

## **SCHEDULE B**

### **Letter of Credit format**

Format of Irrevocable Documentary Letter of Credit as required pursuant to Section 63.14:

Please urgently advise [FULL NAME OF SELLER], [ADDRESS], that we [BANK] hereby issue our irrevocable documentary letter of credit number [L/C NUMBER], in their favour for account of [FULL NAME OF BUYER], [ADDRESS] for an amount of USD [US DOLLAR AMOUNT] (say [US DOLLAR AMOUNT IN WORDS]) +/-15% available at our counters [DAYS] days [FROM/AFTER] [PAYMENT TERMS] against presentation of the following documents in one original and [NUMBER OF] copies unless otherwise stated:-

1. One or more signed commercial invoices.
2.
  - (a) [in the case of FOB/CFR/CIF delivery] one or more full sets of 3/3 original clean on board ocean bills of lading issued or endorsed to the order of.....
  - (b) [in the case of ITT/FIP delivery] copy of the transfer certificate
3. One or more certificates of quality.
4. One or more certificates of quantity.
5. \*[One or more certificates of origin].
6. [in the case of CIF delivery] insurance certificate covering 110% of the cargo value

\*Amend as appropriate

Evidencing [SHIPMENT/DELIVERY] of [QUANTITY] [UNIT OF MEASURE] +/-15% of [PRODUCT] [INCOTERM] [LOAD/DISCHARGE PORT] between [DATE] and [DATE] (both dates inclusive).

PRICE CLAUSE [Here insert text of Price Clause as per the agreement]

This credit expires on [DATE]

[In the case of delivery FOB/CFR/CIF only] In the event that the above documents are unavailable at the time of presentation, payment will be made against document number one above (the Invoice) and a letter of indemnity issued by beneficiary in the following format:-

Quote

To:

[here insert text of Indemnity as per Schedule A]

Unquote

### **SPECIAL CONDITIONS**

1. This letter of credit shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the provisions of the agreement between [BUYER] and [SELLER] to which this letter of credit relates.

2. [In the case of delivery FOB/CFR/CIF only] charterparty bills of lading/vessel bills of lading and/or bills of lading and/or bills of lading signed by the master or agent and not indicating that they have been issued by a named carrier are acceptable.
3. Documents presented later than 21 days after the [BILL OF LADING/NOTICE OF READINESS] date but within the validity of this credit are acceptable.
4. Transshipment [ALLOWED/PROHIBITED].
5. Partial shipment [ALLOWED/PROHIBITED].
6. Photocopies in lieu of copy documents acceptable.
7. Swift/fax invoice and letter of indemnity acceptable.
8. All banking charges are for the account of the applicant.
9. The construction, validity and performance of this letter of credit shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this letter of credit shall be subject to the exclusive jurisdiction of the English courts.
10. Typographical and spelling errors shall not constitute a discrepancy unless with regard to quantity and amount.
11. The value of this letter of credit may escalate/de-escalate above or below the tolerances allowed without any amendment on our behalf.
12. Except as otherwise expressly stated herein, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision, (ICC publication no. 600).
13. Multiple/partial drawings allowed.
14. Original documents stating grade name different to LC acceptable.
15. Any discrepancy resulting from the invoiced quantity exceeding or falling below the quantity range allowed in this letter of credit is acceptable. Payment will be effected on the invoiced quantity in case the maximum quantity allowed in this letter of credit is not exceeded. In case the invoiced quantity exceeds the maximum quantity allowed in this letter of credit the bank will pay on the maximum quantity allowed in this letter of credit.
16. Beneficiary may discount this LC at own cost and request.
17. Documents named as different but servicing the same purpose are acceptable.
18. Price clause and calculation not stated on the commercial invoice is acceptable.
19. [In event that payment due date falls on a Saturday or a New York bank holiday, except Monday, payment will be effected on the last banking day prior. If the payment due date falls on a Sunday or Monday bank holiday in New York payment will be made on the next business day].
20. [Beneficiary may draw under this letter of credit against provisional invoice based on price quotation on [NOR/BL] date. If no quotation is published on the date of [NOR/BL] date. If no quotation is published on the date of [NOR/BL], the provisional invoice to be based on the quotation published immediately preceding the date of [NOR/BL].

Balance payment to be effected under this L/C within 3 New York banking days against presentation of final invoice if the amount owed is in beneficiary's favour. If the balance of the payment is in the applicant's favour payment to be effected outside of the letter of credit].

21. [NOR date to count as delivery date and to appear on invoice only].
22. [Ports of discharge other than mentioned are acceptable].
23. [Presentation of a Tax invoice acceptable].
24. [In the case of delivery Ex Ship only] In the event that the outturn quantity is not known at the time of presentation, beneficiary may draw under the letter of credit against a provisional invoice based on the mean volume of the LC quantity. In the event the actual outturn quantity is greater than mean volume of the LC quantity beneficiary may present a final claim under this LC. If the actual outturn quantity is less than mean volume of the LC quantity then the difference is to be settled outside of the LC.
25. PDF copies acceptable.
26. Documents showing different density to invoice is acceptable.
27. Any discrepancy resulting from the invoice value exceeding or falling below the US dollar range allowed in this letter of credit is acceptable. In the event that the invoice amount does not exceed the LC value, payment will be effected on the invoice amount. In the event that the invoice value exceeds the maximum value of the LC, the bank will pay on the maximum value allowed under this Letter of Credit.