

# APPLICATION FOR DOCUMENTARY CREDIT



**Indian Overseas Bank**  
64 CECIL STREET, IOB BUILDING  
SINGAPORE 049711

Name: .....  
Address: .....  
.....  
Tel. No: ..... Customer No: .....

Senior Manager's Approval

Credit No.

Dear Sirs

Date .....

I/We request and authorise you to open by **SWIFT/COURIER** the following irrevocable without recourse to the beneficiary, credit in favour of .....

.....  
.....  
.....

to the extent of .....  
(specify currency and amount in words and figures)

**expiring in** ..... **On** ..... (inclusive) and available  
(Place)

against their drafts **AT** ..... **SIGHT**  
to be drawn on yourselves for 100%/ ..... % of the invoice value of the merchandise

**MERCHANDISE (SPECIFY COMMODITY, QUANTITY AND PRICE PER UNIT, IF ANY)**

.....  
.....  
.....  
.....

**INCOTERMS: FOB/CFR/CIF/** .....

**Shipment from :** ..... **To:** .....  
(place of taking in charge) (final destination)

Port of loading: .....  
(if different from place of taking in charge)

Port of discharge: .....  
(If different from final destination)

**Last date for shipment:** .....

**Transshipment** ALLOWED/NOT ALLOWED      **Partshipment** ALLOWED/NOT ALLOWED

Period of presentation of documents for negotiation: ..... days from the date of shipment

**DOCUMENTS REQUIRED :** indicated by mark X below

Signed commercial invoices in .....

Full set of clean shipped on board Bill of Lading made out to the order of Indian Overseas Bank, Singapore or 'to order', blank endorsed and marked "Freight prepaid/Freight payable at destination", specifying LC number and date and notify Opening Bank and Applicant and other parties:

.....  
.....  
.....

Airway (original for the Consignor/Shipper plus 2 copies) indicating flight number and date, consigned to Indian Overseas Bank, Singapore marked 'Freight prepaid/freight payable at destination', specifying LC number and date and notify Opening Bank and Applicant and other parties:

.....  
 Marine/Air insurance policy or certificate of insurance issued to the beneficiary and blank endorsed for full invoice value plus 10 percent in the currency of the credit covering Instituted Cargo Clauses (A), Institute War Clause (Cargo/Air Cargo), Institute Strike Clauses (Cargo / Air Cargo), covering all the risks from warehouse to warehouse at final destination and mentioning claims to be payable in Singapore/.....in the currency of the credit.

Insurance covered here by us with .....

.....  
Under their Open Policy No. .... Enclosed  
Insurance advice to be sent to insurance company by courier/fax at fax no ..... within  
..... days after shipment and a copy of the same to accompany the documents.

Certificate of ..... Origin in .....

Packing list in .....

Weight list in .....

Measurement list in .....

Other documents (if any)

.....  
.....  
.....

Advise through (name of the advising bank) in the beneficiary's country

.....  
.....  
.....

All charges in connection with this credit outside Singapore are for account of  
**BENEFICIARY/ OURSELVES**

Unless otherwise specified above all documents should be at least in triplicate.

All documents should be despatched to Opening Bank by courier in one lot.

**SPECIAL INSTRUCTIONS:**.....  
.....  
.....  
.....

We request that the Bank issue its irrevocable documentary credit pursuant to the above instructions on the Bank's Terms and Conditions for Irrevocable Documentary Credit Applications, which we confirm that we have read, understood and hereby accept.

AUTHORISED SIGNATURE

To

**Indian Overseas Bank**

64 CECIL STREET, IOB BUILDING  
SINGAPORE 049711

Letter of Credit No ..... For .....

