

Irrevocable Documentary Credit Application

To : Hang Seng Bank Limited

Attn: Trade Services (Customer Unit: _____)

Please complete in BLOCK LETTERS and "✓" where appropriate.
Please submit the full application form including 'terms and conditions'.

DC no. (For Bank Use)

Applicant's Ref. no.

Date(DD/MM/YY)

Part A – Instructions from Applicant

This documentary credit ("DC") is to be despatched by				<input type="checkbox"/> Full Teletransmission <input type="checkbox"/> Courier (<input type="checkbox"/> with brief teletransmission)	
				<input type="checkbox"/> Collection at Counter (Contact person: _____ Tel.: _____)	
Beneficiary (name and address)			Applicant (name and address)		
			(the "Applicant")		
			Trade Account No.:		
Contact Person			Contact Person		
Tel.		Fax.		Tel.	
				Fax.	
Advising Bank (name and address)			DC Amount in figures:		
			DC Amount in words:		
			Tolerance of Increase / Decrease in Amount: +/- _____ %		
DC Tenor			Drafts drawn on (not applicable to sight or deferred payment DC)		
At <input type="checkbox"/> sight			<input type="checkbox"/> Issuing bank		
<input type="checkbox"/> _____ days after _____			<input type="checkbox"/> Others: _____		
Expiry Date: _____ (DD/MM/YY)			Latest Shipment Date: _____ (DD/MM/YY)		
Place of expiry: <input type="checkbox"/> In beneficiary's country / region			Period of presentation: within _____ days after the date of shipment but within the validity of the DC.		
<input type="checkbox"/> At issuing bank's counter					
Partial shipments		<input type="checkbox"/> Allowed <input type="checkbox"/> Not allowed		<input type="checkbox"/> T/T reimbursement is allowed (as per clause 12 of the terms and conditions below)	
Transshipment		<input type="checkbox"/> Allowed <input type="checkbox"/> Not allowed		<input type="checkbox"/> DC to be transferable	
Place of Taking in Charge / Dispatch from... / Place of Receipt#			<input type="checkbox"/> Allow confirmation of the DC		
			Port of Loading / Airport of Departure		
Port of Discharge / Airport of Destination					
Place of Final Destination / For Transportation to... / Place of Delivery#					
(#must be completed if DC calls for multimodal or combined transport document)					
Trade term: Incoterms <input type="checkbox"/> FOB <input type="checkbox"/> FCA <input type="checkbox"/> CFR <input type="checkbox"/> CPT <input type="checkbox"/> CIF <input type="checkbox"/> CIP					
<input type="checkbox"/> Others (Please specify): _____					
Insurance to be covered by (for CFR / CPT or FOB / FCA shipment only)					
<input type="checkbox"/> Ultimate buyer		<input type="checkbox"/> Applicant			
<input type="checkbox"/> Please arrange insurance for us at our cost with an insurance company acceptable to you. You are authorised to debit our account number _____ for the insurance premium once the policy is effected at the rate agreed.					
<input type="checkbox"/> Insurance already / will be arranged by us.					

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Part A – Instructions from Applicant (Cont.)

Goods (brief description without excessive details)

Documents Required

- Signed commercial invoice in _____ originals _____ copies.
- Packing list in _____ originals _____ copies.
- For shipment by sea, full set original clean "On Board" _____ bills of lading / multimodal or combined transport document made out to the order of shipper / _____, endorsed in blank, marked "Freight Prepaid / Collect" and "Notify Applicant (full name and address as specified above) / _____", mentioning this DC number.
- For shipment by air, original Air Waybill marked "For the consignor / shipper" signed by the carrier or his agent, marked "Freight Prepaid / Collect", showing flight number and date of despatch of goods, consigned to _____ and "Notify _____", mentioning this DC number.
- Cargo Receipt issued and signed by the authorised signatory of Applicant (whose signature(s) must be in conformity with the record held in the issuing bank's file and they will only be verified by the issuing bank at the time of presentation of documents) certifying that the goods have been received in good order and condition, mentioning this DC number, date of receipt of the goods, total value, quantity and description of goods received, shipment from _____ to _____.
- Marine / Air Insurance Policy or Certificate in negotiable form and blank endorsed for full CIF / CIP value plus 10% covering Institute Cargo Clauses (A) / (Air), Institute War Clauses (Cargo / Air Cargo) and Institute Strikes Clauses (Cargo / Air Cargo) evidencing claims payable at destination in the currency of the DC.
- Beneficiary's certificate certifying that one set of copy of documents has been sent direct to Applicant within _____ days after shipment. Other condition(s) and additional document(s) required:
- To be continued on separate continuation sheet (which must be signed by the Applicant).

