

**Guidelines for completion of 'APPLICATION FOR IRREVOCABLE DOCUMENTARY LETTER OF CREDIT'**

Dear valued customer,

Please find below guidelines for completion of the **APPLICATION FOR IRREVOCABLE DOCUMENTARY LETTER OF CREDIT**. These guidelines have been created keeping in mind your requirements and this will assist you in your queries regarding the completion of the application form. At ENBD we value your time and we are confident that these guidelines will help you submit your request for a DOCUMENTARY LETTER OF CREDIT which will be processed without delay and to your complete satisfaction.

1. EXPIRY DATE

***This field indicates the date on or before which the beneficiary should present documents under this documentary letter of credit.***

2. PLACE FOR PRESENTATION OF DOCUMENTS

***This field indicates the place for presentation of documents by the beneficiary (usually the country of the beneficiary)***

3. CONFIRMATION OF THE CREDIT & CONFIRMATION CHARGES

***This field indicates whether the documentary letter of credit requires to be confirmed by the advising bank which may also be the beneficiary's bank. Note - confirmation will be done upon payment of confirmation fees/ charges. These charges may be on account of the beneficiary or the applicant as per contract terms.***

***By confirming the DC, the Advising / Confirming Bank give their own independent undertaking to pay the beneficiary at sight or at maturity upon presentation of credit compliant documents at their counters.***

4. AMOUNT (NOT EXCEEDING / ABOUT)

***This field indicates the amount for which the DC is requested for. If there is no tolerance in the amount, please check the 'NOT EXCEEDING' box. If there is a tolerance in the amount, please check the 'ABOUT' box. The term ABOUT will be construed as a plus / minus 10 (ten) percent tolerance. If the tolerance is different, please specify the tolerance separately.***

5. CREDIT AVAILABLE WITH NOMINATED BANK (Type of DC or LC)

***Explanations for the options are given below:***

***a) BY PAYMENT AT SIGHT – This means that the beneficiary will be paid when documents which comply with the terms and conditions of the documentary credit are sighted either by the nominated bank or the issuing bank.***

***b) BY DEFERRED PAYMENT AT – This means that the beneficiary will be paid upon the expiry of agreed credit period i.e. at maturity of***

*the credit period extended by them. No bills of exchange or drafts are required for this type of DC. You should indicate the number of days allowed (credit period) in the DC Application form.*

- c) *BY ACCEPTANCE OF DRAFT AT – This is similar to DEFERRED PAYMENT; however, this means that the beneficiary will be paid at maturity of the draft for the credit period. Bills of exchange or drafts are required for this type of DC and these may be drawn on the issuing bank or the nominated bank for the agreed tenor. You should indicate the number of days allowed (credit period) in the DC Application form.*
- d) *BY NEGOTIATION – This means that the beneficiary will be in a position to negotiate documents with his bank i.e. they may request the nominated bank to either purchase or pre-pay the value of the documents.*

*When selecting one of the options b or c above, please specify the credit period (e.g. 90 days from shipment date or 30 days from delivery date).*

#### 6. SHIPMENTS

*This field indicates where the goods will be*

- *Taken in charge or dispatched from or received from (usually a place which is inland), and / or*
- *Loaded at the Port of Loading / Airport of Departure, and / or*
- *Unloaded at the Port of Discharge / Airport of Destination, and/ or*
- *Finally destined or transported to or delivered at (usually a place which is inland).*

#### 7. NOT LATER THAN (LATEST SHIPMENT DATE)

*This field indicates the date on or before which the beneficiary should arrange to ship in line with terms of shipment agreed in the contract.*

#### 8. TERMS

*This field indicates the International Commercial (INCO) Terms agreed in the contract. This should be usually INCO TERMS 2010, however, if the contract specifically states the previous version, this may be indicated as INCO TERMS 2000*

*Terms are as follows:*

*For shipment by sea, the terms can be FOB or CFR or CIF*

*For shipment by any mode of transport other than sea, the terms can be FCA or CPT or CIP.*

*If the terms in the contract are other than the above, you may indicate so.*

#### 9. FREIGHT RELATED TO BILLS OF LADING, TRUCKWAY BILL AND AIRWAY BILL

*The freight will be*

- *COLLECT or PAYABLE AT DESTINATION if the Inco term is FOB or FCA*
- *PREPAID if the Inco terms are CFR, CIF, CPT or CIP.*