In consideration of your opening this credit we hereby agree:-

1. That you are hereby authorized to accept, prepay and/or pay on our account all drafts drawn upon me/us/you pursuant hereto and accept all documents above described purporting to be presented under this credit (hereafter referred to as the "documents")
2. That you may prepay and deferred payment undertaking incurred by you or drafts accepted by you prior to maturity and we undertake to provide you with cash funds to meet such drafts at or before maturity as you may require.
3. That you are hereby authorized to debit or earmark in advance without previous notice to us any of our accounts with you for the amounts of any payments made by you pursuant hereto and/or the amount of any drafts accepted by you at the time of such acceptance or before maturity. Such advance payment shall not discharge or otherwise affect any other claims for repayment, interest, expenses and/or costs that you may have against us in respect of any facilities or other accommodation which you have granted or will grant to us. You shall be entitled to retain such cash advance for eventual settlement of this credit and we irrevocably agree to waive all rights to such advance save that it shall be returned to us less any interest, costs, expenses, commissions and charges if you, in your sole discretion, are satisfied that there will be no further claim arising under or in connection with the credit.
4. To accept upon presentation any pay at maturity all drafts drawn on us pursuant hereto or drafts drawn upon us by you for settlement of the payment based upon the letter of credit or promissory notes made by us in compliance with your request.
5. Without prejudice to any security created herein and by general law, to pledge: (i) any and all documents (including but not limited to shipping documents, bills of lading, warrants, delivery orders, wharfingers' or other warehouse keepers' certificates or receipts, insurance policies and certificates and any other documents) received by you or your correspondents under the credit; (ii) the goods shipped under, pursuant to, or in connection with the credit (Fully Insured); and (iii) any other goods owned by us now or at any time hereafter in your possession or control, as a continuing security for the performance of all our obligations to you and/or our liabilities arising under or in connection with the credit as well as any other actual or contingent liabilities that may be owing by us to you, together with interest, costs and expenses. Further, your rights hereunder shall not be prejudiced notwithstanding the release or substitution of any goods which may be held as security hereunder at any time.
6. That you have full discretionary power upon arrival of the underlying goods at our expense risk and responsibility to have them warehoused in your name by employing clearing agents or other agents and insured against fire, theft and burglary but without obligation upon you to so warehouse and insure and you will be in no way responsible for any loss or damage entitled through your omission so to warehouse or insure.
7. That in the event of:
  - (a) our non-acceptance of any drafts drawn upon as pursuant hereto; or
  - (b) default of any payment by us pursuant to any liability arising hereunder or any other breach of this agreement; or
  - (c) in case you deem that the goods subject to the drafts will considerably decrease in price,

then, without prejudice to any other rights or remedies to which you may be entitled, you are hereby authorized and given full discretionary power without notice to or further consent from us or any other person interested to pledge and/or sell the said goods either before or after arrival at destination and by public auction/private sale or otherwise in one or more lots in such manner or at such times as you think fit, and after deducting all expenses including commission connected therewith to apply the net proceeds of any such sale in or towards the discharge of the monies due from us to you and we undertake to pay you on demand the amount of any deficiency remaining after such sale together with us to you and we undertake to pay you on demand the amount of any deficiency remaining after such sale together with all usual commission charges and other expenses whatsoever and interest as may be due.

