTON ON BEHALF OF BORROWER WITH [RWA LETTER](#) FROM BORROWER'S PAYING BANK VIA MT999/199: CHOOSE OPTION 5 ABOVE

\_\_\_\_\_  
(BORROWER [COMPANY] NAME)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

Printed Name	
Title	

BORROWER'S INITIALS: \_\_\_\_\_

**APPLICATION FORM  
MTN-SBLC-BG**

Borrower's paying and receiving bank must be a minimum B-rated bank by Fitch, Moody's and/or Standard and Poor.

To: *Keston Capital Partners*

<b>BORROWER'S COMPANY INFORMATION</b>	
COMPANY   REG #	
ADDRESS	
CITY/COUNTRY	
<b>BORROWER'S AUTHORIZED SIGNATORY</b>	
AUTHORIZED SIGNATORY (FULL NAME)	
PASSPORT #   COUNTRY	
ISSUING DATE   EXPIRY	
<b>BORROWER'S DESIGNATED PAYING BANK</b>	
BANK NAME	
BANK ADDRESS	
BANK PHONE	
BANK EMAIL	
SWIFT CODE	
BANK OFFICER	
BANK OFFICER E-MAIL	
ACCOUNT NAME	
IBAN / ACCOUNT #	
ACCOUNT SIGNATORY	
<b>IF THE PAYING BANK AND THE RECEIVING BANK ARE DIFFERENT, PLEASE INDICATE BOTH BANK COORDINATES</b>	
<b>BORROWER'S DESIGNATED RECEIVING BANK (IF DIFFERENT FROM ABOVE)</b>	
BANK NAME	
BANK ADDRESS	
BANK PHONE	
BANK EMAIL	
SWIFT CODE	
BANK OFFICER	
BANK OFFICER E-MAIL	
ACCOUNT NAME	
IBAN / ACCOUNT #	
ACCOUNT SIGNATORY	

BORROWER'S INITIALS: \_\_\_\_\_

<b>BORROWER CODE</b>			
<b>FACE VALUE AMOUNT REQUESTED</b>			
<b>TYPE OF INSTRUMENT REQUESTED</b>	<b>MTN</b>	<b>SBLC</b>	<b>BG</b>
<b>ANNUAL SERVICE FEE PAYMENT TERMS (SELECT ONE)</b>	<b>CONDITIONAL PAYMENT VIA SWIFT MT103</b>		
	<b>DOCUMENTARY LETTER OF CREDIT VIA SWIFT MT700 INCLUDING FIELD 49 "CONFIRMATION"</b>		
	<b>BANK DRAFT VIA SWIFT MT110</b>		
	DRAFTS OF THE ABOVE MENTIONED PAYMENT TYPES ARE AVAILABLE AT: <a href="http://WWW.KESTONCAP.COM">WWW.KESTONCAP.COM</a>		

<b>BORROWER AUTHORIZED SIGNATORY (FULL NAME)</b>			
<b>TITLE (if applicable)</b>			
<b>NATIONALITY</b>			
<b>PASSPORT #   COUNTRY</b>			
<b>ISSUE DATE   EXPIRY</b>			
<b>BORROWER PHONE</b>		<b>EMAIL</b>	
<b>COMPANY (if applicable)</b>			
<b>COMPANY ADDRESS</b>			
<b>COMPANY PHONE</b>		<b>EMAIL</b>	
<b>LEGAL ADVISOR NAME</b>			
<b>ADVISOR ADDRESS</b>			
<b>ADVISOR PHONE</b>		<b>EMAIL</b>	
<b>MY BANK HAS MINIMUM B RATING WITH FITCH, MOODY'S AND/OR STANDARD AND POOR:</b>	<input checked="" type="checkbox"/> YES IF NO, YOU MUST PREPARE A CLOSING BANK, WITH ALL DETAILS RECEIVED FROM YOUR BANKER SENT TO THE LENDER		
<b>ALL MY CLOSING BANK OFFICERS AWARE OF THIS TRANSACTION:</b>	<input checked="" type="checkbox"/> YES <i>(it's mandatory to continue transaction)</i>		

**CONFIRMED AND APPROVED BY THE BORROWER:**

\_\_\_\_\_ (BORROWER [COMPANY] NAME)

\_\_\_\_\_ (AUTHORIZED SIGNATURE)

