



# **Application for an Irrevocable Import Letter of Credit**

# Irrevocable Import Letter of Credit Application Form

## Guide for Completion

This brief guide is designed to help you provide the information we need to process your request promptly and efficiently. By completing the form in line with these notes you can minimise the risk of experiencing any delays or difficulties with your request.

Please read the Terms and Conditions for issuance of an Import Letter of Credit and accompanying notes before completing the form.

### General guidance

To ensure legibility, please complete the form in black ballpoint pen and in BLOCK CAPITALS.

Tick one box only in each section, except in the INSURANCE section (see below).

### Identifying your form

In the top section of the form please write in the date and tick to indicate whether you are submitting a fax or mail instruction. If you use a code word for fax instructions, please include. Fax instructions are subject to the prior completion of a Fax Indemnity. If you are submitting fax instructions, mail confirmation is NOT required.

### Party details

Please insert your full trading name and address, your own reference number, contact name, telephone and facsimile numbers. The contact should be someone authorised to discuss and agree any changes to the form.

It is important that the details of the Beneficiary (the supplier) are full and complete, as documents presented must have the same information. Please include the supplier's full trading name and address with details of post/zip codes, city, state and country.

### Validity period

The number of days for presentation should normally be the number of days between the latest shipment date and expiry date, and must not be less than the number of days between the two. If no figure is inserted, then a period of 21 days will automatically apply. However, presentations must be made within the validity of the credit.

**Expiry Date:** The date entered here is the very latest date for the beneficiary to present documents to the overseas bank.

### Amount and currency

Please state the value and currency you require for the Import Letter of Credit in words and figures, eg. US\$1000/One thousand United States dollars. You should then tick one of the boxes 'up to' or 'about'

- Use 'up to' where drawings are permitted up to, but not above, the amount and currency you have stated. If the Letter of Credit prohibits partial shipments, a tolerance of –5% is allowed on this figure. (For clarification see UCP600, article 30c)
- Use 'about' where you wish to allow the beneficiary some margin of flexibility. If you do not include a percentage figure, we will assume a 10% tolerance either side of the figure stated.

### Payment terms

The payment terms detailed here will be the same as those you have agreed in your contract with the supplier. Tick one of the two boxes.

- 'Sight' means that the beneficiary obtains payment as soon as a compliant set of documents is presented to the paying bank.

Term: 'Days after' allows you to state how many days after the event that you specify the beneficiary is to be paid (eg. '60 days after sight' or '90 days after Bills of Lading Date').

'Fixed for ' means that the beneficiary obtains payment on the date specified.

Use the 'For' box to indicate what percentage of the invoice value is to be paid.

### Partshipment

If the goods are to be shipped in instalments, then partshipment is allowed.

### Transshipment

If the loading of goods from one vessel to another is allowed, or if more than one mode of transport is to be used, then transshipment is allowed.

### Shipment terms

Tick just one of the boxes in this section. If you are using terms other than the standard ones listed, please specify.

### Documents required

**Transport Documents:** Again, tick only one box to indicate the document that your supplier (the beneficiary) must present to obtain payment.

**Consignee:** Indicate here who is the consignee. Tick the first box when there is no named consignee but the bearer of the documents holds title to the goods. Only Bills of Lading can be consigned 'to order'.

**Marked Notify:** Detail who is to be notified that the goods have arrived.

**Insurance:** Where insurance is required, please specify the number of documents required, as well as the level and type of cover.

**Original plus copies:** Please state the number of original and/or copy documents required. (See UCP600 article 17b & c for guidance)

### Bank charges

Tick just one of the boxes in this section to indicate who is responsible for paying the charges for this transaction.

### Goods description

Here you should include a BRIEF description of the goods covered by the Letter of Credit. As the Letter of Credit is not intended to replace the commercial contract, you must only include references to the contract or, if you wish, such items as Proforma Invoices. You must not attach these documents.

### Other documents/conditions

If you require additional conditions, not detailed in the application form, you should include them in this section. If you require evidence that the beneficiary/other party have complied with these conditions, please detail this in the form of a document, for example, 'Beneficiary's statement certifying that...'

### Settlement

Tick one of the boxes in this section to indicate how settlement is to be handled, including sort code and account number.

**Letter of Credit Charges:** There is no need to complete this section if the account is the same as that for handling settlement.

