

Letter of Guarantees

Quipu Core Banking system allows financial institutions to define their own letters of guarantee and pricing structures in accordance with their policies and with local market conditions.

Letters of guarantee, also known as bank guarantees, are security instruments issued by a financial institution representing a commitment to pay the beneficiary of the guarantee a specified amount of money upon demand in writing within a period of time specified in the guarantee if the bank's client fails to fulfil his/her obligation towards the beneficiary.

Main Features

- Register, update and approve a letter of guarantee using a single intuitive form
- Use the system-wide search tool to identify the ordering party
- Select the beneficiary from a list of previously registered "external parties" (parties that do not hold an account at the financial institution) or create a new non-client record
- Update or complete a client's profile while preparing a letter of credit request
- Define letters of guarantee as "conditional" or "unconditional"
- Select from a custom-defined range of letters of guarantee the type that best suits the client's needs: payment letters of guarantee (payment, custom and credit guarantees) or performance letters of guarantee (tender, advance payment, performance bonds or warranty guarantees).
- Register the three parties involved in letters of guarantee, with or without a confirming bank
- Define the fees applicable to each letter of guarantee, e.g. issuance fee, quarterly fee, confirmation fee, amendment fee
- Issue letters of guarantee in local or foreign currency
- Record the financial information needed for a full financial analysis: financial statements, economic activities, related parties, collateral
- Register the results of committee members' votes

- Select the commission payment method from the a pre-defined list
- Transform a letter of guarantee into an instalment loan or a credit line at the time of payment
- Select the contract to be printed and signed from a range of pre-defined templates
- Cancel a letter of guarantee before the expiry date