Margin Standard Clause

- Please debit our account no. _____ for (currency) _____ (including the tolerance amount) being marginal deposit.
- You are authorized to utilize the marginal deposit to settle subsequent import bill(s) drawn thereunder by the beneficiary.
- Back-To-Back DC:** This is a back-to-back DC to be issued against the master documentary credit no. _____ issued by _____ (the "Master DC"). The original Master DC is enclosed / being held by you.
- Front-To-Back DC:** Issuance of this DC is subject to the support of a master documentary credit to be issued in our favour (the "Master DC") and we undertake to lodge with you the original Master DC forthwith upon receipt of the same.

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Applicant's Ref. no.

Part B – Charges and Other Instructions

Charges Type	To be paid by		Debit all charges to our Account No.: (Currency: _____)
	Applicant	Beneficiary	
DC Opening Commission	<input type="checkbox"/>	<input type="checkbox"/>	
Charges of other banks	<input type="checkbox"/>	<input type="checkbox"/>	
Transit Interest charges (for T/T reimbursement only)	<input type="checkbox"/>	<input type="checkbox"/>	
Comm on deferred payment period (for usance DCs only)	<input type="checkbox"/>	<input type="checkbox"/>	
HKD Bill Commission (for HKD DCs only)	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> DC Confirmation charges	<input type="checkbox"/>	<input type="checkbox"/>	

Part C – Declaration

We (the "**Applicant**") request you to issue your irrevocable documentary credit for our account in accordance with the above instructions (marked with "x" where appropriate). We confirm that we have received and read the Terms and Conditions of Irrevocable Documentary Credit Application set out overleaf and agree to be bound by them.

For Bank Use only

Authorised Signature(s) and Company Stamp (if applicable)

S.V.

X

Please use signature(s) and stamp filed with the Bank

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Terms and Conditions of Irrevocable Documentary Credit Application

