

# Application for Issuance of Standby Letter of Credit

Date:

- All alterations and additions to this application are to be signed and stamped by the applicant.
- Applicant's instructions to be typed and indicated by appropriate selections in the respective boxes where applicable

## To Emirates Development Bank PJSC

We request you to issue a Standby Letter of Credit (SBLC) as per the details below:

|   |  |
|---|--|
| <b>Applicant/On Behalf of (Name and Address):</b>   | <b>Beneficiary's Name and address:</b>   |
|   | <b>Beneficiary's Account No:</b>   |
| <b>Beneficiary's Bank Name &amp; Address:</b>   |  |
| <b>Beneficiary's Bank Swift code:</b>   |  |
| <b>SBLC Currency and Amount:</b>  |  |
| <b>SBLC Amount in Words:</b>  |  |
| <b>Purpose of SBLC:</b>   |  |
| <b>Format of SBLC:</b>  | <input type="checkbox"/> EDB Standard Format <input type="checkbox"/> As Per Attached Format           |
| <b>Validity:</b>  | <input type="checkbox"/> Start Date DD / MM / YYYY <input type="checkbox"/> Expiry Date DD / MM / YYYY |
| <b>Issuance Instructions:</b><br><input type="checkbox"/> Issue and advise through your correspondent bank to the beneficiary vide authenticated swift<br><input type="checkbox"/> Issuance through your correspondent financial institution(s) against your counter SBLC vide authenticated swift and we accept all terms, conditions, indemnities, applicable laws, jurisdiction and extra validities required by them in your counter SBLC |  |

## Other Instructions:

**Applicant's Name:**

**Telephone Number:**

**Email id:**

**Debit Account Number:**

# Application for Issuance of Standby Letter of Credit

## Charges

Issuing Bank Charges

Applicant

Beneficiary

Advising Bank/Other Bank Charges

Applicant

Beneficiary

Others (please specify)"

*This application and any SBLC issued shall be subject to ISP 98. In the event of any inconsistency between the terms and conditions herein and the provision of ISP 98, the latter shall be deemed to be expressly excluded to the extent of such inconsistency.*

We, hereby certify that the information provided in this application is true, correct and complete to the best of our knowledge and belief, and agree to the terms and conditions stated below.

\_\_\_\_\_  
**Authorized Signature(s) and Company Stamp**

## Terms and Conditions for SBLC

In consideration of Emirates Development Bank ("the Bank") or any of its Correspondent Bank to issue or issuing on our behalf the Standby Letter of Credit ("the SBLC") in favor of the Beneficiary, We (the "Applicant") hereby, agree to the following terms and conditions:

1. The Applicant, hereby irrevocably undertakes to pay to the Bank on demand and without question all amount(s) due under or in connection with the SBLC (including all charges, fees, commissions and interest), in the same currency in which such SBLC amount is denominated, without any deduction whatsoever, and will provide the Bank with sufficient funds to meet all payments made or to be made by the Bank or its Correspondent Bank. Any demand, notification or certificate given by the Bank specifying the monies due and payable under or in connection with any of the provisions of this Agreement shall be conclusive and binding on the Applicant;
2. The Applicant, hereby understands and agrees that the Bank shall charge interest on all amounts under or in connection with the SBLC at the rate fixed by the Bank from time to time. Such interest shall accrue from the payment date by the Bank of the SBLC amount and, if not paid, shall accumulate as per the available monthly rates adopted by the Bank;
3. The Applicant, hereby agrees that in the event where the amount paid in a different currency in which the SBLC amount was denominated, the Bank, at its sole discretion, shall have the right to convert such amounts at the prevailing rate of exchange available at the date of payment, unless otherwise arranged; whereas the Applicant shall remain to be liable to cover any shortfall as a consequence of such conversion.
4. The Bank and the Correspondent Bank are entitled to make any payments and comply with any drawings, which may be claimed from or made upon the Bank or the Correspondent Bank under or in connection with the SBLC on or at any time after any first demand being made without any reference to or authority from the Applicant and without requiring proof that the amounts so demanded are or were due or inquiring into the validity, genuineness or accuracy of any document, certificate or statement received by or made to the Bank or the Correspondent Bank with respect to or under the SBLC and notwithstanding that the Applicant may dispute the validity of any such drawings or payments or that, for any reason whatsoever the Bank or the Correspondent Bank was/is entitled to refuse to make any payment or that any such drawings are made after the stated expiry date (if any) of the SBLC. The Applicant shall not at any time question or challenge the validity, legality or otherwise of any such payment by the Bank or the Correspondent Bank or deny any liability under this Agreement on the ground that such payment or any part thereof made by the Bank or the Correspondent Bank was not due or payable under or in connection with the SBLC on any demand made under or in connection with the SBLC or that the Bank or the Correspondent Bank could have resisted any claim thereof or on any other ground whatsoever and any payment made by the Bank or the Correspondent Bank on any demand made under or in connection with the SBLC shall be accepted by the Applicant as conclusive evidence that the Bank and the Correspondent Bank were liable to make such payment;

