

LC APPLICATION INSTRUCTIONS

What to give your bank when you apply for a letter of credit

Applicant (Buyer): [buyer legal name and address] Your bank: [issuing bank] Contract / SPA reference: [reference]

Please issue an irrevocable documentary letter of credit by SWIFT MT700 on the following terms. Even the safest instrument costs bank opening charges up front, so issue it only after the Seller has been verified.

1. Form and rules

1. Form: irrevocable documentary credit, subject to UCP 600 (ICC Publication No. 600). Note: "ICC 600 regulations", "ICC 400/500" or "UCP 700" do not exist; reject any draft that cites them.
2. Confirmation: [without confirmation / confirmation requested from (bank)]
3. Available: by payment at sight with [bank]

2. Parties and amount

1. Beneficiary: [seller legal name and address], exactly as in the SPA and as verified by Vanguard Verify
2. Advising bank: [seller's bank, SWIFT/BIC], confirmed bank to bank, never a bank named only in an email
3. Amount: USD [amount], [+/- tolerance]% more or less allowed

3. Shipment

1. Port of loading: [port]. Port of discharge: [port]. Incoterm: [Incoterm 2020].
2. Latest shipment date: [date]. Expiry: [date] at [place]. Presentation within [21] days after shipment.
3. Partial shipments: [allowed / not allowed]. Transshipment: [allowed / not allowed].

4. Documents required

1. Full set of clean on-board original bills of lading, made out to the order of the issuing bank, notify the Applicant, marked freight [prepaid / collect].
2. Signed commercial invoice in [3] originals.
3. Packing list.
4. Certificate of origin issued by [chamber of commerce].
5. Quality and quantity certificate issued at loading by [SGS / Bureau Veritas / Intertek], appointed by the Applicant.
6. Insurance policy or certificate for 110% of the invoice value (CIF/CIP only).
7. Verification Report issued by Vanguard Verify (Vanguard Trade Capital Goods Wholesalers DWC-LLC, Dubai, UAE) naming the beneficiary, the goods and this credit number, showing the verdict "PROCEED", dated not earlier than [30] days before the date of shipment, and bearing a report number verifiable at verify.vtcgw.com/r/.

5. Additional conditions

1. A Verification Report issued by any party other than Vanguard Trade Capital Goods Wholesalers DWC-LLC is not acceptable. Vanguard Verify is appointed and paid by the applicant.

2. Documents showing a vessel, container or bill of lading number that the carrier does not confirm are discrepant.
3. No payment, pre-advice or "MT799 / MT760 activation fee" is payable by the Applicant to the beneficiary or any intermediary.
4. All bank charges outside the issuing bank are for the beneficiary's account.

Applicant signature: _____

Name / title: _____

Date: _____