

FOR OFFICIAL USE ONLY

L/C No:

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT/ STANDBY LETTER OF CREDIT

Date: (dd/mm/yyyy)

Please establish an Irrevocable Letter of Credit for my/our account by

☐ SWIFT ☐ COURIER ☐ Other

On the following terms and conditions:

Applicant name and address:		Expiry date:	
Account number:		Place of expiry: (where documents must be presented)	
Telephone:		Beneficiary name and address:	
Please contact:			
Currency and amount in words and figures			
Credit Amount Tolerance +/- ____%			
Available with _____			
By: <input type="checkbox"/> Payment <input type="checkbox"/> Acceptance <input type="checkbox"/> Negotiation <input type="checkbox"/> Others _____			
Tenor/ Drafts at:			
Partial shipments <input type="checkbox"/> Allowed <input type="checkbox"/> Not allowed	Trans - shipment <input type="checkbox"/> Allowed <input type="checkbox"/> Not allowed	Trade terms/ Incoterms <input type="checkbox"/> EX-WORKS <input type="checkbox"/> FOB <input type="checkbox"/> CPT/ CFR <input type="checkbox"/> CIF/CIP <input type="checkbox"/> Other _____	
Latest date of shipment:			
Port of loading:		(For Multimodal or Local Transport Only)	
Port of discharge:		Place of taking in charge:	
		Place of final destination:	
Goods/ Services (Brief Description as per Proforma Invoice):			

Documents required:

- ☐ Commercial invoice _____ originals _____ Copies
- ☐ Packing list _____ originals _____ copies
- ☐ Full Set of clean on board bills of lading ☐ Clean airway bill _____ originals _____

Marked: ☐ Freight prepaid ☐ Freight payable at destination and notify

- ☐ Certificate of origin _____ originals _____ copies
- ☐ Certificate of conformity issued by: _____
- ☐ Delivery note _____ originals _____ copies
- ☐ Road/ Railway consignment note _____ originals _____ copies

Other documents:

Additional conditions:

Documents to be presented within _____ days after shipment date but within the validity of the credit.

Advise through Bank: _____

Confirmation: ☐ Required ☐ Not Required

BANK CHARGES ARE FOR: Local charges ☐ Applicant ☐ Beneficiary

Overseas bank charges ☐ Applicant ☐ Beneficiary

IDF number: _____ Dated: _____

Security/ Collateral details: ☐ Cash Covered ☐ Pre-Approved bank facility

Documents to be forwarded by the negotiating bank in one lot by courier unless otherwise stated. Please debit your commission charges to our account number: _____

On receipt of swift claim from the negotiating bank or upon your receipt of the relative import documents you are authorized to:

- ☐ Debit our account in settlement ☐ Create a post import loan

TERMS & CONDITIONS

1.SECURITY AGREEMENT

TO NCBA BANK KENYA PLC

Please mark an "X" your requirements or delete as appropriate.
In consideration of your opening of the a forementioned credit on our behalf, we hereby agree that the following agreements and conditions shall apply to the said credit.

