



EXPORT LETTERS OF CREDIT

INSTRUCTIONS FOR TRANSFERABLE LETTERS OF CREDIT

1. Letter of Credit (LC) must state that it is Transferable.
2. LC must be Irrevocable and subject to the UCP 600.
3. LC must be an original LC, not a Transferred LC.
4. LC must have been advised or confirmed by Bank of America.
5. LC must be available with Bank of America by sight payment, by deferred payment, by acceptance, or by negotiation. If the LC is available with any bank by negotiation (freely negotiable), it must specifically nominate Bank of America as the Transferring Bank of America.
6. LC must state the date and place of expiry. The place of expiry should be at the counters of Bank of America. Alternatively, the place of expiry may be stated as U.S.A. However, the place of expiry must not be at the counters of the Issuing Bank.
7. LC must not contain excessive details.
8. LC must be acceptable for transfer by Bank of America.
9. If the LC contains a condition that makes it non-operative, the LC cannot be transferred until the Issuing Bank amends the LC making it operative.
10. LC can be transferred only on the terms and conditions specified in the original LC, with the exception of the following:
 - The amount of the LC
 - Any unit prices, if stated in the LC
 - Expiry date
 - Latest ship date
 - Number of days for presentation of documents

ANY OF THE PRECEDING TERMS MAY BE REDUCED OR CURTAILED

11. If the original LC requires presentation of an insurance document, the percentage of insurance coverage must be increased, in order to provide the amount of cover stipulated in the original LC.
12. Our request for Transfer form must be completed for each transfer, and signed by the Beneficiary of the LC (First Beneficiary). The First Beneficiary must have his/their signature(s) verified on the Request form by the bank where the First Beneficiary has their account.
13. The second Beneficiary must be acceptable to Bank of America and, if requested, to the Issuing bank.
14. The First Beneficiary must pay the applicable Transfer fee, and any other charges that may be outstanding under the LC, at the time they submit the Request for Transfer. Any additional processing fee may be charged to transfer an LC with complex terms, or any LC not issued in the SWIFT format. If the Transfer LC is to be sent by courier or by teletransmission, the applicable charges must be included with the payment.
15. The original LC and any amendments must be attached to the Request for Transfer when sent to us.

INSTRUCTIONS FOR COMPLETING LETTER OF CREDIT ISSUANCE GUIDELINES FORM		
Purchase Order No.	Used if customary for buyer to send their Purchase Order to the seller.	Optional
Pro-Forma Invoice No.	Used if customary for the seller to send their Pro-Forma Invoice to the buyer.	
Beneficiary	Seller/Exporter	Required
Letter of Credit (LC) to be:	Buyer's bank (Issuing Bank) sends LC to Bank of America	Choose option
Advised	Advised – The Advising Bank is responsible for verifying authenticity of LC, but is not responsible for payment. Payment is subject to Beneficiary presenting LC conforming documents to the bank where the LC is available (see below), and upon that bank's receipt of funds from the Issuing Bank.	
Confirmed	Confirmed – The Confirming Bank undertakes responsibility for payment of LC conforming documents, in addition to the responsibility of the Issuing Bank. The request for confirmation must come from the Issuing Bank, and is subject to approval by the bank requested to confirm the LC. * Confirmation may or may not be needed, depending on source of LC. If the LC is issued by a major bank in an industrialized country, the Beneficiary may elect not to require confirmation by a U.S. bank. Banks charge a confirmation fee.	
By: Bank of America Office (as indicated by ** or ***)	** BOFAUS6S - use this address if you intend to present your documents to Los Angeles CA, Seattle WA, or Portland, OR *** BOFAUS3N - use this address if you intend to present your documents to Scranton, PA, New York NY, or Miami FL	Recommended
Amount	The amount quoted should include all costs to be incurred by the Beneficiary, including transportation and insurance costs, if applicable.	Required
Tolerance	If the exact amount of the LC cannot be determined, a tolerance in the amount would give the Beneficiary the option of drawing a stated percentage, plus or minus of the LC amount.	Optional
Expiry Date	How long should the LC be valid? The validity period should include the time needed by the Beneficiary to prepare goods for shipment and to prepare documents to present to the bank.	Required
Expiry Place	The LC should expire in the same location as the location of the bank where the LC is available.	Required
LC Available: With	Available With – The bank where the Beneficiary should present the documents required for payment. The Issuing Bank can restrict the LC to themselves, nominate a specific bank, or make the LC available with any bank by negotiation (freely negotiable). We recommend that the LC nominate Bank of America, Trade Operations Office, U.S.A. as the bank where the LC is available.	Required
By	Available By – the LC must also state how it is available: By Negotiation of Sight Draft or By Sight Payment. Either one applies when the Beneficiary's agreement with the Buyer is that the Beneficiary should be paid once the shipment is made (payable "at sight" basis). Most LCs payable "at sight" are available By Negotiation. By Deferred Payment or By Acceptance, or by Negotiation of Time Draft. Either one applies when the Beneficiary has agreed to give the buyer payment terms, for example 60 days to pay. If the LC is available By Acceptance with a bank other than the Issuing Bank, it would be subject to approval by the nominated bank.	
* Subject to approval by Bank of America	1/2	TOC LCG 01-01

