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BHUTAN NATIONAL BANK LIMITED

.....BRANCH

(To be signed and stamped as an agreement on legal stamp)

APPLICATION & GAURANTEE FOR ISSUE OF DOCUMENTARY CREDIT

Dear Sirs, Please establish with your Branch/Correspondent in..... (Place/Country) A DOCUMENTARY CREDIT AS PER DETAILS BELOW: SWIFT-MT700	20	LC NO	
	31C	DATE OF ISSUE	YY/MM/DD
	23	PREADVISED ON	

40A	TYPE OF L/C	[] IRREVOCABLE	[] IRREVOCABLE & TRANSFERABLE
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50	APPLICANT-NAME & ADDRESS	
	EMAIL ID:.....	CONTACT:.....

59	BENEFICIARY-NAME & ADDRESS WITH PHONE, & FAX NO, IF ANY	
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32B	CURRENCY & AMOUNT OF CREDIT (IN FIGURE & WORDS)	
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41A	CREDIT AVAILABLE WITH	
	CREDIT AVAILABLE BY	[] PAYMENT [] NEGOTIATION [] ACCEPTANCE

42C	DRAFTS TENOR	[] AT SIGHT []DAYS FROM THE INVOICE/BL/TR
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42A	DRAFT DRAWN ON	BHUTAN NATIONAL BANKBHUTAN
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42P	DEFERRED PAYMENT, IF ANY	
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43P	PARTIAL SHIPMENT	[] PERMITTED [] PROHIBITED	43T	TRANSHIPMENT	[] PERMITTED [] PROHIBITED
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44A	SHIPMENT FROM		44B	FOR TRANSPORTATION TO:
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44C	LATEST DATE OF SHIPMENT	YY/MM/DD		(INTRANSIT TO.....BHUTAN
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45A	DESCRIPTION OF GOODS: (BRIEF DESCRIPTION WITH TERMS OF PRICE: CIF/CNF/FOB/OTHER terms, as per INCOTERMS)			
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46A	<p>DOCUMENTS REQUIRED</p> <p>[] DRAFT/BILL OF EXCHANGE FOR PERCENT OF INVOICE VALUE.</p> <p>[] SIGNED COMMERCIAL INVOICES INCOPIES INDICATING GOODS DESCRIPTION, QUANTITY, UNIT PRICE,TOTAL AMOUNT, PERFORMA INVOICE NO, L/C NO AND DATE CERTIFYING GOODS ARE OF ORIGIN.</p> <p>[] COMPLETE SET OF CLEAN ON BOARD BILL OF LADING MADE TO THE ORDER OF BHUTAN NATIONAL BANK LTD. POST BOX NO.96, PHUENTSHOLING,BHUTAN, SHOWING FREIGHT PREPAID AND MARKED NOTIFY THE BANK AND THE APPLICANT QUOTING NAME AND ADDRESS, LC NO, DATE AND IMPORT LICENCE NO & DATE</p> <p>[] AIRWAY BILL SHOWING FREIGHT PREPAID/PAYABLE AT DESTINATION SHOWING GOODS CONSIGNED TO THE ORDER OF ISSUING BANK AND MARK NOTIFY THE BANK AND THE APPLICANT QUOTING NAME AND ADDRESS, LC NO, DATE AND IMPORT LICENCE NO & DATE</p> <p>[] FULL SET OF CLEAN, TR/RR MADE TO THE ORDER OF/ENDORSED IN FAVOUR OF BHUTAN NATIONAL BANK LTD., SHOWING FREIGHT PREPAID AND MARKED NOTIFY THE BANK AND THE APPLICANT QUOTING NAME AND ADDRESS, LC NO AND DATE</p> <p>[] CERTIFICATE OF ORIGIN INCOPIES ISSUED BY THE CHAMBER OF COMMERCE/COMPETENT GOVT.APPROVED AGENCY OF THE EXPORTING COUNTRY REQUIRED</p> <p>[] INSURANCE POLICY/CERTIFICATE IN DUPLICATE COVERING MARINE RISK AS PER INSTITUTE CARGO CLAUSE (F.P.A.W./ALL RISK) AND PERILS AS PER</p>
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INSTITUTE SRCC,TPND CLAUSES AND WAR RISKS, AS PER INSTITUTE CLAUSE FOR 110 OF THE INVOICE VALUE AND CLAIMS IF ANY PAYABLE IN BHUTAN.
 CERTIFICATE OF ANALYSIS IN COPIES ORIGINAL ISSUED BY BENEFICIARY/COMPETENT GOVT.APPROVED AGENCY OF THE EXPORTING COUNTRY REQUIRED
 TEST CERTIFICATE INCOPIES ORIGINAL ISSUED BY BENEFICIARY/COMPETENT GOVT.APPROVED AGENCY
 HUMAN CONSUMPTION CERTIFICATE BENEFICIARY/COMPETENT GOVT.APPROVED AGENCY OF THE EXPORTING COUNTRY REQUIRED
 PACKING LIST IN COPIES INDICATING GROSS AND NET WEIGHT REQUIRED.
 WEIGHT MEASUREMENT IN COPIES REQUIRED
 INSPECTION CERTIFICATE/REPORT ISSUED BYIN.....COPIES REQUIRED