- a. We authorize you to accept and/or pay to our account all drafts purporting to be drawn under any such credit.
- b. We hereby undertake and agree that unless you have previously been provided with funds for this purpose, we will reimburse you on your demand before maturity in the case of acceptances or on presentation in the case of sight drawings for all drafts drawn on and paid by you, your branches or your correspondents in the terms thereof together with interest and commission. It is understood that where any drafts are drawn in foreign currency your demand on us for reimbursement will be calculated, unless you shall have previously agreed in writing to the contrary, at your selling rate of exchange for the currency concerned on the day you effect payment or receive advice from your branch or correspondent, until the reimbursement currency is at your actual disposal will be for our account.
- c. We undertake that all goods shall be fully insured against all the risks and the Insurance Policy thereof shall be assigned to you on demand. In the event of the insurance not being arranged to your satisfaction you are authorized in your absolute discretion but without being bound so to do effect such insurance at our expense.
- d. You and your agent are not to be held responsible for the genuineness or correctness of Bill of Lading or other documents or any endorsement thereon or for any mistake or misrepresentation as to the quality, quantity, weight, marks or value of any merchandise comprised herein, or for the shippers or other charges on any instruction or conditions or sufficiency of the Insurance Policies or Certificates.
- e. It is understood and agreed that all risks, including exchange risks, arising out of or consequent on the issue of this credit are to be borne by us alone. Furthermore, it is agreed that all directions and correspondence relating to the said letter of credit are to be sent at our risk and that you do not assume any responsibility for any inaccuracy, interruption, error, or delay in transmission or delivery by post, telegraph or cable, or for any inaccuracy of translation.
- f. We hereby authorize you to hold the documents called for by the terms of this credit and the merchandise to which they relate and relative insurance as security for liabilities incurred by you or your correspondents or agents in connection with this credit including expenses and charges of whatever nature incurred in relation to the said merchandise or the obtaining of possession or the disposal thereof (which expenses or charges we hereby authorize you to incur and undertake to repay to you) and you may sell the said merchandise either before or after the arrival at your discretion and without notice to us and we hereby agree to do all such things as may sell the said merchandise to pay on demand the amount of any deficiency. In the event such goods should suffer any decline in value, we will upon demand deliver to you additional collateral to your satisfaction.
- g. Should you elect before provision by us of drafts accepted under this credit to hand us the relative shipping documents for the purpose of clearing and realizing the shipments for any other purpose, we engage in the meantime to hold such documents or the relative merchandise or the proceeds thereof on your behalf.
- h. As to the said letter of credit, we represent that all required Import or Export licenses have been obtained.
- i. Neither you nor your correspondents shall be in any way held responsible for performance by any beneficiary of its obligations to us, nor for the form, sufficiency, correctness, genuineness, authority of person authorizing, falsification or legal effect of any documents called for under the said letter of credit if such documents on their face appear to be in order.
- j. Subject to the law and conditions and practices of the trade, existing in the area where the beneficiary is located, the said letter of credit shall be subject to and performance by you, our correspondent and the beneficiary thereunder shall be governed by the Uniform Customs and Practice for Documentary Credit (2007 Revision), International Chamber of Commerce, Publication No. 600, or by subsequent Uniform Customs and Practice fixed by subsequent Congress of the International Chamber of Commerce.
- k. We hereby authorize you to debit our account with all sums which may be due to you in respect of this credit, including your commission, interest where applicable, and all charges and expenses incurred by you and for your correspondents' offices.
- l. Our liabilities to you are to continue in force and to be applicable to all transactions entered into hereunder, notwithstanding and change in the composition of the firms, parties hereto or in the beneficiary (ies) hereunder.
- m. If the application for this Commercial Letter of Credit is signed by one individual, the terms: "we", "our", "us", shall be read throughout as "I", "my", "me" as the case may be. If signed by two or more parties, it shall be joint and several agreements of such parties.
- n. To provide you with your margin of security, you are authorized to debit our account with KES _____. We enclose a cheque of KES _____ to be accounted for to us when all your claims in respect of the said credit have been satisfied.
- o. We hereby indemnify you against all losses, costs, damages, expenses, claims and demands which you may incur or sustain by reason of your opening or establishing this credit.
- p. We confirm that the bank will not be held liable for any delays in payment due to payment processing procedures or banking holidays.

- q. We confirm that the bank may utilize all information provided by us pursuant to this agreement in compliance with the instructions as contained in this agreement and in compliance with the provisions of the law.
- r. We agree that the rights and powers conferred by this agreement are in addition and without prejudice to any other securities which you may now or hereafter hold on our account.
- s. The foregoing agreement together with the credit opened pursuant thereof and all contracts arising out of both of them are to be governed by and construed according to the Laws of the Republic of Kenya.

2. LETTER OF SET-OFF

(By Borrower)

In consideration of NCBA Bank Kenya PLC (the "Bank" which expression shall extend to its successors and assigns) providing and/or continuing to provide banking credit and other facilities by way of accommodation to me/us or to third parties guaranteed by me/us, I/we agree as follows: -

- a. In addition to any right of set-off or other general lien or similar right to which the Bank as bankers, creditors or otherwise may be entitled in law, the Bank may at any time without notice to me/us combine or consolidate all or any of the accounts with the Bank in my/our name or to which we are beneficially entitled and set-off or transfer any money whatsoever standing to the credit of any one or more of those accounts, whether on current, deposit or other account, in or towards satisfaction of my/our indebtedness to the Bank arising from the facilities, accommodation referred to above, whether those liabilities be present, future, actual, contingent, primary, collateral, joint or several.
- b. For the purpose of determining my/our liability hereunder, at any time I/we agree that the interest charged by the Bank shall be at such rate(s) as the Bank shall in its sole discretion from time to time decide with full power to the Bank to charge different rates for different accounts and such interest shall be calculated on daily balances and debited monthly by way of compound interest. PROVIDED ALWAYS that the Bank shall advise me/us prior to any change in the rate of interest so payable pursuant to the law.
- c. The rights conferred by this letter are in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the fixed deposit of documents or otherwise) now or hereafter held by or available to the Bank and shall not in any way be prejudiced or affected by them or by their invalidity or by the Bank's now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of them or any rights which the Bank may now or thereafter have or giving time for payment or indulgence or compounding with any other person liable

FOR AND ON BEHALF OF

Authorized signatory

Authorized signatory

Authorized signatory

Authorized signatory

DOCUMENTS TO SUPPORT THIS APPLICATION

1. Import declaration form
2. Proforma invoice
3. Insurance certificate/ Policy or insurance cover with signed Insurance Indemnity
4. Payment – Cash cover/ Facility