Draft	Usually required in an LC. It is the document that represents the Beneficiary's demand for payment under the LC. The demand for payment is made on the bank named in the LC as the "Drawee". If payment is to be made "at sight" basis, the LC would require presentation of a Draft payable "At Sight". If payment is to be made at some future time (Beneficiary finances the transaction), the LC would require presentation of a Time Draft. No Draft is required when the LC is available by Deferred Payment. We recommend that Time Drafts be drawn on Bank of America. * Note: A letter of Credit may require presentation of a Time Draft, although the Beneficiary has not given payment terms to the buyer. In this case, the LC should state that acceptance and discount charges are for account of the buyer (buyer bears financing cost) and the Beneficiary is to be paid At Sight basis.	Recommended
Partial Shipments – Transshipment	Subject to agreement between buyer and seller. Will be permitted unless the LC specifically prohibits.	Optional
Shipment	Complete any or all of the four fields shown as appropriate for the type of Transport Document that will be required in the LC, i.e. for Multimodal Transport Document you will likely use three or four of the fields, for an Ocean B/L or Air Waybill you will likely use only the Port/Airport of Loading and Port/Airport of Unloading.	Required
Latest Date of Shipment	The LC will usually state the buyer's requirement that the Beneficiary ship the merchandise no later than this date.	Optional
Shipment By	Buyer and seller agree how the merchandise will be shipped to the buyer: by sea, air, or land. The type of transport document that the LC will require will be based on this information.	Choose option
Freight Insurance	Buyer and seller agree who will pay for freight and insurance. The LC terms will reflect this agreement.	Optional
Ocean, Air, Truck or Rail Shipments (Terms of Sale)	Buyer and seller agree on the mode of transport, and who will pay for the transportation and insurance costs. The LC must reflect the proper "Incoterm". This information must be included in the LC terms when a transport document is required.	Optional
Documents Required	Specify the number of originals and copies required for each document.	Choose Option
Description of Goods and/or Services	The LC must include a brief description of the merchandise and/or services covered by the LC. A detailed description should not be used since it may result in documentary discrepancies, which would jeopardize payment to the Beneficiary. A reference may be made to a Purchase Order or Pro-Forma Invoice, but neither one of these documents is an acceptable documentary requirement under an LC.	Required
Time for Presentation	If the LC requires presentation of a transport document, the LC should state the number of days after the date of shipment, that the Beneficiary is allowed to present documents to the bank where the LC is available. If the LC does not stipulate, 21 days will be allowed. Presentation of documents must always be made within LC validity.	Optional
Bank Charges	Who pays the banking charges, the Buyer/Applicant or the Seller/Beneficiary? Applicable only to Time Drafts: The Drawee Bank will charge an acceptance fee for undertaking the prolonged obligation to pay at a future time. If the Beneficiary wants to be paid prior to maturity, the Drawee Bank may, at its option, discount the Banker's Acceptance it created out of the Beneficiary's Time Draft. The Drawee Bank will charge interest (discount charge), in addition to the acceptance fee, on the number of days being financed. Discounting of a Deferred Payment obligation is not possible since no Draft is required. See your Trade Sales Officer to discuss financing.	Choose option
Transferable	If the Beneficiary needs to use the LC as the source of the funds needed to pay the actual supplier of the merchandise. The issuing Bank should specifically authorize Bank of America to transfer the LC. *	Choose option
Reimbursement	The instructions that the Issuing Bank should give to the Negotiating/Paying Bank as to where to obtain funds to pay the Beneficiary. Very important information to help expedite payment.	Recommended
* Subject to approval by Bank of America	2/2	TOC LCG 01-01

Bank of America Disclaimer:

These guidelines are provided for general guidance purposes only. For each transaction, the buyer, the seller and the issuing bank may have different requirements which must be satisfied. In providing this guidance, we do not assume any liability for the issuing bank, its letter of credit, the obligations of buyer or seller in connection with the letter of credit or for any other related matters. Parties to the letter of credit and the underlying transaction are advised to make themselves familiar with the procedures, practices and risks associated with letters of credit and, as appropriate, consult their own bank or counsel.

