

LC / DLC Requirements

(LC / DLC instruments must be issued by the Buyer's bank subject to mutually agreed banking procedures and approval).

Professional reference structure for Letters of Credit (LC) and Documentary Letters of Credit (DLC) used in international commodity transactions.

1. Accepted Financial Instruments

- Documentary Letter of Credit (DLC)
- Letter of Credit (LC)
- Standby Letter of Credit (SBLC) subject to agreement
- All instruments subject to seller approval and transaction structure

2. ICC Compliance

- All instruments should comply with ICC UCP 600 regulations
- Applicable SWIFT messaging standards including MT700 and MT760 where relevant

3. Issuing Bank Requirements

- Issuing bank must be internationally recognized and acceptable to seller
- Non-sanctioned banking institutions only
- Top-tier international banks preferred
- Subject to compliance and due diligence review

4. Operative Conditions

- Financial instruments must be fully operative and irrevocable
- Conditional or non-operative instruments are not acceptable
- Final acceptable banking verbiage subject to seller approval and agreed transaction procedure

5. Confirmation & Advising

- Confirmation requirements subject to transaction structure
- Advising bank to be mutually acceptable
- Banking charges allocated according to SPA terms

6. Shipment & Delivery Terms

- Shipment terms governed by executed SPA
- Partial shipment and transshipment subject to agreement
- Latest shipment date and delivery windows to be defined contractually

7. POP & Payment Trigger

- Proof of Product documentation provided according to agreed procedure
- Payment release triggered upon mutually agreed documentary compliance

8. Verbiage Approval

- Draft LC / DLC wording may require prior seller review
- Final operative wording subject to mutual banking approval
- Unauthorized amendments are not acceptable without written consent

9. Validity & Expiry

- Validity period to remain sufficient for loading, shipment, and discharge operations
- Expiry location and presentation period to be defined within banking instrument

10. Compliance & Sanctions

- Transactions subject to international sanctions compliance
- All parties subject to KYC / CIS review
- Transactions must comply with applicable international trade regulations

Authorized Signature: _____

Company Stamp: _____