8. That we shall effect and maintain satisfactory insurance on the shipments to the full value thereof, and to assign the policies or certificates of insurance to you or to name you as the loss payee in the insurance policy, at your option. In case of default or our obligation hereunder, your bank is at liberty to effect insurance thereon and we undertake to reimburse you for all premium and expenses connected therewith. Such insurance shall be effected by first class insurers to be approved by you and, in any event of loss, the insurance monies shall be paid to you without deduction or detention and until so paid, the monies shall be held to your order and on your behalf. We authorize you to retain all monies arising under such insurance paid directly to you and in your sole discretion, to retain such monies until all sums payable in respect of any documentary credit have been paid or to set off such monies against any monies from time to time owing under such documentary credits whether then due and owing or not.
9. To furnish you, at any time or from time to time upon your demand, with additional security to your satisfaction or to make payments on account as agreed, and further, generally for the purposes of implementing, perfecting, maintaining and realising your security, we undertake to sign, obtain, execute and/or deliver any documents, deeds, licenses, clearances or instruments which you may require.
10. That:
  - (a) we warrant that we are, or will following shipment of the underlying goods, be the sole owner of such goods and will take all necessary steps to assert our rights of ownership on your behalf, and
  - (b) we shall not, without your prior written consent, create any encumbrance whatsoever and of any kind over or dispose of any or all of the underlying goods.
11. That it is at your sole discretion to claim payment of all drafts drawn pursuant hereto at your Bill Selling Rate (which shall comprise your TT Selling Rate plus Exchange Margin as fixed by you) on the date payment is due from us unless exchange rate has been fixed by you earlier, either (a) in exercise of your option herein referred to or (b) under our exchange contracts with you, or at any official rate prescribed for such Bills from time to time and also that it is at your sole option to fix the rate of exchange at any time during the currency of the credit or at any time after receipt of drafts negotiated under the credit as you may deem expedient.
12. To pay and/or fully indemnify you on demand against:
  - (i) all charges and expenses paid or incurred by you, your branch, subsidiary or correspondent bank in connection with, arising out of advising or confirming or reimbursing or not utilizing or amending the terms of the credit, and/or the relative drawings under the credit and/or relative goods or otherwise, however incurred, in relation to this transaction, together with your commission at your rates for opening the letter of credit;
  - (ii) all sums paid by you under or in connection with the credit and/or any draft called for in the credit, and you shall be entitled to charge us interest on the drafts negotiated at your prevailing rate(s) from the date of drafts until the approximate date of proceeds reaching your reimbursing correspondents and in case of payment before maturity of usance drafts, waiver of any interest from the date of payment till the maturity date being optional on your part;
  - (iii) All demands, claims, losses, payments, charges, obligations and liabilities whatsoever of any nature incurred by you or your correspondents/branches arising under or in connection with this credit, including legal costs on a full indemnity basis which you may incur in enforcing or attempting to enforce your rights hereunder; and