47A **ADDITIONAL TERMS AND CONDITIONS**
 COMPLETE SET OF NON-NEGOTIABLE DOCUMENTS TO BE SENT TO THE APPLICANT IMMEDIATELY AFTER SHIPMENT BY AIR MAIL/COURIR SERVICE OR E-MAIL
 COMPLETE SET OF NON-NEGOTIABLE DOCUMENTS TO BE SENT TO THE APPLICANT IMMEDIATELY AFTER SHIPMENT BY AIR MAIL/COURIR SERVICE OR E-MAIL GIVING DETAILS OF SHIPMENT VIZ. DATE OF SHIPMENT, BILL OF LADING NO.& DATE, NAME OF THE VESSEL AND THE EXPECTED DATE OF ARRIVAL OF VESSEL AT THE PORT OF DELIVERY AND CONFIRMATION TO THIS EFFECT SHALL ACCOMPANY THE ORIGINAL SET OF DOCUMENTS.
 ALL DOCUMENTS MUST BEAR OUR BANK NAME & CREDIT NO.
 DOCUMENT MUST NOT BE DATED EARLIER THAN THE OPENING OF THIS CREDIT.
 B/L MUST INDICATE.....DAYS OF CONTAINER DETENTION CHARGES FREE
 INLAND HAULAGE CHARGES FROM PORT OF DELIVERY TO FINAL DESTINATION ON BUYERS ACCOUNT
 DOCUMENTS CONTAINING ANY DISCREPANCY MUST NOT BE NEGOTIATED AGAINST GUARANTEE OR UNDER RESERVE WITHOUT OUR PRIOR APPROVAL

71B SPECIFY, IF CHARGES ARE FOR ALL CHARGES SPECIFY BENEFICARY

48 DOCUMENTS TO BE PRESENTED TO THE NEGOTIATING BANKS WITHIN.....DAYS FROM THE DATE OF SHIPMENT

49 CONFIRMATION INSTRUCTION WITH CONFIRMATION WITHOUT CONFIRMATION MAY ADD

57A L/C TO BE ADVISED TO THE BENEFICIARY THROUGH BANK BIC/NAME & ADDRESS BANK NAME: ADDRESS/BIC:

I/WE HEREBY DECLARE THAT THE ITEM(S) IMPORTED HEREIN IS/ARE NOT RESTRICTED ITEM AND IS/ARE COVERED UNDER NON-NEGATIVE LIST.(IMPORT LICENCE NO., COPY OF PROFORMA INVOICE NO. ALONG WITH THE APPENDIX II DULY COMPLETED ATTACHED HEREWITH).

