

Recovery Loan Scheme (RLS) Invoice Finance Facility

The new iteration of the Recovery Loan Scheme (RLS) Invoice Finance Facility is designed to enable businesses to survive, recover and grow.

This could be the right solution for you, if you're a business:

- ◆ Looking for an RLS Invoice Finance Facility of between £30,000 and £2,000,000.¹
- ◆ Needing financial support through the short-medium term.
- ◆ Seeking to increase your available funding, for the eligible purposes of
 - working capital
 - investment and growth
 - refinancing existing debt/debt consolidation

Key features and benefits

- ◆ A simple application process for clients of HSBC Invoice Finance (UK) Ltd with a viable funding proposal.
- ◆ Enhanced levels of Invoice Finance funding, with prepayment of up to 100% of notified eligible invoice.
- ◆ Backed by a Government guarantee provided to us, covering 70% of the new iteration of the RLS Invoice Finance Facility funding provided.
- ◆ No fees payable by you for the Government guarantee.
- ◆ No arrangement fee, or repayment fee should you wish to repay the facility early.
- ◆ When you draw funding from the RLS Invoice Finance Facility, the discounting charges you pay take account of the effect of the Government guarantee. We'll agree all fees with you at the start of the facility, and give you advance notice of any changes.²
- ◆ The new iteration of the RLS Invoice Finance facility runs for a fixed term of 36 months. After 26 months we'll review the RLS Invoice Finance facility with you and agree how this will change over the remainder of its term.

The the RLS Invoice Finance Facility may be available to you, if you:

- ◆ Are (or become) an HSBC Invoice Finance (UK) Ltd client, operating in the UK and generating 50% or more of your business turnover from trading activity in the UK.³
- ◆ Operate in a sector that is eligible for this new iteration of the RLS Invoice Finance facility.⁴
- ◆ Have a viable funding proposal and are an eligible applicant.
- ◆ Are not a business in difficulty.⁵
- ◆ **Note:** Businesses who have taken out a CLBILS, CBILS, BBLS or previous RLS Facility are eligible to apply for an RLS Invoice Finance Phase 3 Facility. Amounts funded under a previous scheme may limit the amount you can receive under an RLS Invoice Finance Facility.

Important information

- ◆ **You are liable for 100% of the whole facility, and HSBC Invoice Finance (UK) Ltd will always seek to recover the outstanding balance from you and the proceeds of any security you, or any security provider on your behalf, has given for the facility.**⁶
- ◆ You are responsible for ensuring that any subsidy we provide you in connection with this new iteration of the RLS Invoice Finance Facility will not exceed any subsidy threshold applicable to your business.⁷
- ◆ All facilities are subject to status and credit approval. Terms and Conditions and additional product eligibility criteria apply.
- ◆ We'll review security requirements on an individual basis. If security (including a personal guarantee) is deemed appropriate we will discuss and agree requirements with you as part of the credit approval process.⁸
- ◆ The guarantee that we receive from the UK Government under this new iteration of the RLS Invoice Finance Facility may give rise to a cost benefit to us. If there is a cost benefit, we will pass this on to you by adjusting the discounting margin you pay.

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Next steps

To apply for an RLS Invoice Finance Facility:

- ◆ Visit business.hsbc.uk/RLSIF
- ◆ Speak to your existing HSBC UK Invoice Finance Client Manager/Director or your HSBC UK Relationship Manager
- ◆ Call us on **0800 731 8939** (Lines are open 9am to 5pm Monday to Friday (except public holidays). To help us continually improve our service and in the interests of security we may monitor and/or record your communications with us.



The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Other solutions from HSBC UK

Other solutions may be available to you. For example:

- ◆ Flexible Business Loan – individually tailored loans to fit your needs.
- ◆ Business Overdraft – to help with cash flow flexibility.

Visit www.business.hsbc.uk/ for more information.

1. Under RLS:

- a) Any UK business not subject to the Northern Ireland Protocol can apply for the new iteration of the RLS Invoice Finance Facility between £30,000 and £2,000,000. This is subject to (i) eligibility and viability assessments and (ii) previous subsidy amounts received by you or any member of your group over the previous three-year rolling period.
- b) Any UK business that is subject to the Northern Ireland Protocol can apply for the new iteration of the RLS Invoice Finance Facility between £30,000 and £1,000,000. This is subject to (i) eligibility and viability assessments, (ii) previous subsidy amounts received by you or any member of your group over the previous three-year rolling period and (iii) specific sector sub-limits (£110,000 for agriculture, £170,000 for fishery and aquaculture and £570,000 for road haulage).

2. Other fees and charges apply, and are set out in our standard Price List, available to all Invoice Finance clients online through HSBCnet.

3. This eligibility criterion does not apply to applicants which are registered charities or further education colleges.

4. The following sectors and activities are excluded from RLS: Deposit taking Banks and EEA Banks; Building Societies, Insurers (other than insurance brokers), Public sector organisations, State funded primary or secondary schools.

5. As per scheme rules, your business will be a business in difficulty if:

- a) you hold a credit rating and have a long-term issuer or debt rating below Credit Quality Step 5 from a recognised rating agency; or
- b) you do not hold such a rating and you would be considered by us to be: (1) of poor credit standing; or (2) subject to very high credit risk; or
- c) you are subject to relevant insolvency proceedings.

6. If HSBC Invoice Finance (UK) Ltd cannot recover all funds, the Government provides a partial guarantee for the shortfall.

7. The assistance provided to you through the Facility, like many Government-backed business support schemes, is regarded as a subsidy and is deemed to benefit you as it has enabled us to provide you with a facility which may not have otherwise been possible.

8. If you default on your facility, we will look to realise all other available collateral provided to support your facility before we make a demand on any personal guarantee. Only after this will we look to realise the government guarantee.

Issued by: HSBC Invoice Finance (UK) Ltd, 21 Farncombe Road, Worthing, West Sussex, BN11 2BW.

HSBC Invoice Finance (UK) Limited is a member of UK Finance (website at www.ukfinance.org.uk) and abides by its terms of membership and the Invoice Finance and Asset Based Lending (IFABL) Standards Framework. The Framework includes a Code of Conduct and supporting guidance together with an independent Complaints Process, overseen by a Professional Standards Council. Further information can be viewed on the UK Finance website at www.ukfinance.org.uk/standardsframework

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