- (IV) all liabilities and expenses of whatsoever nature (including legal costs) incurred by you in perfecting or exercising any rights hereunder and in respect of any action or omission relating to the underlying goods including any claim against you by reason of any defect in our title to the underlying goods.
13. That on no account shall any claim be made against the bank after delivery of the documents to us and/or retirement of the draft(s) by us.
  14. That we open this credit entirely at our sole risk and will honour all drafts presented even should the goods not arrive or be refused landing through any act of war restriction imposed by government ordinance.
  15. That the Transmission of instruction under the above credit and the forwarding of documents are entirely at our risk.
  16. That we undertake to fulfill all formalities prescribed by the relevant authorities from time to time.
  17. To pay a cash margin of not less than % and such additional margin as demanded in future.
  18. That we not only assume entire responsibility for all that you or your correspondents may do based upon the letter of credit when the beneficiary thereof applies to you or your correspondents for the negotiation of a documentary bill of exchange in accordance with the provisions stipulated in such letter of credit but shall also make no objection to variations from provisions of the letter of credit which you or your correspondents made at your or their discretion to conform to local agreements in respects of the handling of exchange business of the place of the negotiation or commercial customs and practices thereof in accordance with the surrounding circumstances without notifying me or us.
  19. That the bills of lading themselves need only contain a general description of the relative goods and it will be sufficient if documents tendered under this credit taken as a whole contain the description required by this credit and that no responsibility is to attach to you or your correspondents as to the documents beyond seeing that they purport to be in order.
  20. That the Bank and its correspondents shall be answerable or liable for and neither our obligations nor the vesting of any of your rights or powers hereunder be affected by:
    - (a) any act or omission of any beneficiary of the credit or transferee of the credit, if transferable;
    - (b) the existence, nature, amount, quality, quantity, condition, or delivery of the goods purporting to be represented by the documents or any variance from descriptions therein;
    - (c) the nature, validity, form, sufficiency, genuineness or collectability of any drafts or documents (including insurance) or any endorsement thereon, or the relationship of any issuer thereof to the goods;
    - (d) any irregularity in connection with shipment, including any default, oversight or fraud by the shipper and/or any others in connection with the goods or documents, non-shipment or transmittal thereof, or delay in arrival thereof, failure to arrive, or failure to give notice of shipment or arrival thereof, or goods going into General Order;
    - (e) any deviation from instructions, delay, default or fraud by the shipper or anyone else in connection with the goods or the shipping thereof;
    - (f) failure of any draft to bear any reference or adequate reference to the credit, or failure of documents to accompany any draft at negotiation, or failure of any person to surrender or to take up the credit or to send forward documents apart from drafts as required by the terms of the credit, each of which provisions, if contained in the credit itself, it is agreed may be waived by you;
    - (g) errors, omissions, interruptions or delays in transmission or delivery of any messages, however sent and whether or not in code or cipher;
    - (h) any error, neglect or default of any of your correspondents or agents;
    - (i) save for willful default, any loss which may arise in any exercise of your rights, nor shall you be liable by reason of your taking possession of the underlying goods to account for any monies except actual receipts;
    - (j) any damage arising out of shortage, theft, pilferage, deterioration depreciation and other causes which the goods may suffer at the time of storage or releases or while in its possession or custody or in the possession of custody of its employees, Agents including clearing Agents, whether by accidents or willful wrong or fraud;
    - (k) non/wrong delivery of the goods by clearing or other Agents/Employees of the Bank;
    - (l) without limiting the foregoing, any act or omission in good faith; and
    - (m) any consequences arising from causes beyond the Bank's control.
  21. That upon the non-performance of any payment obligation herein, all payment obligations shall fall due and we shall furnish satisfactory additional security (if demanded by the Bank) or make payments on account as agreed, or to perform or comply with any other term of this agreement. In the event of presentation of any winding-up or bankruptcy petition, judicial management, administration, receivership, restructuring and/or appointment of receiver, execution or attachment of any of the underlying goods by order of court or legal process, all obligations (including payment obligations) shall become immediately due hereunder.
  22. That the rights and powers conferred by this agreement are in addition and without prejudice any other securities you may now or hereafter hold for our account. No provision hereof shall be deemed to have been waived unless given in writing, nor shall any such waiver, unless otherwise expressly stated, be applicable to any matters occurring subsequent to the date thereof or to any continuance of the matters waived after such date.
  23. Any person who is not a party to this agreement shall have no right whatsoever under the Contracts (Rights of Third Parties) Act, Cap. 53B (the "Act"), to enforce this agreement or any of its terms, provided always that nothing herein shall operate to prevent or limit your right to assign, novate or otherwise confer any benefit or interest in favour of any other party, apart from the Act.
  24. That this agreement and all contracts arising out of it is and are to be construed according to the laws of Singapore. Any disputes arising out of or in connection with this agreement shall be subject to the non-exclusive jurisdiction of the courts in Singapore. Without prejudice to the foregoing, we irrevocably waive any objection we may have now or hereafter for the determination of any dispute in Singapore which may arise out of or in connection with this agreement. Nothing contained in this clause shall limit your right to take action in any court of competent jurisdiction.
  25. The credit shall be subject to the "Uniform Customs and Practice for Documentary Credits" (2007 revision) of the International Chamber of Commerce, under ICC Publication no. 600 and, to the extent not inconsistent therewith, shall be governed by and construed in accordance with the laws of Singapore.
  26. In this Agreement, unless the context otherwise requires, the expression "I" or "we" or "me" or "us" or "my" or "our" wherever used shall: in the case where the undersigned is/are a sole proprietorship firm include the sole proprietor and his executors and administrators and his or their successors in the business; in the case where the undersigned is/are a partnership firm include the partners who are the partners of the firm at the time of this Agreement and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrator and the successors to such partnership business and this Agreement shall not be terminated or prejudiced or affected by such change in the constitution; and in the case where the undersigned is a company include such company and its successors.
  27. It is understood that in the absence of our fixing an exchange contract with you to cover this Credit, the retail rate for the relative bill(s) will be the rate of exchange ruling on the date of receipt by you of the relative documents. In any event, we shall indemnify you against any exchange loss or difference between the amount paid by us and the amount payable on the relevant draft.