

**COMMERCIAL LETTER OF CREDIT APPLICATION**

**DATE** \_\_\_\_\_ (1)

**CENTER BANK L/C NO.** \_\_\_\_\_ (2)

airmail     cable (full text)     cable (abbreviated text)     other \_\_\_\_\_

<p><b>IN FAVOR OF (Name and Address of Beneficiary):</b></p> <p style="text-align: center;">(3)</p>	<p><b>FOR THE ACCOUNT OF (Name and Address of Account Party):</b></p> <p style="text-align: center;">(4)</p>
<p><b>ADVISING BANK:</b> (5)</p>	<p><b>AMOUNT (Indicate Currency and Specify Amount in Words and Figures): \$</b> (6)</p> <p>ALLOWANCE : +/- % NOT TO EXCEED</p>
<p><b>EXPIRATION DATE:</b> (7)</p>	<p><b>PLACE OF EXPIRATION (Unless otherwise indicated, Place of Expiration will be country of Beneficiary):</b> (8)</p>

Available with: any bank OR nominated bank: (09) \_\_\_\_\_

By Beneficiary's drafts: at sight (10) \_\_\_\_\_ days after sight. or \_\_\_\_\_

Drafts payable at 110% of the invoice value.

(11) Partial Shipments: allowed not allowed      (12) Transshipment: allowed not allowed

(13) Shipment From: \_\_\_\_\_ (14) Shipment to: \_\_\_\_\_

(15) Shipment Not Later Than: \_\_\_\_\_

(16) Payment against the following documents:

Commercial Invoice

Number of copies signed:

Certifying that Goods are in accordance with buyer's purchase order No. \_\_\_\_\_ dated \_\_\_\_\_

Covering the following goods (Brief description without excessive detail): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Terms: FAS FOB CFR CIF CIP DDP EXW Other \_\_\_\_\_

Full set of Clean On Board Ocean Bill of Lading

To the order of \_\_\_\_\_ Endorse in blank

Marked freight **Prepaid Collect** Marked "Notify: \_\_\_\_\_"

Air Waybill consigned to: \_\_\_\_\_

Railroad / Truck Bill of Lading consigned

to: \_\_\_\_\_

Original Certificate of Inspection: Issued by SGS Issued by: \_\_\_\_\_

Certificate of Origin in Original Copies \_\_\_\_\_ Certified translation of Certificate of Origin into English

Customs Declaration in Original Copies \_\_\_\_\_ Certified translation of Customs Declaration into English

Packing List in Original Copies \_\_\_\_\_

Insurance Documents Policy Certificate

Insurance will be covered by applicant; I/we agree to furnish you upon request, such policy or certificate.

Other \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(17) This L/C is Transferable at advising bank.

(18) Documents must be presented at Place of Expiration not later than \_\_\_\_\_ days after the date of shipment but within the validity of the Credit.

(19) All charges outside the United States are for the account of beneficiary: Yes No

(20) Special instructions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I/we acknowledge and agree that acceptance of this Application by the Bank does not constitute a commitment or agreement by the Bank to issue or open the letter of credit described in this Application and that the opening of the letter of credit is subject to approval by the Bank and receipt by me/us of such approval. I/we further acknowledge and agree that the issuance of the letter of credit described in this Application, or as amended by agreement between the parties hereto, if approved by the Bank, will be governed by the terms and conditions set forth in that certain Commercial Letter of Credit Agreement, that may be executed by me/us, which terms shall supersede the terms and conditions of this Application to the extent that the terms of the Commercial Letter of Credit Agreement are inconsistent herewith. The terms of this Application, together with the terms of the Commercial Letter of Credit Agreement, shall constitute the entire agreement between the parties hereto and shall not be subject to change or modification except by written agreement signed by the parties hereto. Execution and delivery of the Commercial Letter of Credit Agreement by me/us is a condition precedent to any issuance of the letter of credit.

(21)

Applicant \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

For Bank Use Only					
Prepared By	Acct Officer	Ops Manger	Manager	Credit Admin	Credit Admin

## INSTRUCTION FOR COMPLETING A L/C APPLICATION

- (1) DATE: The date application submitted to Center Bank
- (2) L/C No.: Leave blank.
- (3) IN FAVOR OF (Name and address of beneficiary): seller's full legal name and address. No P.O. Box numbers allowed.
- (4) FOR THE ACCOUNT OF (Name and address of Account Party): Applicant's (Buyer's) full legal name and address.
- (5) ADVISING BANK: Bank's name and address near beneficiary, if known, or Center Bank will select if left blank.
- (6) AMOUNT: Full invoice amount of all intended shipments. Besides US\$, may be issued in any major convertible currency. Allows some reasonable percentage variation (e.g. +/- 5%)
- (7) EXPIRATION DATE: The date and place of L/C expiration. Please consider followings
  - Does beneficiary have ability to perform within the period?
  - Usually within 3 months from issuing date(due to L/C processing fees)
- (8) PLACE OF EXPIRATION: The place of L/C expiration.
- (9) NOMINATED BANK: Allow the beneficiary to negotiate its draft through banks specifically named.
- (10) The tenor/term of draft.
- (11) PARTIAL SHIPMENTS: Mark as applicable. Consider
  - Will you allow beneficiary to ship goods in multiple lots, or do you want them all in on shipment?
- (12) TRANSHIPMENT: Mark as applicable. Consider
  - Do you want to allow your goods to be shipped to an intermediate port, off-loaded, reloaded onto another ship, and then sent to your destination port? Could the goods get damaged in the process?
- (13) SHIPMENT FROM: City of loading/shipping

(14)SHIPMENT TO: City of unloading/receiving.

(15)SHIPMENT NOT LATER THAN: Allows you to designate latest date for goods to be shipped. If not specified, the expiry date of L/C is effectively.

(16) As required. Must not conflict with shipping terms

COVERING: Covering shipments of. Be as simple as possible, but specific enough to be clear.

TERMS (Shipment/Price Terms): Terms of sale. Be sure to consult Incoterms 2000, a publication of the International Chamber of Commerce

Note: Although a consignee can be designated by applicant, recommended for Center Bank

(17) As required, Transferable: L/C allows a transfer to manufacturer or supplier in a lesser amount, the difference representing profit to the middle man.

(18) This is to specify the period which documents must be presented. Usually 3 – 15 days is common; up to 21 days allowed. Some suppliers need a tight period here to ensure documents get into processing system in timely manner, but be careful not to be unrealistically tight or supplier cannot perform.

(19) Who pays banking charge? Customarily you pay banking charges incurred in this country, and the beneficiary pays those in his country. However, anywhere in between or to either extreme is negotiable between you and your buyer. If financing is included, specify who pays discount and acceptance charges, if any.

(20) SPECIAL CONDITION: As applicable.