<b>PRINTED</b>	
<b>TITLE</b>	

BORROWER'S INITIALS: \_\_\_\_\_

**BORROWER or AUTHORIZED SIGNATORY PASSPORT COPY**

Please insert coloured copy of passport at good resolution where it is possible to read all parts of passport.  
Suggested resolution: 200 dpi

BORROWER'S INITIALS: \_\_\_\_\_

**(OVERALL PURPOSE FOR THE USE OF THE INSTRUMENT)**

**EXECUTIVE SUMMARY**



<b>CLIENT INFORMATION SHEET</b>	<b>REFERRED TO PAYING BANK ACCOUNT HOLDER</b>
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<b>PAYOR AUTHORIZED SIGNATORY</b> (FULL NAME)			
<b>TITLE</b> (if applicable)			
<b>NATIONALITY</b>			
<b>PASSPORT #   COUNTRY</b>			
<b>ISSUE DATE   EXPIRY</b>			
<b>PAYOR PHONE</b>		<b>EMAIL</b>	
<b>COMPANY   REG #</b>			
<b>COMPANY ADDRESS</b>			
<b>COMPANY PHONE</b>		<b>EMAIL</b>	
<b>LEGAL ADVISOR</b>			
<b>ADVISOR ADDRESS</b>			
<b>ADVISOR PHONE</b>		<b>EMAIL</b>	
<b>MY BANK HAS MINIMUM B RATING WITH FITCH, MOODY'S AND/OR STANDARD AND POOR:</b>	<input checked="" type="checkbox"/> YES IF NO, YOU MUST PREPARE A CLOSING BANK, WITH ALL DETAILS RECEIVED FROM YOUR BANKER SENT TO THE LENDER		
<b>ALL MY CLOSING BANK OFFICERS ARE AWARE OF THIS TRANSACTION:</b>	<input checked="" type="checkbox"/> YES <i>(it's mandatory to continue transaction)</i>		

**CONFIRMED AND APPROVED BY THE PAYING BANK ACCOUNT HOLDER:**

\_\_\_\_\_ (PAYOR [COMPANY] NAME)

\_\_\_\_\_ (AUTHORIZED SIGNATURE)

<b>PRINTED</b>	
<b>TITLE</b>	

**AUTHORIZED SIGNATORY PASSPORT COPY – PAYING BANK ACCOUNT HOLDER**

Please insert coloured copy of passport at good resolution where it is possible to read all parts of passport.  
Suggested resolution: 200 dpi

**DESIGNATED PAYING BANK**

<b>BANK NAME</b>	
<b>BANK ADDRESS</b>	
<b>BANK PHONE</b>	
<b>BANK EMAIL</b>	
<b>SWIFT CODE</b>	
<b>ACCOUNT NAME</b>	
<b>IBAN / ACCOUNT #</b>	
<b>ACCOUNT SIGNATORY</b>	
<b>BANK OFFICER</b>	
<b>BANK OFFICER E-MAIL</b>	

BORROWER'S INITIALS: \_\_\_\_\_

<b>CLIENT INFORMATION SHEET</b>	<b>REFERRED TO RECEIVING BANK ACCOUNT HOLDER</b>
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<b>RECEIVER AUTHORIZED SIGNATORY (FULL NAME)</b>			
<b>TITLE (if applicable)</b>			
<b>NATIONALITY</b>			
<b>PASSPORT #   COUNTRY</b>			
<b>ISSUE DATE   EXPIRY</b>			
<b>RECEIVER PHONE</b>		<b>EMAIL</b>	
<b>COMPANY (if applicable)</b>			
<b>COMPANY ADDRESS</b>			
<b>COMPANY PHONE</b>		<b>EMAIL</b>	
<b>LEGAL ADVISOR</b>			
<b>ADVISOR ADDRESS</b>			
<b>ADVISOR PHONE</b>		<b>EMAIL</b>	
<b>MY BANK HAS MINIMUM B RATING WITH FITCH, MOODY'S AND/OR STANDARD AND POOR:</b>	<input checked="" type="checkbox"/> YES IF NO, YOU MUST PREPARE A CLOSING BANK, WITH ALL DETAILS RECEIVED FROM YOUR BANKER SENT TO THE LENDER		
<b>ALL MY CLOSING BANK OFFICERS ARE AWARE OF THIS TRANSACTION:</b>	<input checked="" type="checkbox"/> YES <i>(it's mandatory to continue transaction)</i>		

