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## **The issuance of BG / SBLC with SWIFT MT760 confirmation**

Dear colleagues!

To resolve issues of financing and conducting of trading operations, **we are ready to issue Bank Guarantees (BG) and Standby Letter of Credits (SBLC)** from TOP banks in the world: HSBC, Deutsche bank, Credit Swiss, Commerzbank and others.

These financial instruments can be used as borrowed collateral to attract financing for your own projects, as collateral for obtaining a credit line, as well as a guarantee of payment issued from the Buyer to the Supplier's Bank, to secure purchase and sale agreement.

### **Terms for issuing a Bank Guarantee (BG) and Stand-by Letter of Credit (SBLC):**

- **The Format:** URDG 758, ICC 500/600, ISP98;
- **Confirmation:** via SWIFT MT760;
- **Face value:** from 20 000 000 EUR / USD;
- **Purchase:** Issue of BG/SBLC with the transfer of assets;
- **Leasing:** Issue of BG/SBLC as loan security for 1 year, with free extension up to 10 years.
- **Payment for the issue of the instrument** is made upon verification of the instrument in the Beneficiary's Bank.

### **Procedure of work:**

To offer the client the final terms for issuing a financial instrument, it is necessary to provide data on the company of the customer, the servicing Bank, the beneficiary Bank, the required instrument details. A full list of issues is provided in Appendix 1.

To start working on the BG/SBLC release, the Client fills out and signs the Application and DEED OF AGREEMENT (DOA) and receives a letter from the beneficiary bank. Further, the issue follows the agreed procedure (Appendix 2), with payment upon verification of the instrument in the Beneficiary's Bank.

With respect,  
Directorate of ProValue Industry.



## **Appendix 1. Information about the Customer**

In order for us to agree with the Bank on the terms of issuing the financial instrument required for your transaction, we ask the Customer to provide the following information to start negotiations:

### **1. Information about the Customer's company:**

- Company Name:
- Corporate Address:
- Business Number (Reg №):
- Represented by: Mr.
- Passport Number:
- Date of Expiry:
- Country of Issuance:
- It is better to attach Client Information Sheet (CIS) / Company Profile.

### **2. Information about the Customer's service Bank:**

- Bank name:
- Bank Address:
- Bank Officer's Name:
- Bank Officer's Title:
- Bank Officer's PIN:
- Bank Officer's Telephone Number:
- Bank Officer's Fax Number:
- Bank Officer's Email:
- Account Name:
- Account Number:
- SWIFT CODE:

### **3. Information about the beneficiary's Bank (the Seller's bank)**

- Bank name:
- Bank Address:
- SWIFT CODE:

### **4. Requirements for the issuing Bank (jurisdiction, rating, corresponding Bank).**

### **5. Information on the required financial instrument:**

- Swift's publication project BG / SBLC (MT760), LC (MT700);
- Face value of the letter of credit;
- The purpose of the instrument.



## **Appendix 2. The procedure of issuing BG / SBLC**

### **THE TRANSACTION PROCEDURE is as follows:**

1. **Beneficiary submit the Application** together with compliance documents: Client Information Sheet (CIS); Letter from Beneficiary's bank about readiness to accept the instrument; Clear color copy of the beneficiary signatory's passport; Certificate of Incorporation;
2. **After successful DUE DILIGENCE** of the Beneficiary's Application, the PRINCIPAL sends to the Beneficiary a letter of consent to issue of the SBLC, initialed agreement (DOA) for signing. The Beneficiary sends to the Principal a signed DOA. The Principal signs the DOA, registers with his Bank and send DOA to the Beneficiary for the registering with his Bank;
3. **Optional action of POF/Pre-advice (This option is negotiated individually, only FOR the TOP20 beneficiary banks. You can skip it to save time):**
  - a. The Beneficiary's bank has to send to the Principal's bank **Proof of Funds (POF) via SWIFT MT799**.
  - b. The Principal's bank will issue a **Pre-advice via SWIFT MT799** confirming that the instrument will be delivered versus issuance of the Bank Payment Undertaking (BPU).
4. The Principal will issue a **Corporate Invoice**, and the **Beneficiary's Bank** will issue a **pay order BPU via SWIFT MT799** within 3 (three) banking days after the Beneficiary's Bank receives Principal's Invoice.
5. Within 5 (five) banking days after receiving and authenticating the **pay order BPU by SWIFT MT799**, the Principal's Bank sends **BG / SBLC via SWIFT MT760** to the Beneficiary Bank.
6. within 7 (seven) banking days after receiving **SWIFT MT760** and its verification, the Beneficiary's Bank activates the pay order BPU and pays the Invoice by **SWIFT MT103 on the same day**.
7. BG on paper (**Hard Copy**) will be delivered to the Beneficiary's Bank by a special bank courier within 7 (seven) banking days **after receiving full payment** to the Principal, Provider and the Consultants.