10. INSURANCE POLICY OR CERTIFICATE

*If the Inco terms are CIF or CIP, then, the beneficiary is responsible for Insurance cover. Hence, the Insurance Policy or Certificate is called for in documents required under the Documentary Credit.*

11. INSURANCE COVERED LOCALLY BY APPLICANT

*If the Inco terms are FOB, CFR, FCA or CPT, then, the applicant is responsible for Insurance cover. Hence, details of the Insurance Cover Note / Policy along with fax numbers and telephone numbers is required to be evidenced in the DC application form. Further, if the Policy is not provided earlier to ENBD, the same must be attached with the DC Application Form.*

12. ORIGIN OF GOODS IN CLAUSE RELATED TO CERTIFICATE OF ORIGIN

*As per local laws and regulations the origin of goods must be specified in the Certificate of Origin. This helps the local Customs Authorities. If goods have originated from multiple origins, the names of the countries where goods have originated from should be specified.*

13. LEGALIZATION

*(A) Original Commercial Invoice(s) and Original Certificate of Origin must be legalized by the U.A.E Embassy or Consulate. Legalization fees as stipulated by the U.A.E authorities are as per the table given below*

<b>INVOICE VALUE FROM ( USD)</b>	<b>INVOICE VALUE TO ( USD)</b>	<b>FEES ( USD)</b>
1.00	2,714.00	70.00
2,715.00	8,142.00	111.00
8,143.00	16,283.00	193.00
16,284.00	24,424.00	247.00
24,425.00	40,706.00	302.00
40,707.00	67,843.00	384.00
67,844.00	135,685.00	439.00
135,686.00	271,370.00	576.00
271,371.00	542,741.00	850.00
67,844.00	135,685.00	439.00
135,686.00	271,370.00	576.00
271,371.00	542,741.00	850.00
<b>USD 542,742.00 AND ABOVE WILL BE CHARGED AT 0.2 PCT. FLAT PLUS USD28/-</b>		

**(B) For each additional Original Certificate of Origin legalization fee equivalent of USD 28/- is applicable.**

**Note: If the legalization fee is to be paid by the Applicant, you may call for documents without being legalized and indicate in the DC Application form that Legalization fees will be borne by yourselves (the Applicant).**

#### 14. CHARGES

**Bank charges for the issuance of the Documentary Letter of Credit can be for the account of the Applicant or Beneficiary. If the charges are for the account of the Applicant, the Issuing Bank will debit the Applicant's account at the time of issuance of the DC for these charges. If the charges are for the account of the Beneficiary, the Issuing Bank will initially debit the Applicant's account for these charges, however, the Documentary Letter of Credit will clearly indicate that the charges (currency and amount) should be shown as a deduction in the Invoices drawn by the beneficiary. Hence, these charges will be automatically borne by the beneficiary.**

#### 15. SHIPPING MARKS

**In case you require Shipping Marks to be evidenced on documents called for and the space available in the DC Application form is insufficient for you to do so, please indicate Shipping Marks in Special Instructions or separately which will form an integral part of your DC Application Form.**

#### 16. DOCUMENTS TO COVER SHIPMENT / DELIVERY OF

**Please indicate under this field the description of Goods purchased or Services requested for which this DC Application is made to the Bank.**

#### 17. DOCUMENTS TO BE PRESENTED WITHIN

**Presentation Period: Please indicate the number of days permitted after the shipment date within which documents are to be presented by the beneficiary. If this information is not provided, then the Bank will indicate that documents are to be presented within 21 days but within the validity of the credit.**

#### 18. ACCOUNT NUMBER

**Please always provide your Account Number in the DC Application Form.**



**Others:**

**NOTE: IF DC APPLICATION IS FAXED TO OUR COUNTERS, THE ORIGINAL APPLICATION MUST BE SUBMITTED TO OUR COUNTERS WITHIN 3 DAYS CLEARLY INDICATING THAT THE WORDS 'FAXED – AVOID DUPLICATION'**

**ALSO PLEASE INDICATE THE NAME AND MOBILE NUMBER OF THE CONTACT PERSON, IN CASE WE NEED TO CONTACT FOR QUERY RELATED TO THIS TRANSACTION**

*Please note that Emirates NBD will include other standard terms and conditions in respect of instructions to Advising / Negotiating / Presenting Bank's and as prescribed by Regulatory authorities from time to time.*