

EXPLANATORY NOTES - IMPORT LETTERS OF CREDIT

No	Details	Description of details
1	Date	Date of submission of application
2	Mode of Advising	The most secure and fastest method of advising an LC is by SWIFT
3	Applicant (Name & address)	The company which is applying for this Letter of Credit (LC) The applicant must have a facility with the Bank to apply for this Letter of Credit. If your company does not currently have a facility with the Bank, please approach any of our DBS Branches for a Facility Pack.
4	Advising Bank	The bank which the beneficiary wants to receive the LC from. If beneficiary does not specify, DBS will use our overseas branches or correspondent agent banks in beneficiary's location/country.
5	For the benefit of a 3rd party	If applicant wants to use its LC facility to apply for an LC for the benefit of another company (i.e. the LC Applicant field will reflect this 3 rd party company), please contact your Relationship Manager to arrange for prior approval before submitting application form.
6	Credit Amount (Currency & figures)	This is the maximum amount the beneficiary can draw under the LC. If partial shipment allowed, he can draw multiple times so long as aggregate does not exceed this amount.
	Tolerance on credit amount and goods quantity	Would you allow the beneficiary to ship goods in excess of the quantity order? By how much percent more? If Yes, please note that there shall be an increase in the amount the beneficiary can draw under the LC as well. Please note that if you allow tolerance, quantity and amount in excess or lesser is acceptable under the LC. For example: If your LC is for USD100,000 and you allow 10% +/- tolerance, your LC facility will be booked for USD110,000.
7	Beneficiary's Name & Address	Insert full registered corporate name and address of supplier, to avoid beneficiary asking for amendments
8	Price Basis	International Commercial Terms (INCOTERMS) of Delivery If you're buying FOB or CFR, you will need to attach acceptable insurance documents to evidence that you have taken up adequate insurance. If you're buying CIF, to indicate as Document Required, Insurance Policy or Certificate to be presented for drawing under the LC
9	Partial shipment	Do you allow your supplier to ship/airmail the goods partially? If yes, tick "allowed". If you have specific requirements for the partial shipments, quantity to be delivered by a certain time, then please elaborate as an Additional Condition (signed Attachment on your company's letterhead)
	Transshipment	Do you allow your supplier to appoint a carrier which needs to unload and reload from one vessel/carrier? Transshipment usual entails higher risk of damage to goods. If yes, tick "allowed".
10	Shipment from:	Acceptable –A specific port in named country or Any port in (named country) Not Acceptable –words like " International Port in xxx Country"
11	Shipment to:	Name of specific Port and Country

12	Latest Shipment Date:	Last date by which you want the seller/supplier to put the goods on board the ship (ON BOARD date on Bills of Lading). e.g. Latest Shipment Date = Your Expected Date of Receipt minus shipment period
13	Date of Expiry (in beneficiary's country)	Date of Expiry must be a date on or after the Latest Shipment Date (LSD) plus Presentation Period (PP) e.g. LSD 1 Jan 2012 plus PP 21 days, Expiry Date must be 22 Jan 2012 or later.
14	Presentation Period	If silent, UCP says documents must be presented within 21 days after date of transport document. Presentation must always be before the Expiry Date. If shipment period is short, and if full set of BL is consigned to the Bank, suggest reducing presentation period to 7 days, to ensure seller submits documents quickly.
15	Drafts	a) at Sight (Issuing Bank must pay within 5 banking days after receipt of complying documents) b) Term (supplier gives you credit term e.g. x days after BL date or x days after sight)
16	Bills of Lading	Full set (i.e. 3 by 3 original BL) to be made to the order of Issuing Bank.
17	Air Waybill	Not a document of title, as airlines will release goods to persons against copy of airway bill and reasonable identification of consignee
18	Delivery Order	Delivery Order is the transport document called for if the goods are to be delivered by the beneficiary to applicant in the same country. For assurance of receipt, you can specify that Delivery Order needs to be signed by your representative and indicate whether such signatures need to be verified by the issuing bank.
19	Insurance Policy or Certificate	Should call for comprehensive coverage, Institute Cargo Clauses (A/All Risk)
20	Beneficiary's certificates	If 1/3 BL and/or one set of non-negotiable documents are to be sent to applicant directly, you should call for a certificate from the beneficiary.
21	Packing List / Weight Note/ Certificate of Origin / Signed Commercial Invoice	Insert Number of originals and copies required You can change the title of these documents if requested by the seller (e.g. Commercial invoice to Invoice) You should indicate the issuer of such documents, otherwise banks will accept all signed documents, even those signed by the beneficiary.
22	Goods Description/ Special Instructions	1. To state quantity and general description of the goods &/or services as per purchase order no. xx (Incoterm 2010) 2. Any other additional documentary conditions, if inadequate place, you may give us an attachment on your company's letterhead, which also need to be signed. 3. If you have mixed payment instructions, please indicate in this section

		<p>You may wish to call for additional documents such as:-</p> <ol style="list-style-type: none"> 1.Preshipment inspection certificate issued by <name of third party inspection company appointed by both parties>; 2.Certificates which are important for the goods to be subsequently commissioned, required by the authorities for import into country of discharge, etc 3. Certificate of Completion signed by <your project manager>, etc.
23	Bank charges	<p>Indicate whether for your account or beneficiary's account; usually charges are understood to be for beneficiary's account. If you indicate for account of Applicant, you will be liable for advising bank (advising commission), presenting bank (handling commission), reimbursing bank (reimbursing fees), negotiating bank (discounting interest, if any), confirming bank (confirmation fees, if any), etc.</p>
24	Pay upon receipt of documents at DBS Bank's counter	<p>This tells the beneficiary & beneficiary's banks that the LC is available by payment at DBS counters only, i.e. not available by negotiation. DBS only pays upon receipt of physical documents which are checked and found to be in compliance with LC terms. This cannot be imposed if the beneficiary wants the LC to be confirmed (i.e. choose either one no. 24 or 25, not both)</p>
25	Confirmation Required	<p>Tick this if beneficiary request for a Confirmed LC. The Confirming Bank is usually the Advising Bank nominated by the beneficiary. Please indicate who is to bear the confirming bank's fees. If you have agreed to bear, it is advisable to get an indication from your supplier.</p>
26	Please debit all LC charges to our account	<p>Please indicate the account for payment of LC issuing commission and charges</p>
27	Please provide us with trust receipt/bills receivable purchase financing	<p>Fill in this section, if your company needs the bank to finance you for the payment under LC to the beneficiary. You can apply for financing for the remaining period under your trust receipt facility. If your company does not need financing and intends to pay from your own funds, then you can leave this section blank. You will need to give us you payment instructions within 3 banking days upon the bank's notification to you of compliant documents.</p>
28	Authorized Signature(s) and Company Stamp	<p>Please sign according to the signing mandate given to the Bank. Affix Company Stamp only if the company stamp is part of your signing mandate</p>