LETTER OF CREDIT ISSUANCE GUIDELINES

Date: _____ / _____ / _____ (Month/Day/Year)

Buyer: _____

Address: _____

Your Purchase Order

Our Pro-Forma Invoice

No. _____

Please instruct your Bank to issue an IRREVOCABLE Letter of Credit in accordance with the following terms:

The Letter of Credit (LC) should be issued by SWIFT or Telex, with full details, and subject to the UCP 600.

Beneficiary: _____

Address: _____

The LC to be: Advised Confirmed*

By the Bank of America office marked below:

BOFAUS6S

** Bank of America Trade Operations

1000 W. Temple Street, 7th Floor

Los Angeles, CA 90012

Tel: 800.541.6096

BOFAUS3N

*** Bank of America Trade Operations

1 Fleet Way

Scranton, PA 18507-1999

Tel: 800.370.7519

LC Amount: US\$ _____

Amount Tolerance +/- _____ Pct

Expiry Date: _____ / _____ / _____ (Month/Day/Year)

Expiry Place: Bank of America, Trade Operations Office, USA

The LC Must be Available: With Bank of America, Trade Operations Office, USA

By: Negotiation Sight Payment Deferred Payment Acceptance*

Drafts to be payable at: Sight _____ Days Sight _____ Days from Shipment Other: _____

Drafts to be drawn on: Bank of America, Trade Operations Office, USA (Optional for Sight LCs.)

Partial Shipments: Permitted Not Permitted

Transshipment: Permitted Not Permitted

The LC should be Transferable: Yes No *If Yes, Bank of America must be nominated as the transferring bank*

Shipment: Place of Receipt: _____ Port/Airport of Loading: _____

Port/Airport of Unloading: _____ Final Destination: _____

Latest Date of Shipment: _____ / _____ / _____ (Month/Day/Year)

Shipment by: Ocean Air Other: _____

Freight: Collect Prepaid

Insurance by: Seller Buyer

Ocean Shipments: FOB CFR CIF Other: _____ Named Point: _____

Air, Truck, or Rail Shipments: FCA CPT CIP Other: _____ Named Point: _____

<u>Documents Required</u>	<u>Originals</u>	<u>Copies</u>	<u>Transport Documents</u>	<u>Originals</u>	<u>Copies</u>
Commercial Invoice	_____	_____	Multimodal Transport	_____	_____
Packing List	_____	_____	Ocean B/L	_____	_____
Certificate of Origin	_____	_____	Air Waybill	_____	_____
Insurance Policy or Certificate	_____	_____			
Forwarders Cargo Receipt	_____	_____			
Other Documents:					
_____	_____	_____	_____	_____	_____
(Name of Document)			(Name of Document)		
_____	_____	_____	_____	_____	_____
(Name of Document)			(Name of Document)		

Description of Goods and/or Services:

Documents to be presented to the negotiating bank within _____ days after shipment but not later than the expiry date of the letter of credit.

Bank Charges:

Issuing Bank charges for:	<input type="checkbox"/> Applicant	<input type="checkbox"/> Beneficiary
Advising Bank charges for:	<input type="checkbox"/> Applicant	<input type="checkbox"/> Beneficiary
Reimbursing Bank charges for:	<input type="checkbox"/> Applicant	<input type="checkbox"/> Beneficiary
Acceptance Commission for:	<input type="checkbox"/> Applicant	<input type="checkbox"/> Beneficiary
Discount charge for:	<input type="checkbox"/> Applicant	<input type="checkbox"/> Beneficiary

The LC must provide one of the following reimbursement instructions, shown in order of preference:

Debit the Issuing Bank's account. Obtain reimbursement by telegraphic transfer from another U.S. Bank.

Shipment will be effected after we receive a Letter of Credit satisfactory to us, and acceptable to our bank.

If you are unable to comply with any of the preceding terms, please let us know by:

Fax No.: _____ Telephone No.: _____

E-Mail Address: _____

Any deviation from the terms stated here, without our agreement, may result in a delay in the shipment until the Letter of Credit is amended.
