



Baltic-SCMA Escrow Partnership

Exclusive rates for SCMA members

As part of a collaboration between the SCMA and the Baltic Exchange, SCMA is pleased to offer exclusive rates to members using the Baltic Exchange's escrow service.

When should I use the Baltic Exchange Escrow Service?

- Parties to Ship Sale and Purchase Agreement and other large asset sale and purchase transactions
- Parties to any Dispute Security held for claim amount until dispute is resolved
- Parties to Time Charter Security sums paid by the charterer into an escrow account for the duration of the time charter, to be released after vessel redelivery
- Parties to Voyage Charters Prepayment of freight payment by the charterer into an escrow account as a security sum, to be released upon cargo discharge

What are the exclusive rates?

- Sale & Purchase and Chartering transactions USD 7,000 per transaction, reduced to USD 5,000 from the third transaction onwards within a 12-month period. If a Baltic Exchange panellist broker is involved, the fee will automatically be set at USD 5,000 for that transaction
- Disputes USD 5,000 per transaction
- 50% administrative fees for funds held beyond 12 months and for each subsequent 12 month period thereafter

Why use Baltic Exchange Escrow Service?

The provision of a trusted, independent and efficient escrow service is a vital component of corporate transactions including asset purchases and in disputes. It is essential that all parties have confidence that the necessary due diligence checks are performed, funds are held securely, and the escrow service is executed smoothly and professionally with close attention to detail. The Baltic Exchange is offering an independent one-stop escrow service to all clients to facilitate a wide range of transactions.

<u>Independent and Trusted</u> The combination of two leading organisations, Singapore Exchange (SGX) and Baltic Exchange, ensures that clients have confidence that their escrow needs will be executed by a professional, trusted and independent service provider.

SGX is Asia's leading and trusted multi asset exchange operating equity, fixed income and derivatives markets to the highest regulatory standards. The Baltic Exchange, a wholly owned subsidiary of SGX, is a trusted provider of independent maritime market information to an international community of members encompassing shipowners, shipbrokers, charterers, financial institutions and maritime professional services providers.

The escrow service builds on this position of independence and trust.

<u>Secure</u> Ensuring that escrow funds are held securely at all times is paramount in the provision of the escrow service. Each escrow transaction is treated with the highest levels of security and confidentiality.

Know-Your-Customer (KYC) / Anti-Money Laundering (AML) and Sanctions checks are performed in compliance with Monetary Authority of Singapore (MAS) requirements. Secure escrow accounts are maintained with two leading AA-rated banks in Singapore: OCBC and UOB. Strict internal control of funds movements in place to ensure that funds are only released based on agreed parameters and by authorised approvers.

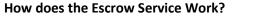
Efficient and flexible Clients can be assured of efficient service that is tailored to their needs.

- Able to cater to a wide range of industry segments
- Able to support any situation or transaction that requires an escrow service
- Able to hold funds for any duration of time
- Able to support multi-currency transactions

Mitigating risk of non-performance in chartering transactions

The chartering of vessels carries a degree of risk of non-performance for both shipowners and charterers. The stakes are higher when dealing with new or unfamiliar counterparties. The Baltic Exchange helps shipowners and charterers mitigate these risks during the chartering process by facilitating and holding a security payment relating to the charter in a dedicated escrow account.

The security payment typically represents a pre-agreed amount between the parties and is held as collateral to ensure that both parties fulfil their contractual obligations.





How do I access the exclusive rates?

- All SCMA members are eligible for the exclusive rates. Write to <u>mail@scma.org.sg</u> and SCMA will make the referral to Baltic Exchange
- If you are not already an SCMA member, write to <u>mail@scma.org.sg</u> or apply online here: <u>https://scma.org.sg/member-application</u>
- Membership fees are SGD 1,200 per year for Corporate Members and SGD 300 for Individual Members. Upon signing up, you will have immediate access to the exclusive rates
- Corporate or individual members of SCMA are welcome to recommend the service to their clients to access the exclusive rates