



TEXT

WHAT WOULD YOU DO WITH IT?

We welcome your comment and reaction to the following “real world” document. Comments may be sent to: info@doccreditworld.com

[bank stationery]

MAY 5, 2008
OUR L/C NO.: ABCD-123456

TO:
[BENEFICIARY NAME]
[BENEFICIARY ADDRESS]

APPLICANT:
[APPLICANT NAME]
[APPLICANT ADDRESS]

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AS DETAILED HEREIN SUBJECT TO UCP LATEST VERSION

DOCUMENTARY CREDIT NUMBER: ABCD-123456

FURTHER IDENTIFICATION: ISSUE

DATE OF ISSUE: MAY 5, 2008

BENEFICIARY: [BENEFICIARY NAME]
[BENEFICIARY ADDRESS]

APPLICANT: [APPLICANT NAME]
[APPLICANT ADDRESS]

DATE AND PLACE OF EXPIRY: MAY 1, 2009
AT OUR COUNTER

DOCUMENTARY CREDIT AMOUNT: USD1,100,000.00

AVAILABLE WITH: [BANK]
BY PAYMENT

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL 12 MONTH PERIODS FROM

[bank stationery]

MAY 5, 2008
OUR L/C NO.: ABCD-123456

THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 120 DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU VIA SWIFT, OR HAND DELIVERY AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY YOUR SWIFT OR PRESENTATION OF YOUR DRAFT AND DATED STATEMENT PURPORTEDLY SIGNED BY ONE OF YOUR OFFICIALS READING AS FOLLOWS:

QUOTE

THE AMOUNT OF THIS DRAWING USD UNDER [BANK] LETTER OF CREDIT NUMBER ABCD-123456 REPRESENTS FUNDS DUE US AS WE HAVE RECEIVED NOTICE FROM [BANK] OF THEIR DECISION NOT TO AUTOMATICALLY EXTEND LETTER OF CREDIT NUMBER ABCD-123456 AND THE UNDERLYING OBLIGATION REMAINS OUTSTANDING.

UNQUOTE

IN THE EVENT THIS LETTER OF CREDIT IS SUBSEQUENTLY AMENDED BY US TO RESCIND A NOTICE OF NON-EXTENSION AND TO EXTEND THE EXPIRY DATE HEREOF TO A FUTURE DATE, SUCH EXTENSION SHALL BE FOR THAT SINGLE PERIOD ONLY AND THIS LETTER OF CREDIT WILL NOT BE SUBJECT TO ANY FUTURE AUTOMATIC EXTENSIONS UNLESS AN AUTOMATIC EXTENSION PROVISION IS EXPRESSLY INCORPORATED INTO SUCH AMENDMENT.

A COPY OF OUR NOTICE THAT THE LETTER OF CREDIT WILL NOT BE AUTOMATICALLY EXTENDED WILL ALSO BE SENT TO:

[APPLICANT NAME]

[APPLICANT ADDRESS]

ADDITIONAL DETAILS:

FUNDS UNDER THIS CREDIT ARE AVAILABLE AGAINST PRESENTATION OF THE BENEFICIARY'S SIGNED AND DATED STATEMENT REFERENCING OUR LETTER OF CREDIT NO. ABCD-123456, STATING THE AMOUNT OF THE DEMAND AND READING AS FOLLOWS:

" [APPLICANT] IS IN DEFAULT UNDER [NAMED AGREEMENT] BETWEEN

[bank stationery]

MAY 5, 2008
OUR L/C NO.: ABCD-123456

[APPLICANT] AND [BENEFICIARY] WE HEREBY DEMAND USD _____ UNDER [BANK] LETTER OF CREDIT NO. ABCD-123456."

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO [BANK] AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

WE ENGAGE WITH YOU THAT DOCUMENTS PRESENTED UNDER AND IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRATION AT OUR COUNTERS AT [BANK'S DESIGNATED ADDRESS], ATTN: STANDBY LETTER OF CREDIT UNIT. THE ORIGINAL LETTER OF CREDIT MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT FOR ENDORSEMENT.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT UNIT, [BANK'S DESIGNATED ADDRESS], INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. FOR TELEPHONE ASSISTANCE, PLEASE CONTACT THE STANDBY CLIENT SERVICE UNIT AT [TELEPHONE NUMBER] AND HAVE THIS LETTER OF CREDIT NUMBER AVAILABLE.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE - PUBLICATION NO. 600, AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

AUTHORIZED SIGNATURE