



Collections for imports – improving your international trade

Better than advance payment and simpler than documentary credits.

Collections is a frequently used payment method in international trade. The flexibility of a collection enables you to meet both your and your seller's requirements, and can provide your company with competitive advantages.

Control over delivery

An important issue in trade is to know that the goods are delivered to the right place at the right time.

Before paying a collection you will receive a collection advice from Nordea. It is now up to you to decide whether or not payment should be effected, depending on your agreement with the seller.

Avoid advance payment

As a buyer you may be asked to pay for the goods in advance or to pay part of the goods in advance. Apart from the risk of never receiving any goods, you also need to finance this advance payment.

By offering collection as a payment method you offer the seller control over goods as security and instead of paying in advance you pay in connection with shipment.

Financing

A collection can be payable either at sight directly upon advice of the collection (documents against payment – D/P or cash against documents – CAD)

or at a future date, e.g. 90 days after shipment or acceptance (documents against acceptance – D/A).

By using payment at a future date, you receive financing from the seller, and instead of paying for the goods directly, you accept payment at a future date.

How it works

First you and the seller agree on the terms of the contract (1), in this case the settlement will be made under a sight collection. The seller then ships the goods (2) and sends the documentation (invoice and transport documents etc.) to their bank (3), which forwards the documents to Nordea (4). Nordea will advise you of the collection (5) and you gain access to the documents upon payment or acceptance to pay on a future date (6). Nordea then remits payment to the seller's bank at sight or at maturity date (7) and they pay the seller (8).

The banks involved will handle the collection subject to the "Uniform Rules for Collections" published by the International Chamber of Commerce (ICC).

Contact us to find out more about how we can assist you with your trade finance transactions. You can also find us at nordea.com/tradefinance.

CONTACT

Please contact us and find out more about our solutions.

NORDEA.COM/OUR-SERVICES

SHORTCUTS

More tools to help you improve your international trade:

NORDEA.COM/EN/SUPPORT-CONTACT-TRADE

FACTS

Nordea offers a full range of trade finance services and is the largest trade finance bank in the Nordic region. We offer trade finance services including collections, documentary credits and guarantees as well as related e-solutions.

Located in Denmark, Finland, Norway, Sweden, China and USA.

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