

Application to Open an Irrevocable Letter of Credit

بنك السلام
Al Salam Bank



To: Al Salam Bank B.S.C. (the "Bank")
P.O. Box 18282,
Manama,
Kingdom of Bahrain

L/C No.	Margin	Commission	Approval
We _____ herewith request you to issue for our account an Irrevocable Documentary Letter of Credit (the "Letter of Credit") through your Correspondent at _____			
By () Pre- Advice followed by () SWIFT/Full telex			

Date: Place: _____

Last date and place of presentation of documents With Confirmation Without Confirmation

Applicant Name and Address (the "Applicant"): _____ Beneficiary name and address (the "Beneficiary") _____

M/s. _____ M/s. _____

Contact Person: _____ Phone No: _____

Account No. (the "Account") _____

L/C Amount (in figures) : _____ L/C Amount (in words) : _____

Cash Margin: _____ Cash Margin Coverage Ratio: _____%

Tenor: () Sight () _____ Days Sight () _____ Days after B/L

All Charges outside Bahrain are for a/c of Applicant Beneficiary

Partial Shipment: Allowed Not Allowed

Transshipment: Allowed Not Allowed

Trade Terms Ex. Works FOB CFR CIF Others _____

Shipment

From: _____ To: _____

Not later than by Sea Air Freight Road Other _____

Merchandise ("Goods") (Brief details) _____ _____ _____ _____ (Copy of Proforma Inv./Purchase Order enclosed for reference)
Documents to be presented within _____ days of the date of issuance of transport documents. Shipping marks: _____

Signatures & Stamp

Document (s) Required ("Documents") – Marked ()

- () Signed commercial Invoice in _____ folds showing the origin and the name of the manufacturer or producer of the merchandise.
- () Invoices to be duly legalized as per requirements of the Kingdom of Bahrain.
- () Full set clean "On Board" ocean Bills of lading marked freight () prepaid () payable at destination.
- () Multimodal transport document marked freight () prepaid () payable at destination.
- () Air consignment note evidencing shipment consigned to the order of the Bank marked freight () prepaid () payable at destination.
- () Road Transport Document evidencing shipment consigned to openers marked freight () prepaid () payable at destination.
- () Delivery Note evidencing delivery of goods to the applicant.
- () Air parcel post receipts evidencing merchandise consigned to the Bank quoting this credit number.
- () Insurance policy/certificate in transferable form, made out in the currency of credit for at least 110% of the CIF value of the invoice against all risks covering Institute Cargo Clause (A), Institute War Clause (Cargo), Institute Strike Clause (Cargo) from suppliers' warehouse to buyers' warehouse with claims payable in Bahrain.
- () Certificate of _____ origin made out in duplicate issued by a Chamber of Commerce.
- () Certificate of Origin to be duly legalized by any Arab Consulate/Embassy.
- () Packing list in _____.
- () Advice LC through _____
- () Others: _____

Terms and Conditions

1. Upon signing this Application to Open an Irrevocable Letter of Credit (the "Application"), the Applicant shall deposit the Cash Margin with the Bank which shall cover the L/C Amount in full, in accordance with the Cash Margin Coverage Ratio;
2. The Applicant shall pay any and all charges, fees, commissions and any other relating expenses and authorizes the Bank to deduct the same and debit the Cash Margin from the Account and hold the Cash Margin against the L/C Amount from the Applicant's Account or any of the Applicant's other accounts held with the Bank;
3. Subject to the Bank's internal policies and procedures, the Bank may issue a Letter of Credit in favor of the Beneficiary;
4. The Applicant acknowledges and agrees that upon depositing the Cash Margin and the issuance of the Letter of Credit, it shall have no right to claim such amounts unless the original Letter of Credit is returned and terminated;
5. In the event a claim is made under the Letter of Credit, the Bank shall have the right to settle such claim immediately from the Cash Margin and notify the Applicant thereafter;
6. If the Letter of Credit is renewed, the Bank shall be entitled to charge the applicable fees as published by the Bank from time to time. The Bank shall be entitled to charge any actual incidental charges levied by correspondent banks and notified by the correspondent banks. Such fees and charges shall be debited, from the Account or any of the Applicant's other accounts held with the Bank;
7. The Applicant acknowledges and agrees that the Letter of Credit may be terminated by the Applicant by providing a seven day prior written notice to the Bank along with the original Letter of Credit. In such an event, the Applicant acknowledges that all fees paid to the Bank are non-refundable. In the event the Bank terminates the Letter of Credit for whatsoever reason, the Applicant acknowledges that the Bank shall refund any fees paid by the Applicant.
8. The Applicant undertakes, agrees and shall procure at all times not to hold the Bank liable for any and all actual losses, damages, actions, suits, proceedings, claims, expenses, costs, demands and payments, whatsoever which the Bank or its successors and assigns may incur, suffer or sustain on account of or in connection with the Bank having issued any Letter of Credit (including but not limited to the Beneficiary);
9. The Applicant agrees that, upon the issuance of the Letter of Credit, the Bank may act on or reject any instruction made by the Applicant in relation to the Letter of Credit, provided at all times that such instruction will not affect and/or impose any liabilities on the Bank in any way;
10. The Applicant acknowledges and agrees that the Bank will only release payment for the Letter of Credit if it is satisfied that all conditions are met and that all Documents conform precisely to the terms and conditions of the Letter of Credit;
11. The Applicant undertakes and agrees to indemnify and keep the Bank and each of its successors and assigns indemnified at all times and from time to time on demand from and against all actual losses, damages, actions, suits, proceedings, claims, expenses, costs, demands and payments, whatsoever which the Bank or its successors and assigns may incur, suffer or sustain on account of or in connection with the Bank having issued any Letter of Credit (including but not limited to the Beneficiary); and
12. The Application and Letter of Credit shall be governed by the laws of the Kingdom of Bahrain. The Bank and the Applicant recognize and agree that the principle of the payment of interest is repugnant to the Shariah and accordingly, to the extent that any legal system would impose (whether by contract or statute) any obligation to pay interest, the Bank and the Applicant hereby irrevocably and unconditionally expressly waive and reject any entitlement to recover interest from each other.

We have read, understood and accepted all the terms and conditions of this Application and undertake to adhere to all the obligations they impose onto us. We declare that all the details provided in this Application are correct, complete and not misleading and undertake to immediately notify the Bank in writing whenever any information changes or becomes misleading or incorrect.

Signatures & Stamp

Date

D	D	M	M	Y	Y	Y	Y
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