5. The Bank is under no responsibility or liability to ensure the accuracy, correctness, legality or completeness, any error in translation of the form/text of the SBLC, or any delay, mistake or omission that may happen in the transmission of the instructions or in the misinterpretation of such instructions pursuant to such SBLC. The Applicant is fully aware of the contents of the SBLC and the consequences thereof, and hereby agrees that they will not at any time deny liability hereunder on the basis that the Bank has a duty to advise and failed to do so. The Applicant hereby covenant to the Bank, that they will at all-time bear the risk of such errors and/or delays and shall at all times keep the Bank fully and completely indemnified from and against all liability, claims and drawings, actions and proceeds, losses and expenses including but not limited to all legal costs on a full indemnity basis which may be incurred by the Bank and all bank charges, costs, disbursements, expenses and other liabilities of whatsoever nature or description which may be made or taken or suffered by the Bank in relation to or arising out of such transaction;
6. The Applicant shall indemnify the Bank from and against all claims, actions, proceedings, liabilities, damages, losses, costs, taxes and expenses (including any legal costs on a full indemnity basis) that the Bank may incur in connection with the SBLC, or in enforcing or attempting to enforce the Bank's rights under this Agreement), which the Bank or the Correspondent Bank or both may suffer, incur or sustain by reason or on account of the Bank or the Correspondent Bank having given the SBLC or in connection with the SBLC including any counter indemnity or counter SBLC or undertaking given to the Correspondent Bank and renewals thereof and other undertakings, as well as against our liability for every payment which the Bank may make or be called upon to make pursuant to or in connection with the SBLC. Without prejudice to the foregoing, the Applicant shall pay the Bank forthwith on demand without proof or condition all sums which the Bank or the Correspondent Bank shall pay or be liable for or called upon to pay under or in connection with the SBLC or the counter-SBLC or counter indemnity as well as interest on all amounts so paid from the date such amounts are paid until the Applicant reimburse or pay the Bank in full at such rate or rates as may from time to time be fixed or determined by the Bank with monthly rests;
7. The Applicant, hereby understands and does hereby represent to the Bank that, pursuant to any sanctions now and from time to time imposed by the United States of America, the European Union, the United Nations and/ or any other regulatory or supervisory authority or body, the Bank shall not examine, accept, reject, discount or otherwise handle or deal with any documents, shipments, goods, payments and/or transactions in connection therewith that may relate, whether directly or indirectly, to any sanctioned countries, persons and/or parties. Accordingly, any presentation that may violate any of the aforesaid sanctions and/or applicable laws giving effect to the same may be rejected at the Bank's sole discretion without any liability whatsoever on the Bank's part. Without prejudice to the generality of the foregoing. The Applicant hereby accepts that the issuance of the SBLC is subject to all Applicable Laws (defined herein) and that shall at all times comply with all Applicable Laws in connection with the issuance of such SBLC. Furthermore, the Applicant represents and warrants that the Bank will not be in breach of any Applicable Laws because of the issuance of the SBLC or taking any other action directly or indirectly in connection with the issuance of such SBLC, decrees, directives, statutory instruments or orders made or issued pursuant to it.
8. If at any time, the Bank requires the provision of collateral, the Applicant shall on demand pay to the Bank forthwith, by way of cash collateral (or such other collateral that is in all respects acceptable to the Bank) an amount equivalent to the Bank's or Correspondent Bank's maximum actual and/or contingent liability under or in connection with the SBLC, counter-SBLC or counter-indemnity and the Bank shall be entitled to place the cash collateral into a suspense account and this sum shall be held by the Bank and applied towards the discharge of all our obligations to the Bank in connection with the SBLC and/or under this Agreement and the Bank shall repay the Applicant without interest as and to the extent that the Applicant's obligations to the Bank under this Agreement are reduced or otherwise discharged or terminated;
9. If the Bank agrees to accede to the Applicant's request to renew the SBLC and/or to amend/supplement the SBLC, all the terms and conditions which govern the initial application for issuance of the SBLC shall continue to apply in respect of the renewed/amended/supplemented SBLC. The Applicant hereby acknowledges that the Bank have the sole discretion whether or not to renew, amend or supplement the SBLC and that if the Bank do renew, amend or supplement the SBLC, the Bank may impose any additional terms and charges the Bank deem fit and the Applicant agrees to abide by such additional terms and to pay for such additional charges that the Bank may impose. The Applicant agrees that in the event amendments or modifications to the terms of the renewed SBLC, it is our duty to procure the written consent of the Beneficiary to such amendments, modifications or supplements and to furnish the Bank with satisfactory proof of the same.
10. The Applicant's liabilities to the Bank hereunder shall not be negated or reduced in any way in the event of any amendment or variation to the underlying transaction or documents relating thereto or any other matter; nor released, relieved or discharged from any of the Applicant's obligations under this Agreement nor shall any such obligations be prejudiced or affected by any reason till full and final settlement of all amounts due under the SBLC by the Applicant upto the satisfaction of the Bank.
11. That this Agreement shall be governed by and construed in accordance with the laws of United Arab Emirates. The Applicant agrees to submit to the non-exclusive jurisdiction of the courts in United Arab Emirates in respect of any disputes arising out of or in connection with this Agreement. Without prejudice to the foregoing, the Applicant undertakes not to commence proceedings or suits against the Bank in the courts of any other jurisdiction.