IN CONSIDERATION OF YOUR OPENING A LETTER OF CREDIT AS ABOVE, I/WE HEREBY UNDERTAKE AND AGREE TO ACCEPT AND PAY IN DUE COURSE ALL DRAFTS DRAWN WITHIN THE TERMS THEREOF AND/OR TO TAKE UP AND PAY FOR ALL DOCUMENTS NEGOTIATED THERE UNDER ON PRESENTATION, AND ALL DRAFTS DRAWN WITHIN THE TERMS THEREOF AND/OR TO TAKE UP AND PAY FOR ALL DOCUMENTS NEGOTIATED THERE UNDER ON PRESENTATION, AND IN DEFAULT OF MY/OUR SO DOING, YOU MAY SELL THE GOODS BEFORE OR AFTER ARRIVAL AND I/WE UNDERTAKE TO REIMBURSE YOU FOR ANY SHORTFALL THAT MAY OCCUR AND I/WE HEREBY FURTHER UNDERTAKE FORTHWITH ON DEMAND MADE BY YOU IN WRITING TO DEPOSIT WITH YOU SUCH SUM OR SECURITY OR FURTHER SUM OR SECURITY AS YOU MAY FROM TIME TO TIME SPECIFY AS SECURITY FOR THE DUE FULFILLMENT OF OUR OBLIGATION AND ANY SECURITY SO DEPOSITED WITH YOU MAY BE SOLD BY YOU ON YOUR GIVING REASONABLE NOTICE OF SALE TO US AND THE SAID SUM OF SALE HEREUNDERPROCEEDS OF THE SECURITY MAY BE APPROPRIATED BY YOU, IN OR TOWARDS SATISFACTION OF OUR SAID OBLIGATIONS AND ANY LIABILITY OF OURS, ARISING OUT OF THE NON-FULFILLMENT THEREOF.

YOU ARE TO HAVE A LIEN ON ALL GOODS, DOCUMENTS AND POLICIES AND THE PROCEEDS THEREOF FOR ANY OBLIGATIONS OR LIABILITIES PRESENT OR FUTURE INCURRED BY YOU UNDER/ARISING OUT OF THIS CREDIT.

I/WE APPROVE OF THE NEGOTIATION OF DRAFTS DRAWN UNDER THIS CREDIT BEING CONFINED TO YOUR BRANCHES AND OR YOUR CORRESPONDENTS.

I/WE AGREE THAT INSURANCE SHALL BE EFFECTED ON THE SHIPMENT TO THE FULL VALUE THEREOF AND SUCH INSURANCE TO BE MADE AVAILABLE FOR YOUR BENEFIT BY DEPOSITING THE POLICIES OR CERTIFICATE TO YOU.

I/WE FURTHER AGREE THAT ALL GOODS COVERED BY SUCH DRAFT(S) SHALL REMAIN IN YOUR POSSESSION UNTIL EACH DRAFT SHALL HAVE BEEN PAID BY ME/US AND I/WE HEREBY HYPOTHECATE AND PLEDGE THE SAID GOODS TO YOU AS SECURITY FOR THE PAYMENT AT MATURITY OF THE DRAFT(S) AND HEREBY AUTHORISE YOU IF THERE SHALL BE ANY BREACH BY ME/US OF ANY TERM THEREOF TO SELL THE SAID GOODS EITHER BY PUBLIC AUCTION OR PRIVATE CONTRACT AND TO APPLY THE NET PROCEEDS THEREOF TOWARDS PAYMENT OF ANY SUM WHICH THEN OR SHALL THEREAFTER BECOME OWING BY ME/US TO YOU.