### Authorisation

To be signed by authorised person(s) in accordance with the Appointment of Bankers which accepts the Customer Agreement. Otherwise, for Limited Companies, by two Board Directors or a Board Director and Company Secretary, for partnerships in accordance with the bank mandate, and by the sole trader alone.

Please indicate the capacity in which you are signing.

By signing the form, you confirm that you have read and understood the Terms and Conditions for issuance of an Import Letter of Credit and accompanying notes.

### Sanctions and Prohibition of Trading Activity

Due to the global regulatory and risk environment in which it operates, Barclays may not be able to undertake certain types of business in some countries. This may depend upon the precise facts of the transaction concerned including the purpose of any payment and the identity of the parties involved.

### If you have any questions

Please contact your Relationship Manager.

# To Barclays Bank PLC

For bank use only:

## 1. Delivery

Fax instructions are subject to the prior completion of a fax indemnity. If you are submitting instructions by fax, mail confirmation is NOT required.

Date:

Please tick one box:

Mail  Fax

Fax codeword (if applicable):

## 2. Your Details

Customer Identification Number (if known):

Applicant name:

Address Line 1:

Address Line 2:

Address Line 3:

Contact name:

Applicant's reference:

Telephone number:

Fax number:

## 3. Your Supplier's Details

Beneficiary name:

Address Line 1:

Address Line 2:

Address Line 3:

Contact name:

Beneficiary's telephone number:

## 4. Validity Period

Latest shipment date:

Documents to be presented within  days of shipment but within the validity of the credit

Expiry date  in the country of the beneficiary

## 5. Amount and Currency

Up to

About +/-  % (please specify)

In figures:

In words:

## 6. Payment Terms

Sight

Term  days after   
(please specify number of days after 'Sight' or after a particular document date)

OR Fixed for   
(please specify a fixed maturity date)

For  % of invoice value

## 7. Partshipment and/or Transhipment

Partshipment and transhipment will be allowed unless your application indicates otherwise

Partshipment prohibited

Transhipment prohibited

## 8. Shipment Terms

Please tick only one box

Ex works

FOB/FCA

CFR/CPT

CIF/CIP

Other (please specify)

**9. Transportation (see note 3)**

From

To

**10. Documents Required****Transport document**

Please tick one box. If more than one type of transport document may be required, please specify details in 'Other'.

- Sea Full Set Clean on board Port to Port Bills of Lading (see note 3)
- Air Airway Bill (see note 4)
- Air/Road/Sea or any combination of the three-Full Set Multimodal Transport Documents (see note 3)
- Road CMR Road Transport Document (see note 4)
- Other (please specify)

**Consignee**

Consigned to order, blank endorsed (only applicable to Bills of Lading)

Consignee name:

Address Line 1:

Address Line 2:

Address Line 3:

Contact name:

Consignee's telephone number:

**Marked Notify**

- Applicant
- Other (please specify)

**Insurance (See condition d)**

For shipment terms CIF/CIP/C&I (or other terms requiring the beneficiary to be responsible for insurance) please indicate cover required.

Original	Copy(ies)	
<input type="text"/>	<input type="text"/>	Insurance Policy/Certificate Endorsed in blank for the invoice value plus <input type="text"/> %

**Covering**

- Institute cargo clauses 'A'
- Institute war clauses
- Institute strike clauses
- Other (please specify)

**Other documents**

Please state number of originals and/or copies

Original	Copy(ies)	
<input type="text"/>	<input type="text"/>	Invoice
<input type="text"/>	<input type="text"/>	GSP Form A
<input type="text"/>	<input type="text"/>	Packing list
<input type="text"/>	<input type="text"/>	Certificate of origin

Please specify any additional documents in the section marked 'Other Documents/Conditions' indicating how many original and/or copies are required.

**11. Charges for this Letter of Credit (see condition g)**

Please tick one box:

- All charges to be paid by us
- Barclays UK charges to be paid by us, all other charges to be paid by the beneficiary
- All charges to be paid by the beneficiary.

**12. Goods Description**

Avoid excessive detail. You may include a reference to proforma invoice(s) though such documents should not be attached.



**13. Other Documents/Conditions**

Please specify the documentation required as evidence of compliance. Where compliance will not be evident from the documents listed above, specific documentation must be requested (eg. 'Beneficiary's statement certifying that ...')



**14. Settlement (on receipt of documents in order/at maturity)**

Principal amount and charges will be settled from the same account unless otherwise indicated.

