Import Letter of Credit: Key Facts Statement

Letter of Credit (LC) is an irrevocable undertaking by the Bank (as the importer's bank or issuing bank) given to the exporter (seller of goods/services) at the request of the importer (buyer/importer) to effect payment up to a stated amount within a stated time period against presentation of complying documents.

Fees and Charges	
Issuance Commission	LC value up-to first AED100,000 - 0.16% per month. Thereafter 0.125% per month. Minimum of 3 months and AED 600 whichever is higher (Collected in advance for the full amount and entire tenor of the LC) **Notes:** a. *Import Letter of Credit Issuance (LC) through paper application will carry an incremental fee of AED1,000* b. *LC Commission is calculated for the number of months between the issue date and the expiry date of the LC, rounded off to the next higher month.*
Amendment Commission	Commission for increase in value - As calculated for issuance of LC (minimum AED 250). Commission for extension of the expiry date - As calculated for issuance of LC (minimum AED 250) Amendments to LCs (other than in value and expiry date) – AED 250 **Note:** *Amendments to Documentary Credit made through paper application will carry an incremental fee of AED500.*
Cancellation Fee	AED 500
SWIFT Charges	• Pre-advice AED 100 • Issuance AED 500 • Amendments AED 200
Courier Charges	• Domestic AED 200 • International AED 265
Draft of LC Prior to Release	AED 500
Import Bills under LC – Bill Processing Fee for Sign and Usance Bills	AED 200

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Acceptance Commission (for each bill drawn under Usance LC)	0.15% per month on the bill value levied on full Usance tenor as per LC (minimum of AED300)
Discrepancy fee (on each set of documents received with any discrepancy)	USD 150 or equivalent per each set of documents received containing a discrepancy (levied as specific in LC terms)
Reimbursement fee	FCY LCs – USD 150 or equivalent per bill LCY LCs – AED 275
Commission on the bills presented under expired LCs	As calculated for issuance of LC
Commission on the bills presented which exceeds LC value	As calculated for issuance of LC
Fees for issuance of manager's cheque for agent's commission	AED 125 per cheque
Fees for safekeeping of documents (after 1 month from the date of presentation)	AED 250 per document per month
Documents if returned Unpaid/Unaccepted	AED 500 flat (variable charges extra)
Commission in Lieu of Exchange	Commission of 0.25% in lieu of exchange when transactions are settled in whole or part, in the same currency as the relative documents

Documentation Required

Issuance

- LC application to be completed and duly signed by the applicant, in the Bank's standard application form.
- Proforma Invoice/Purchase Order/Sales Confirmation/Quotation
- Any other document agreed between the parties

Amendment

Amendment application completed and duly signed by the applicant, in the Bank's standard amendment application form

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Warning
• Transactions will be subject to US, UK, EU Compliance screening and AML checks.
• The Bank will debit your account and make payment under the LC when complying documents are presented.
• Additional fees may be levied by the correspondent bank/financial institution or entity providing financial services to the beneficiary of remittances.
• Penalties and Fees may be applied if there is a customer error or omission in providing correct or incomplete information for remittances.
• This product/service may be affected by changes in foreign currency exchange rates.
• The actual time to complete a transaction may differ from estimates due to increased scrutiny of transactions by the correspondent bank/financial institution or entity providing financial services to the beneficiary of remittances.

Notes

- Any capitalized term used in this Key Facts Statement has the meaning given to it in the Bank's terms and conditions applicable to this product.
- If there is any conflict or inconsistency between (a) the Terms and Conditions and a Request or an Offer Letter, the Request or Offer Letter shall prevail; or (b) an Offer Letter and a Request, the Offer Letter shall prevail, in each case to the extent of that conflict or inconsistency.
- The Customer shall submit all documents to the Bank that the Bank may require and must inform the Bank of any change in the information provided at the time of making an initial request.
- The Bank reserves the right, at its absolute discretion, to add / amend / delete / cancel any of the terms and conditions and will usually provide the Customer with 60 days written notice prior to making such changes.
- All Loans and Overdrafts offered by the Bank are offered at the Bank's sole and absolute discretion. The Bank reserves the right, at any time, without liability, penalty, or reason, to refuse to provide any Loan or Overdraft.
- The Customer agrees to pay all applicable fees, costs, charges and expenses of the Bank in connection with the provision of this service. Details of such fees, costs, charges, and expenses are set out in the relevant Request, the relevant Offer Letter, or the Schedule of Charges: TWC Schedule of Charges
- The options provided by the Bank are for the Customer's informed decision-making and should not be deemed to constitute advice.
- The Customer can reach out to the relationship manager for support with any queries related to terms and conditions.

Acknowledgement

In signing this Key Facts Statement below, I acknowledge that I have received, read and reviewed the Import Letter of Credit Key Facts Statement. I hereby acknowledge that I have understood the conditions defined in this Key Facts Statement.

Customer Name	
Company Name	
Customer Signature	
Date	

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