I/WE FURTHER AGREE THAT I/WE OPEN THIS CREDIT ENTIRELY AT MY/OUR RISK AND WILL HONOUR ALL DRAFTS PRESENTED EVEN SHOULD THE GOODS NOT ARRIVE OR BE REFUSED LANDING THROUGH ANY ACT OF WAR OR RESTRICTIONS IMPOSED BY THE GOVERNMENT ORDINANCE. SHOULD THIS CREDIT BE EXTENDED OR AMENDED IN ANY WAY AND SUCH AMENDMENT WILL BE TREATED AS PART OF THIS AGREEMENT AND I/WE AGREE TO PAY ALL CHARGES IN THIS CONNECTION THEREWITH.

I/WE HEREBY CONFIRM THAT I/WE RELIEVE YOU ENTIRELY FROM ALL RESPONSIBILITIES WHATSOEVER FOR REGULARITY GENUINENESS AND OR VALIDITY OF DOCUMENT WHICH YOU MAY BE CALLED UPON TO RECEIVE ON MY/OUR BEHALF AND FOR GENUINENESS AND/OR SIGNATURES THERETO AND FOR THE QUANTITY, QUALITY OR NATURE OF THE GOODS TO WHICH SUCH DOCUMENTS REFER AND IN THE EVENT OF THEIR LOSS IN TRANSIT. I/WE WILL ONCE REIMBURSE THE AMOUNT OF THE PAYMENT AND CHARGES UPON YOUR FURNISHING EVIDENCE OF SUCH PAYMENTS HAVING BEEN EFFECTED.

I/WE AGREE THAT NEITHER YOU NOR YOUR CORRESPONDENTS SHALL BE RESPONSIBLE FOR ANY LOSS OR DAMAGE TO GOODS HOWEVER AND WHEREVER CAUSED OR FOR FAILURE FOR ANY REASON BY YOU/YOUR CORRESPONDENT OR ANY OTHER PERSON TO STORE AND INSURE THE GOODS AND I/WE FURTHER AGREE TO ALL THAT ACTS AND OMISSIONS OF THE DRAWERS AND/OR CORRESPONDENTS AND/OR ANY OTHER PERSON SHALL BE AT MY/OUR RISK.

THE DOCUMENTS ACCEPTED IN CONNECTION WITH THE CREDIT MAY BE THOSE WHICH ARE GENERALLY ACCEPTABLE IN ACCORDANCE WITH THE LAWS, CUSTOMS AND PRACTICE OF NEGOTIATION OR WHICH MAY BE CONSIDERED SATISFACTORY BY YOU OR YOUR CORRESPONDENTS. EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO UCPDC 2007 REVISION ICC PUBLICATION NO.600.

THE RELATIVE SHIPPING DOCUMENTS HAVE TO BE SURRENDERED TO ME/US AGAINST PAYMENT/ACCEPTANCE ONLY.

IF AT ANY TIME AND OR FROM TIME TO TIME HEREAFTER AND AT OUR REQUEST YOU ENHANCE THE AMOUNT OF THE LETTER OF CREDIT OR AMEND ANY OF THE TERMS THEREOF, INCLUDING EXTENSION OF THE VALIDITY OF THE CREDIT FOR SHIPMENT AND/OR NEGOTIATION OF DOCUMENTS, THEN NOTWITHSTANDING THE AMOUNT AND THE TERMS SPECIFIED IN THE APPLICATION, OUR GUARANTEE SHALL COVER AND BE DEEMED TO COVER THE ENTIRE AMOUNT OF CREDIT ISSUED BY YOU AND ANY OTHER AMENDMENTS EFFECTED THERETO AND OUR LIABILITY WILL BE FOR THE ENTIRE AMOUNT OF THE LETTER OF CREDIT ENHANCED AND/OR AMENDED AT OUR REQUEST. WE SHALL CONTINUE TO BE BOUND BY ALL THE OTHER TERMS AND CONDITIONS OF THE APPLICATION AND GUARANTEE NOTWITHSTANDING SUCH ENHANCEMENT OF AMENDMENT FROM TIME TO TIME, AS YOU SHALL MAKE AT MY/OUR REQUEST IN THE VALUE AND TERMS OF THE LETTER OF CREDIT.