1. In this application, the **"Bank"** or **"you"** means Hang Seng Bank Limited of 83 Des Voeux Road Central, Hong Kong and its successors and assigns, and where the context permits, includes the Bank's delegate(s) under this application; and **"HSBC Group"** means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and **"member of the HSBC Group"** has the same meaning.
2. This application and the documentary credit to be issued pursuant to this application (the **"DC"**) are subject to the Uniform Customs and Practice for Documentary Credits (the **"UCP"**) of the International Chamber of Commerce, the Trade Financing General Agreement, the business terms governing the Applicant's account(s) and any other agreement(s) previously signed by the Applicant and delivered to the Bank (including the latest facility letter in relation to trade transactions and facilities). In case of conflict, the terms of this application shall prevail.
3. The Applicant irrevocably authorises the Bank to honour and pay any demand, claim, presentation or drawing (collectively, a **"Claim"**) pursuant to the terms of the DC and/or to pay all sums which the Bank is or may be obliged or entitled to pay under the DC, without notice or reference to the Applicant. Any payment made by the Bank under the DC shall be binding on the Applicant and shall be accepted by the Applicant as conclusive evidence that the Bank is liable to make such payment and/or to comply with such Claim.
4. Notwithstanding any contrary instruction from the Applicant, the Bank is entitled to reject (without notice or reference to the Applicant) a Claim where such Claim does not comply with the terms of the DC. If the Bank at its sole discretion agrees to the Applicant's request to waive discrepancies or irregularities in the Claim, the Applicant authorises the Bank to honour and pay such Claim under the DC for the Applicant's account.
5. The Applicant shall on demand reimburse the Bank in full in the same currency for each payment made or required to be made by the Bank under or pursuant to the DC together with interest from (and including) the date of such payment to (and including) the date of such reimbursement, and such payment shall include, without limitation, any payment, prepayment or purchase effected by the Bank in connection with the DC. The Applicant shall also upon demand pay to the Bank the fees, charges and commissions charged by the Bank (including those charges for the account of the DC beneficiary but unpaid for any reason) together with all costs, fees, expenses and liabilities which are incurred by the Bank or for which the Bank becomes liable in connection with the DC.
6. If the DC terms permit the Bank to effect payment under the DC prior to the maturity date of a Claim and the Bank does so: (i) (in the case where the DC beneficiary bears interest) the Applicant shall be liable to pay to the Bank the full amount of the Claim on the maturity date, even if the Bank only paid a discounted amount of the Claim under the DC; and (ii) (in the case where the Applicant is required to bear interest under the DC or under any other agreement with the Bank) the Applicant shall, on the maturity date or such earlier date as demanded by the Bank, pay the Bank the full amount of the Claim together with interest calculated on the Claim from and including the date of the Bank's payment to and including the maturity date.
7. Interest payable by the Applicant under this application shall be calculated at the rate stipulated in the relevant facility letter or any other agreement between the Bank and the Applicant (if any) or otherwise determined by the Bank.
8. The obligations of the Applicant owing to the Bank in connection with the DC shall not be affected by any alleged discrepancies or irregularities in the presented documents and/or any fraud or illegality (whether actual or alleged) in connection with any Claim, the DC and/or any underlying transaction of the DC.
