

LC NUMBER

Date of application: \_\_\_\_\_

Issuing Bank: **VICTORIA COMMERCIAL BANK LTD, P.O. BOX 41114, 00100, NAIROBI, KENYA**

## PARTY DETAILS

Name and address of applicant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Account Number: \_\_\_\_\_

Name and address of beneficiary:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## TRANSACTION DETAILS

Amount in figures: 

CCY/AMT
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Amount in words: 

CCY/AMT

Description of goods: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Give the description of the goods as per the Import Declaration Form-IDF & proforma invoice)

## SUPPORTING DOCUMENTS

IDF Number: \_\_\_\_\_

Proforma Invoice Number & Date: 

Number	Date
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Expiry date LC: \_\_\_\_\_

Place of presentation \_\_\_\_\_

(where the credit is to be confirmed, the place of presentation should be the confirming Bank otherwise it should be the country of the beneficiary)

## TERMS

Confirmation: please tick below

☐ Required ☐ Not Required

Tolerance: A tolerance of upto \_\_\_\_\_ % is allowed on: please tick below

☐ Quantity of goods ☐ Value (amount of goods)

Payment Terms: please tick below

☐ By payment at sight.  
☐ By acceptance of drafts \_\_\_\_\_ days from \_\_\_\_\_  
☐ Mixed payment terms (specify) \_\_\_\_\_

Terms of sale

☐ Ex-works ☐ Cost, Insurance and Freight (CIF)  
☐ Free on Board (FOB) ☐ Other terms (specify): \_\_\_\_\_  
☐ Cost and Freight (C&F) \_\_\_\_\_

## Shipment Terms:

Port of Loading: \_\_\_\_\_  
Destination: \_\_\_\_\_  
Latest date of shipment: \_\_\_\_\_

Partial Shipment: ☐ Allowed ☐ Not allowed  
Transshipment: ☐ Allowed ☐ Not allowed

## DOCUMENTS REQUIRED

Documents should be presented within \_\_\_\_\_ days of shipment but within the valid of the credit

For each of the documents required below, please indicate the number of originals and copies required

☐ Commercial Invoice ☐ Originals ☐ Copies ☐ Packing List ☐ Originals ☐ Copies

Transport Documents:

☐ Marine/Ocean Bill of Lading ☐ Airway Bill ☐ Truckway Bill ☐ Others (specify): \_\_\_\_\_

Marked:

☐ Freight Pre-paid ☐ Freight Collect

Documents made to the order of Victoria Commercial Bank Ltd, Nairobi, Kenya

Insurance covered by: tick below

☐ Buyer ☐ Seller

Insurance should cover 110% of the invoice value of goods and Victoria Commercial Bank Ltd, Nairobi must be named as loss payee

Certificates (Please indicate the number of certificates in the box provided)

☐ Certificate of origin ☐ Certificate of analysis ☐ Health Certificate ☐ PVOC Inspection Certificate (Final invoice be duly endorsed and affixed with security label and stamp)

Other Document/s: (specify) \_\_\_\_\_

Specify whether the following charges will be borne by either the beneficiary or the applicant by indicating A (Applicant) or B (Beneficiary)

☐ All charges within Kenya ☐ All charges outside Kenya ☐ Confirmation charges (if applicant)

## OTHER CONDITIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We request you to issue on our behalf and for our account your irrevocable credit in accordance with the above instructions (marked where appropriate). This credit will be subject to the terms and conditions overleaf and to the latest Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, insofar as they are applicable. We hereby certify that the Merchandise covered by this application are not prohibited under Kenya regulations.

Applicant's Signature and Rubber Stamp

FOR BANK USE ONLY

Processed By \_\_\_\_\_ Approved By \_\_\_\_\_ Credit Approval ☐ Yes ☐ No Sign \_\_\_\_\_

## TERMS AND CONDITIONS

In consideration of your issuing the credit, substantially according to the Application appearing on the reverse side hereof or as attached thereto and initiated by the undersigned, the undersigned hereby (jointly and severally) agree(s) as follows: -

1. To pay you on demand at your office and in legal tender of Kenya, the amount of each draft (whether SIGHT or TIME) which may be drawn IN KENYA CURRENCY under the Credit, or purport to be so drawn; in any event and without demand, to effect such payment with respect to each such TIME draft sufficiently in advance for its maturity date to enable you to arrange (in the usual course of the mails) for cover to reach the place where such time draft is payable not later than ONE (1) business day prior to its maturity, it being understood that you will notify the undersigned of the amount and date of maturity of each draft.

2. To pay you on demand, at your office and in Kenya Currency, the equivalent (at your then selling rate for cable transfers to the place where and in the currency in which such draft is payable) of the amount of each draft (whether SIGHT or TIME) which may be drawn IN OTHER THAN KENYA CURRENCY under the credit, or purport to be so drawn, also, in any event and without demand to effect such payment with respect to each TIME draft sufficiently in advance of its maturity date to enable you to arrange (in the usual course of the mails) for cover to reach the place where such time draft is payable not later than ONE (1) business day prior to its maturity or at your option, to provide you then with the amount of currency in which such time draft is payable in such form and manner as shall be acceptable to you, it being understood that (i) you will notify the undersigned of the amount and date of maturity of each time draft (ii) the undersigned will comply with any and all governmental exchange regulations now or hereafter applicable to any foreign exchange regulations provided you pursuant to this paragraph, and will indemnify and hold you harmless from any failure so to comply.

