

Instructions for opening of a Documentary Credit

Payment shall be effected by an Irrevocable Documentary Credit issued by Buyer's bank acceptable to the Seller in a form acceptable to the Seller **directly to Danske Bank Plc, Helsinki, Finland** (without using any intermediate bank), **SWIFT: DABAFIHH**, not later than _____ (dd,mm,yy).

The Credit to be subject to the current Uniform Customs and Practice for Documentary Credits and shall be issued by SWIFT MT700 in accordance with the following terms and conditions:

40A: Form of Documentary credit	Irrevocable
40E: Applicable rules	UCP 600
31D: Date and place of expiry	_____ (dd,mm,yy) in Helsinki
50: Applicant	_____ (name and address of the buyer)
59: Beneficiary	_____ (name and address of the seller)
32B: Amount	_____ (currency code and amount)
39A: Percentage credit amount tolerance	_____ (if any)
41A: Credit available	With Danske Bank, Helsinki by payment at sight or by deferred payment at xx days after B/L-date
43P: Partial shipments	Allowed
43T: Transshipment	Allowed
44: Shipment from	_____ (port of loading/place of dispatch)
44: Shipment to	_____ (port of discharge/place of destination)
44C: Latest date of shipment	_____ (dd,mm,yy)
45A: Description of goods	Brief description of goods/services covered by the credit Terms of delivery: _____ (Incoterms 2010)
46A: Documents required	List of documents against which payment will be effected
47A: Additional conditions	(if any)
71B: Bank charges	Bank charges in Finland for account of Beneficiary, Bank charges outside Finland, including possible reimbursement charges, for account of Applicant
48: Period for presentation	Within 21 days after date of shipment
49: Confirmation	Credit to be confirmed by Danske Bank, Helsinki
{53A: Reimbursement bank	Name of the reimbursing bank)

COMMENTS on the appendix to sales contract covering terms and conditions of the credit:

Payment shall be effected by an Irrevocable Documentary Credit by Buyer's bank acceptable to the Seller in a form acceptable to the Seller.

Prior to issuance of the credit it is important for the Seller to know the name of the issuing bank to be able to assess whether the bank and country risk is acceptable to them or should they ask for confirmation.

The Credit shall be advised to the Seller through **Danske Bank plc , Helsinki, Finland,** SWIFT: DABAFIHH, not later than _____ (dd,mm,yy).

The Seller should inform his bank connection to the Buyer in order to have the credit advised through his own bank. As payments are effected by telecommunication, it is important to indicate the SWIFT address of the advising bank.

In order to guard his interest the Seller should always specify when the credit should be opened at the latest.

The Documentary Credit is subject to UCP600, 2007 revision and shall be issued by SWIFT message type MT700 in accordance with the following terms and conditions:

The Seller should make sure that UCP600 applies and the credit is issued by swift.

FORM OF CREDIT

Irrevocable

An irrevocable documentary credit constitutes an irrevocable undertaking of the Issuing Bank to pay against credit conform documents.

DATE AND PLACE OF EXPIRY (dd,mm,yy) in Helsinki

Expiry date is the latest date **for presentation of the documents** in the place indicated in the credit as the place of expiry.

APPLICANT

Complete name and address of the Buyer.

BENEFICIARY

Complete name and address of the Seller.

AMOUNT

Currency code and amount

Currency to be stated in ISO codes like USD, EUR etc. Amount to be the amount covered by this credit (not necessarily 100% of the contract amount)

PERCENTAGE CREDIT AMOUNT TOLERANCE

Tolerance in D/C amount may be plus/minus 10 % or any other percentage. In case the percentage of tolerance is also to be applied to the quantity of goods, it has to be mentioned separately in Additional conditions.

CREDIT AVAILABLE

By payment at sight at the counters of Danske Bank in Helsinki or alternatively:

Credit may be designated to be available

- by payment at sight
- by negotiation (at sight)
- by deferred payment (at XX days after the date of shipment)
- by acceptance (at XX days after the date of shipment)

PARTIAL SHIPMENT Allowed/Prohibited

Unless otherwise stated in the credit partial shipments are allowed. If there is reason to prohibit partial deliveries you should so state.

TRANSHIPMENT Allowed/Prohibited

Unless otherwise stated in the Credit, transshipment is allowed.

SHIPMENT FROM Point of departure of the goods

The transport document presented must show as place of loading on board, dispatch or taking in charge of the goods the place indicated in the credit. If a Marine B/L is required, please state the **port of loading** here.

SHIPMENT TO Point of arrival of the goods

The transport document presented must show as place of discharge, delivery or final destination of the goods the place indicated in the credit. If a Marine B/L is required please state the **port of discharge** here.

LATEST DATE OF SHIPMENT (dd,mm,yy)

In case the latest date for shipment is indicated in the credit, the transport document must not show a shipping date later than this date.

DESCRIPTION OF GOODS Brief description of the goods/services covered by the credit

The description of goods on the commercial invoice must correspond exactly to that of the credit. In all other documents the goods may be described in general but not inconsistent terms.

Delivery terms (Incoterms 2010)

Please state delivery term and place e.g. CFR Helsinki. To safeguard against problems the Seller should always stick to international rules like Incoterms.

DOCUMENTS REQUIRED List of documents against which payment will be effected

The Seller and the Buyer should agree on the documents against which payment is to be effected. Choose the appropriate ones from the list:

- Commercial Invoice
- Transport Document (depending on the mode of transport: Bill of Lading, Multimodal transport document, Airwaybill, Railwaybill or International Consignment Note for Road Transport)
- Certificate of Origin
- Insurance Policy or Certificate (only if delivery terms CIF or CIP)
- Other documents (as needed for importing the goods)

ADDITIONAL CONDITIONS

Special conditions as agreed between seller and buyer, if any.

BANK CHARGES

Banking charges in Finland for the account of Beneficiary, all other banking charges outside Finland for account of Applicant

The Seller and the Buyer should agree upon payment of banking charges. Very common is that charges are divided; both parties to bear the costs at their end.

Consideration to be put on possible reimbursing bank charges and also on the payment of Amendment charges, if any.

PERIOD FOR PRESENTATION OF DOCUMENTS

If an original transport documents is required by the credit, documents must be presented to the bank within 21 days after the date of shipment. The period can be extended or shortened if the contracting parties so agree and state it in the credit.

CONFIRMATION

Credit to be confirmed by Danske Bank

Confirmation of the credit constitutes a definite undertaking of the confirming bank, in addition to that of the issuing bank, to pay to the beneficiary against credit conform documents.

REIMBURSEMENT

Name of the reimbursing bank

The issuing bank is to indicate the name of the reimbursing bank where reimbursement is obtained stating value date 2-3 days forward after the documents have been taken up by the paying/negotiating bank.