



Ref.No: 04/17-01/2022; Date: January 17, 2022.

## **The issuance of Letter of Credit (LC) with SWIFT MT700 confirmation**

Dear colleagues!

To improve the efficiency of trading transactions, **we are ready to issue Letters of Credit (LC) from various banks around the world, without the client's collateral**, with the blocking of funds of the Fund, which has been successfully operating in the financial services market for more than 15 years.

This offer is most relevant for international contracts for the wholesale purchase of equipment, furniture, clothing, shoes and other goods that the Supplier is ready to ship to the Buyer under a letter of credit.

By issuing our letter of credit to the Supplier, the Buyer does not block their funds, but uses the funds of the Fund, paying for the product as soon as it arrives at its port. At the time of the transaction, the cargo itself and its documents are secured by the Fund.

### **Terms for issuing a Letter of Credit (LC):**

- **The Format:** ICC 500/600;
- **Confirmation:** via SWIFT MT700;
- **Face value:** from 50 000 to 10 000 000 EUR / USD;
- **Validity period:** 90 days;
- **Usage:** issue of the instrument as a guarantee of payment, under the contract of sale and purchase. The buyer must pay for the product after it arrives at the port of receipt;
- **Transaction documents:** contract, Purchase Order, Proforma Invoice, Bill of lading;
- **Payment for the issue of LC:** goes directly to the issuing 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 and transaction documents. A full list of issues is provided in Appendix 1. The procedure for issuing the instrument is given in Appendix 2.

### **Customer requirements:**

1. The amount of the contract for which the letter of credit is issued must be commensurate with the Client's revenue.
2. Experience in executing similar contracts and the availability of arbitration will be taken into account.
3. The Client must be ready to pay the Bank the cost of issuing the letter of credit;

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 Client / Buyer 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 LC (MT700), BG / SBLC (MT760);
- Face value of the letter of credit.

### **6. The information on the transaction:**

- Contract;
- Purchase Order, Proforma Invoice, Bill of lading.



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## **Appendix 2. The procedure of issuing Letter of Credit**

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

1. **After receiving all the documents from the Client / Buyer**, they are transferred to several Banks that serve the Fund. Banks review the documents and provide the conditions under which they are ready to issue a letter of credit, as well as determine its cost. The Buyer chooses a Bank with suitable conditions.
2. **The Fund prepares** and provides the Buyer with a draft letter of credit (SWIFT MT700).
3. **The Buyer discusses the draft letter of credit with the Seller.** Its text is agreed upon so that it suits both Banks and the Fund. The list of documents submitted by the Seller to the Bank for disclosure of the letter of credit is agreed.
4. **The Buyer signs** the draft letter of credit. The buyer, the Fund and the Bank sign the contract. **The Buyer pays the cost** of the issue of the letter of credit to the Bank.
5. Within 5 (five) banking days after payment for the issue of the letter of credit, the Bank issues the instrument.

The provisions of the procedure are subject to discussion, depending on the Client's tasks. You can work with payment via the lawyer's escrow account.