

Commercial Contract

AUTHORITY TO DEBIT MARK-UP



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,
Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7
helpdesk@smeda.org.pk

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5 TH Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 helpdesk-qta@smeda.org.pk

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Pro-Gole (Right to do Business)

Legal Services, B&SDS

LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

Disclaimer

The information contained in this template is meant to facilitate the businesses in documenting transactions with respect to Banking. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

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Information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

[Insert Date]

[Insert Designation]

[Insert Bank's Name]

[Insert Branch's Name]

[Insert Address]

SUBJECT: AUTHORITY TO DEBIT MARK UP

Dear Sir,

I/We, [insert name of the Creditor], have entered into a [insert name of the Agreement] (hereinafter referred to as the "Finance Agreement") with the Bank on [insert date]. While I/we thank you for allowing me/us the finance facility(ies) at my/our request, I/we undertake to pay the markup on the aforesaid finance facility(ies) in a timely manner, and in accordance with the terms and conditions of the Finance Agreement.

I/we further extend the irrevocable authority to the Bank, in the event of my/our failure to pay the markup or any other charges due to the Bank from me/us by the due date, to recover such amounts of markup and/or other charges payable by me/us to the Bank by debiting the same to me/us in my/our Finance Account No. _____ (insert Account Number), or any other of my/our accounts which I/we am/are maintaining with the Bank. We hereby agree that the Bank shall be under no obligation to notify me/us, or seek my/our permission, before debiting such amounts of markup or other charges due from me/us to the Bank from my/our account(s).

I/we further agree and undertake that any amount(s) debited to my/our account pursuant to the authority extended under this Letter of Authority shall not be questioned or challenged by me/us, and the Bank shall not be liable to for the same on any ground whatsoever. I/we expressly waive any and all of our rights to question and challenge any such transaction which the Bank makes in my/our account(s) pursuant to the authority extended to the Bank by me/us hereunder.

Regards,

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Pro-Gole (Right to do Business)

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[Insert Signatory's Name]

[Signature]