I/WE HEREBY AUTHORISE YOU WITHOUT ANY PRIOR NOTICE TO ME/US WHICH RIGHT IS SPECIFICALLY WAIVED BY ME/US TO DEBIT ANY OF MY/OUR ACCOUNT(S) WITH YOU OR CREATE A SEPARATE ADVANCE ACCOUNT IN MY/OUR NAME UNDER YOUR TERMS AND CONDITIONS WHICH SHALL BE BINDING ON ME/US OR ADJUSTING ANY PENDING BILLS.

I/WE HEREBY AGREE AND UNDERTAKE WITH THE BANK THAT AS AND WHEN BANK CALLED UPON ME/US TO EXECUTE THE NECESSARY LOAN PAPERS AND TO COMPLY WITH ALL THE RELATIVE TERMS AND CONDITIONS FOR PROPER CONDUCT OF THE TRANSACTION HEREIN ABOVE MENTIONED.

I/WE HEREBY AGREE AND DECLARE THAT IN THE EVENT OF MY/OUR FAILING TO RETIRE THE BILLS DRAWN UNDER L/C ON DUE DATE(S) IN CASE OF USANCE BILL(S) AND WITHIN 10 DAYS FROM THE DATE OF RECEIPT OF DOCUMENTS BY YOU IN CASE OF SIGHT BILL(S), YOU SHALL BE AT LIBERTY TO CRYSTALLISE THE FOREIGN CURRENCY LIABILITY THEREUNDER ON THE DUE DATE(S) OR THE EXPIRY OF THE 10TH DAY AS THE CASE MAY BE AND CONVERT THE SAME TO NGULTRUM AT THE PREVAILING BILL SELLING RATE OR AT THE CONTRACT RATE WHICHEVER APPLICABLE.

I/WE UNDERTAKE TO REIMBURSE TO YOU ON DEMAND THE NGULTRUM EQUIVALENT SO DETERMINED TOGETHER WITH INTEREST THEREON AT NORMAL RATE FROM THE DATE OF NEGOTIATION TO THE DATE OF CRYSTALLISATION AND THEREAFTER AT PENAL RATE AS APPLICABLE THERETO.

I/WE AGREE TO ABIDE WITH THE UCPDC 600 AND URR 725 CLAUSES SPECIFIED BY THE INTERNATIONAL CHAMBER OF COMMERCE (ICC).

I/WE FURTHER AGREE THAT ON NO ACCOUNTS SHALL ANY CLAIM BE MADE AGAINST THE BANK AFTER THE DRAFT IS RETIRED BY ME/US.

ALL CABLES AND/OR INVESTIGATION THEREOF IN CONNECTION WITH THIS CREDIT SHALL BE DESPATCHED AT MY/OUR RISK AND COST. YOU SHALL NOT BE RESPONSIBLE FOR ANY LOSS CAUSED BY MISTAKE OR OMISSION CODING OR DECODING OR INTERPRETATION WHEN RECEIVED OR BY DELAY ON THE PART OF THE CABLE OR TELEGRAPH DISCREPANCIES CONCERNED.

THIS LETTER OF CREDIT CAN BE REVOKED OR ALTERED ONLY WITH THE CONSENT OF ALL PARTIES CONCERNED.

DATE:.....

PLACE.....

(AFFIX LEGAL STAMP)
AUTHORISED SIGNATORY
COMPANY SEAL IF ANY

(FOR BANK USE ONLY)
VERIFIED BY THE BRANCH AND CERTIFY THAT ALL THE DOCUMENTATION AND OTHER FORMALITIES ARE COMPLETED.

NAME & SIGNATURE
LC-OFFICER

NAME & SIGNATURE
BM/BOI/IB-INCHARGE