Branch sort code 2 0 - -

Debit our Sterling Account number

Debit our Currency Account number

Currency of account:

Utilise Forward Contract number:

Maturity date:

Rate:

Forward cover being arranged

**15. Settlement of Charges**

Please specify here if you wish to settle charges to a different account than the one already stipulated above.

Branch sort code 2 0 - -

Debit our Sterling Account number

Debit our Currency Account number

Currency of account:

**16. Authorised Signature(s)**

I/We have read and agree to be bound by Barclays' Terms and Conditions for issuance of an Import Letter of Credit.

Signature 1:

Name (Please print):

Capacity/Role of Signatory:

Signature 2:

Name (Please print):

Capacity/Role of Signatory:

Date:

# Terms and Conditions for issuance of an Import Letter of Credit

## To Barclays Bank PLC

In consideration of you issuing an Import Letter of Credit:

- a) We authorise you to accept draft(s)/undertake deferred payment(s) liability (as applicable) or otherwise honour the letter of credit in accordance with the terms of the credit.
- b) We authorise you to debit our account with all your commission/charges and expenses together with those of your correspondents where applicable as and when they become due and with all drawings either (i) on the date of each presentation where drafts are drawn at sight or where no draft(s) are involved and the letter of credit is payable at sight, or (ii) at maturity in respect of accepted draft(s) or on due date in respect of deferred payment(s), in which case we hereby undertake to provide you with funds not later than three business days before maturity, unless you have been previously provided with funds for this purpose.
- c) Where draft(s) are drawn in a currency other than sterling your demand for reimbursement from us will be calculated unless previously agreed to the contrary at your selling rate of exchange for the currency concerned, from the day you effect payment or receive advice from your branch or correspondent that payment has been made. Interest where applicable is payable by us from the date of payment by your branch/correspondent until the reimbursement currency is available to you, and any exchange risks are for our account.
- d) Where the beneficiary is not required to provide an insurance document, we undertake to arrange such insurance and deliver the relevant policy(ies)/certificate(s) to you on request. If this insurance is not arranged to your satisfaction you are authorised to arrange such insurance at our expense.
- e) You may use the services of agents to undertake all or part processing of this transaction. We agree you may give the agents information about us and our account relationship with you, on the understanding they will keep all information you provide confidential.
- f) The relative shipping documents as and when received by you, are to be delivered to us provided all monies, costs, expenses and interest due by us to you under this credit have been paid. If we fail to pay, the relative shipping documents and the goods represented thereby are to be held at your disposal and discretion and you are authorised to sell those goods, and we undertake to pay on demand the amount of any deficiency on such sale.
- g) In the event of the letter of credit not being drawn against, we will be liable for your charges and your correspondent charges if they have not been recovered from the beneficiary.
- h) It is agreed that the letter of credit is subject to the revision of ICC publication 'Uniform Customs and Practice for Documentary Credits (UCP)' current at the date of issue of the letter of credit.

## Notes

1. Unless expressly stipulated within the application the letter of credit will not be transferable. For specific guidance see article 38 of UCP600. If we are requested to transfer a letter of credit we will not be liable to do so until our transfer fees are paid.
2. The number of days allowed for any presentation should normally be the number of days between the last shipment date and expiry and must not be less than the number of days between the two. If no figure is inserted then a period of 21 days will automatically apply. However, presentations must be made within the validity of the credit.
3. Marine Port to Port Bills of Lading must cover shipment from a named Port of Loading to a named Port of Discharge, which Ports must be named as a place of transportation from XX to XX. In the event that a transport document is required covering shipment from an inland place of receipt to an inland place of delivery a multi-modal transport document should be called for.
4. Unless otherwise instructed, we will require air transport documents to be signed and dated by the carrier or their agent and to show actual flight number and date and CMR Road transport documents to show date of despatch and vehicle registration number.
5. As a general guide it should be noted that even if the credit prohibits transshipment banks will accept a transport document which indicates that transshipment will or may take place provided that the entire carriage is covered by one and the same transport document. For specific guidance see articles 19b & c, 20b, c & d, 21b, c & d, 23b & c and 24d & e of UCP600.
6. Barclays will arrange delivery of the Letter of Credit to the beneficiary via its preferred agent.

If your company is involved in international trade it is likely to be exposed to some form of foreign exchange risk arising from volatility in the foreign currency markets. Even companies that conduct their business in sterling, or trade within the UK only, are not immune from foreign currency fluctuations. Please contact your relationship team to see how Barclays can help you manage your foreign exchange risks.