9. The Applicant shall indemnify the Bank against all losses, damages, payments, liabilities, costs, expenses, demands, claims (including without limitation the Claims, interest, fees, commission, costs and legal charges on a full indemnity basis) and other consequences (collectively, the **"Losses"**) which the Bank may incur, sustain or suffer as a result of, or in connection with, this application and/or the DC and the Applicant shall upon demand forthwith reimburse the Bank for the full amount of the Losses (except to the extent caused by the Bank's gross negligence or wilful default).
10. Notwithstanding any instruction(s) stipulated in this application, the Bank is irrevocably authorised (but is not obliged) to (i) utilise documents presented under the DC for the drawing of the Master DC, if any, specified in this application; (ii) negotiate the presented documents, prepay the deferred payment undertaking incurred by the Bank, purchase the draft accepted by the Bank under the Master DC or make any advance(s) against the documents presented (**"Financing"**); and (iii) directly apply the Financing proceeds of, or payment proceeds received under, the Master DC to settle the corresponding drawing(s) under the DC and/or the Applicant's obligations and liabilities under or arising out of the DC without first crediting such proceeds to the Applicant's account with the Bank, irrespective of discrepancies or irregularities that may appear on the documents presented under the DC (all of which, if any, are hereby waived). All the terms and conditions of the DC must correspond to those of the Master DC except as otherwise agreed by the Bank.
11. If a Claim complies with the terms of the DC, any discrepancy or non-conformity mistakenly identified by the Bank in respect of the Claim does not affect the Bank's right at any time to honour and pay the Claim under the DC for the Applicant's account. The Applicant agrees that the Bank is not liable to the Applicant for any loss or damage suffered by the Applicant in connection with any such purported discrepancy or non-conformity.
12. If the Applicant instructs the Bank to permit T/T reimbursement under the DC, the Bank is irrevocably authorised to pay and/or reimburse the relevant claiming bank or reimbursing bank upon receipt of a claim from such bank even prior to the Bank's receipt of the presented documents under the DC. The Applicant shall bear all the relevant risks (including, without limitation, non-receipt and non-compliance risks of the presented documents) and shall reimburse and indemnify the Bank for any payment made under the DC.
13. The Applicant agrees that the Bank may at any time, at its sole discretion and without consent from the Applicant, amend and supplement the terms and conditions of the DC stated in this application and/or insert additional terms and conditions into the DC as the Bank thinks appropriate. The Bank may, subject to the beneficiary's consent, cancel the whole or any unused balance of the DC.
14. The Applicant undertakes to examine the customer copy of the DC issued by the Bank to check its consistency with this application. The Applicant irrevocably agrees that failure to give a notice of objection about the contents of the DC issued by the Bank within 5 banking days after the customer copy of the DC is sent to the Applicant shall be deemed to be its waiver of any rights to raise objections or pursue any remedies against the Bank in respect of the DC.
15. The Applicant irrevocably authorises the Bank to debit the Applicant's account(s) for any sum owing or payable by the Applicant to the Bank. Any monies debited to the Applicant's account(s) or otherwise received by the Bank for settlement of any obligation or liability of the Applicant may, at the Bank's sole discretion, be converted into the currency of the relevant obligation or liability at the prevailing exchange rate determined by the Bank (or any other agreed exchange rate, if any) to effect such settlement.
16. If so required by the Bank, the Applicant shall pay cash margin to the Bank in an amount sufficient to cover any payment that is or may be required to be made by the Bank under the DC and any other actual or contingent obligations and liabilities of the Applicant owed to the Bank in connection with the DC. In addition to the Bank's rights under any other document for cash margin, the Bank may retain, and at any time apply, the cash margin for discharge of the Applicant's obligations and liabilities owed to the Bank in connection with the DC.