**CONFIRMED AND APPROVED BY THE RECEIVING BANK ACCOUNT HOLDER:**

\_\_\_\_\_ (RECEIVER [COMPANY] NAME)

\_\_\_\_\_ (AUTHORIZED SIGNATURE)

<b>PRINTED</b>	
<b>TITLE</b>	

**AUTHORIZED SIGNATORY PASSPORT COPY – RECEIVING BANK ACCOUNT HOLDER**

Please insert coloured copy of passport at good resolution where it is possible to read all parts of passport.  
Suggested resolution: 200 dpi

**DESIGNATED RECEIVING BANK**

<b>BANK NAME</b>	
<b>BANK ADDRESS</b>	
<b>BANK PHONE</b>	
<b>BANK EMAIL</b>	
<b>SWIFT CODE</b>	
<b>ACCOUNT NAME</b>	
<b>IBAN / ACCOUNT #</b>	
<b>ACCOUNT SIGNATORY</b>	
<b>BANK OFFICER</b>	
<b>BANK OFFICER E-MAIL</b>	

BORROWER'S INITIALS: \_\_\_\_\_

**FPA**  
**FEES PROTECTION AGREEMENT ON BEHALF OF THE AUTHORIZED REPRESENTATIVE INCLUDING ALL ASSOCIATES OR BENEFICIARIES (AR)**

TO THE CARE AND IN FAVOR OF THE AUTHORIZED REPRESENTATIVE (AR)

*All details are dealt with in a strictly confidential way and released only to professionals to structure a solution for the Security/Collateral requirements.*

<b>SUBMISSION DATE</b>	
<b>BORROWER</b>	

<b>BENEFICIARY (NAME OF AR)</b>				
<b>TRANSACTION</b>	LEASE OF BOND CONVERTED AT TIME OF ISSUANCE TO STANDBY LETTER OF CREDIT, BANK GUARANTEE, OR MEDIUM TERM NOTE AS REQUESTED IN THIS BORROWER APPLICATION			
<b>INSTRUMENT FACE VALUE AMOUNT</b>				
<b>INSTRUMENT PRICE</b>	SEVEN POINT FIVE	PERCENT	7.5	% OF FACE VALUE
<b>ANNUAL AR FEE</b>		<u>PERCENT</u>		<u>% OF FACE VALUE</u>
<b>ANNUAL SERVICE PRICE (ASP)</b>		PERCENT		% OF FACE VALUE

The undersigned, with full corporate responsibility, under penalty of perjury, issue this Irrevocable Fee Protection Agreement (FPA) for the above Instrument Face Value Amount to be paid as listed below, for the above referenced Beneficiary / AR (and any associates) under the transaction described above, including any/all extensions thereof.

This FPA shall be valid and binding upon signing of the Deed of Agreement (DOA) with Keston the Instrument Provider. Said fee to be paid to the AR (Paymaster) *as per Borrower Payment Guarantee Letter (PGL)* as a part of the DOA with PGL endorsed by Borrower's Paying Bank prior to Payment Commitment nominated by the Borrower.

The Fee Protection of the above is inclusive of the entire transaction plus extensions. The Annual AR Fee shall be paid to the Beneficiary as per their written instruction upon completion of each and every tranche.

The payment shall be made without protest, delay, or deductions (other than bank wire transfer fees).

**NON-CIRCUMVENTION AND NON-DISCLOSURE (NCND)**

The parties do herein agree that the Non-Circumvention and Non-Disclosure Rules (NCND) of the International Chamber of Commerce (ICC 500) apply to this transaction for a period of five (5) years from the Submission Date above by the undersigned (next page), his or her assigns, agents and/or heirs. This NCND also applies to any and all transactions direct or indirect initiated by the AR with the Borrower and Provider.

The undersigned agrees that this FPA is assignable and transferable to the beneficiary, heir or assign upon written notice of all parties, and shall not be amended without the express written consent of the parties. If no DOA is consummated or transaction completed, this FPA becomes null and void in its entirety.

BORROWER'S INITIALS: \_\_\_\_\_

**CONFIRMED AND APPROVED BY THE BORROWER:**

<b>PRINTED</b>	
<b>TITLE</b>	
<b>PASSPORT</b>	
<b>COUNTRY</b>	
<b>ISSUE DATE</b>	
<b>EXPIRY DATE</b>	

BORROWER'S INITIALS: \_\_\_\_\_