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17. The Applicant warrants that the DC relates to genuine purchase of goods and/or services by the Applicant from the DC beneficiary and the Bank relies on such warranty when assessing this application.
18. The Applicant certifies that the import of the goods in connection with the DC is not prohibited or restricted and that the Applicant holds and undertakes to provide the Bank with a valid import licence where such licence is required. It is the sole responsibility of the Applicant to (i) ensure clarity, enforceability or effectiveness of any terms or requirements incorporated in the DC; and (ii) comply with all applicable laws and regulations regarding the underlying transaction to which the DC relates and obtain all necessary documents, licences and approvals from any governmental or regulatory bodies and provide such documents, licences or approvals to the Bank upon request.
19. The Bank, the Bank's delegates or any other banks involved in the DC shall not be responsible for any delay, mistake or omission that may happen in the transmission of instructions by mail or teletransmission, or for the loss or delay in the forwarding of the documents, or for the validity, regularity, authenticity, genuineness, form, sufficiency, accuracy, falsification or legal effect of any document under or in connection with the DC or for any existence, description, quality, quantity, weight, condition, packing, delivery or value of the goods, services or other performance represented by such statement, certificate, declaration or any document or for the good faith or acts or omissions, solvency, performance or standing of any other person.
20. If the documents called for under the DC do not include insurance policy(ies) or certificate(s), the Applicant shall produce to the Bank within 15 days from the date of this application an insurance policy or certificate acceptable to the Bank and in the Bank's name for the full invoice value plus at least 10 per cent, failing which the Bank may (but is not obliged to) effect insurance at the Applicant's expense. The Applicant shall ensure that all necessary insurances are in place for the goods shipped under the DC and shall, at the request of the Bank, pursue any claim under such insurances and pay the proceeds of insurances to the Bank for discharge of any obligations and liabilities of the Applicant to the Bank.
21. Notwithstanding any instruction(s) stipulated in this application, the Bank may, at its sole discretion, name or instruct any correspondent (including any HSBC Group member) to be the advising, confirming or nominated bank in respect of the DC. The Applicant acknowledges that the Bank may pay to or receive from any correspondent charges, commissions, fees, rebates or other payments and the Bank shall not be liable to account for or disclose to the Applicant any profit or benefits derived by it.
22. The Bank does not offer any advice to the Applicant in relation to any DC or transactions incidental thereto. The Applicant acknowledges that whilst the Bank may provide information or express opinions from time to time, such information or opinions are not offered as advice. Before entering into any transaction with the Bank, the Applicant shall make all such enquiries and assessments as the Applicant considers appropriate and the Applicant should place no reliance on the Bank to give advice or make recommendations. If the Applicant is in doubt about any DC or other transactions, the Applicant should seek independent professional advice.
23. As continuing security for the Applicant's obligations and liabilities to the Bank, the Bank shall have (i) a pledge and lien over the documents presented under the DC (the "**Documents**"); and (ii) a pledge over the goods represented by the Documents insofar as such goods are in or come into the Bank's actual or constructive possession. The Bank has full authority (but no obligation) at the Bank's discretion to store and insure the pledged goods at the Applicant's risk and cost. If the Applicant fails to duly perform and discharge its obligations and liabilities to the Bank, the Bank is authorised to (at any time, without prior notice to or consent from the Applicant or any other person and in such manner as the Bank thinks fit) sell, dispose of or otherwise deal with any of the Documents and pledged goods. The Bank may apply the net proceeds of any sale, disposition or dealing of the Documents or pledged goods in or towards discharge of the Applicant's obligations and liabilities to the Bank in such order and manner as the Bank may determine.
24. The Applicant makes the following representations:
- (a) neither the Applicant nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is an individual or entity ("**Person**") that is, or is owned or controlled by Persons that are: (i) the subject of any sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority or any local authority or enforcement body in the jurisdiction of the Applicant having similar function as any of the aforesaid bodies (collectively, "**Sanctions**"), or (ii) located, organised or resident in a country or region that is, or whose government is, the subject of Sanctions; and,
 - (b) any required import or export licences applicable to or relating to the DC have been obtained and the Applicant certifies its compliance in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to the DC it instructs the Bank to issue and the subject matter of such DC including, if applicable, the shipment and financing of the goods described in the DC.
25. The Applicant acknowledges and agrees that:
- (a) the Bank, HSBC Group, and HSBC Group's service providers are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion;
 - (b) the Bank may take, and may instruct other members of the HSBC Group to take, to the extent it or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "**Compliance Action**") that the Bank or any other member, in its sole discretion, considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include but is not limited to the interception and investigation of any payment, communication or instruction; the making of further enquiries as to whether a person or entity is subject to any Sanctions; and the refusal to issue, pay, renew, extend or transfer the DC or to process any transaction or instruction that does not conform with Sanctions;
 - (c) neither the Bank nor any member of HSBC Group will be liable for any loss, damage, delay, or a failure of the Bank to perform its duties under this application arising out of or relating to any Compliance Action taken by the Bank, its service providers, or any HSBC Group member in its sole discretion; and
 - (d) the Applicant will indemnify the Bank for all losses, costs, damages, claims, actions, suits, demands and liabilities (together, the "**Compliance Action Losses**") suffered or incurred by or brought against the Bank arising out of or relating to any Compliance Action, unless such Compliance Action Losses are solely and directly caused by the gross negligence or wilful misconduct of the Bank.
26. In this application, any reference to "the DC" includes the DC as amended, extended or renewed from time to time.
27. In this application, any reference to "person" includes a company, partnership or sole proprietorship. If the Applicant includes two or more persons, the obligations and liabilities of these persons under this application shall be joint and several. If the Applicant is a firm or a body unincorporate, "the Applicant", "we" or "us" means the sole proprietor or (as the case may be) each of the present and future partners of the firm.
28. The Bank's rights under this application shall be additional and without prejudice to its rights under any other agreements or general law.
29. No person other than the Bank and the Applicant will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623, Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of this application.
30. This application is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region ("**Hong Kong**") and the Applicant agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.