3. In event of any Kenya Currency draft(s) being drawn by the undersigned on you whereby to refinance any obligation(s) set forth in "1" and "2" hereof and such draft(s) being accepted by you (at your option), the undersigned will pay you on demand, but in any event not later than ONE (1) business day prior to its maturity, the amount of each such acceptance. It is understood that each amount which may become due and payable to you under this agreement may, in your discretion and if not paid be charged by you to any available funds then held by you for the account of the undersigned.

4. That, if the aforesaid Application requests the inclusion in the Credit of any provision for clean advance(s) to the beneficiary, you may place in the Credit such a provision in that respect as you may deem appropriate, under which any bank entitled to negotiate drafts under the Credit, acting in its discretion in each instance and upon the request and receipt in writing from the beneficiary, may make any one or more clean advances at any time on or prior to the date by which bills of exchange are to be negotiated under the Credit. The aggregate of such advance(s) shall in no event be more than the amount specified in the application for clean advances, and in no event shall any such advance exceed the amount remaining available under the Credit at the time of the advance. While it is expected by the undersigned that each such advance will be repaid to the bank(s) that made the advance(s) by beneficiary from the proceeds of any draft(s) drawn under the Credit, should any such advance(s) not thus repaid, the undersigned will on demand pay you the amount(s) thereof as if such advance(s) were evidenced by draft(s) drawn under the Credit, together with interest on each such amount for the period that the same shall have been outstanding at such rate as you may find at the time of demand to be payable. It is understood that neither you nor any bank(s) which makes such advance(s) shall be obligated to inquire into the use that may be made thereof by the beneficiary of any funds so advanced.

5. To pay you on demand, with respect to the Credit, a commission

at such rate as you may determine to be proper and any all charges and expenses which may be paid or incurred by you in connection with the Credit, together with interest where chargeable.

6. That, except as instructions may be given to you by the undersigned in writing expressly to the contrary with regard to, and prior to the opening of the Credit; (a) you and/or any of your correspondents may receive and accept as "Bills of Lading" relative to the Credit any document(s) issued or purporting to be issued by or on behalf of any carrier which acknowledge(s) receipt of property for transportation, whatever the specific provisions of such document(s), the date of each such document shall be deemed the date of shipment of the property mentioned therein, and any such bill of lading issued by or on behalf of an ocean carrier may be accepted by you as an "Ocean bill of lading" Whether or not the entire transportation is by water; (b) part shipment(s) in excess of the quantity called or obligations incurred on such drafts being limited to the amount of the Credit; (c) if the credit specifies shipment in installment within stated periods, and the shipper fails to ship in any designated period, the Credit shall not be available for that or any subsequent installment(s); (d) you and/or any your correspondents may receive and accept as documents of insurance under the Credits either insurance policies or insurance certificates which need not be for an amount of insurance greater than the amount paid by you under or relative to the Credit, and (e) you and/or any of your correspondents may receive, accept or pay as complying with the terms of the Credit, any drafts or other documents, otherwise in order, which may be signed by, or issued to, the administrator or executor of, or the trustee in bankruptcy of, or the receiver for any of the property of, the party in whose name the Credit provides that any drafts or other documents should be drawn or issued.

7. To procure promptly any essential import, export or other licenses for the import, export or shipping of any and all property shipped under or pursuant to or in connection with the Credit and to comply with any and all foreign and domestic governmental regulations in regard to the shipment of any and all such property or the financing thereof, and to furnish such certificates in that respect as you may any time(s) require and to keep the property covered by insurance satisfactory to you, issued by insurers acceptable to you and to assign the policies or certificates of insurance to you, or to make the loss or adjustments, if any, payable to you at your option, and to furnish you, if demanded, with evidence of acceptance by the insurers to such assignment.

8. That, as security for any and all obligations and/or liabilities of the undersigned hereunder, and also for any and all other obligations and/or liabilities, absolute or contingent, due or to become due which are now, or may at any time(s) hereafter be owing by the undersigned to you, the undersigned hereby recognize(s) and admit(s) your ownership in and unqualified right to the possession and disposal of any and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to drafts drawn under the Credit and in and to any and all property shipped under or pursuant to or in connection with the Credit or in any way relative thereto or to any of the drafts drawn thereunder (whether or not such documents, goods or other property be released to or upon the order of the undersigned on trust or bailee receipt) and in and to the proceeds of each and all of the foregoing, until such a time as all the obligations and/or liabilities of the undersigned to you at any time existing under or pursuant to this Agreement, or the credit herein referred to, or any other obligations or liabilities of the undersigned to you, now existing or hereafter arising, have been fully paid and discharged. That all or any such property and/or documents, and the proceeds thereof, coming into your possession, or that of any of your correspondents, may be held and disposed off by you as hereinafter provided, it being understood that the receipt by you, or by any of your correspondents, at any time of other security of whatsoever nature, including cash, shall not be deemed a waiver of any your rights or powers hereunder.

Insofar as any property and/or documents, which may be held by you, or for your account, as collateral hereunder, may be released by you to or upon the order of the undersigned in trust the undersigned will sign and deliver to you on demand such form(s) of trust receipt or other form(s) of security agreement and/or statement(s) of Trust Receipt Financing and/or Financing Statement(s) as may be satisfactory to you, and will pay any relative filling fees, it being understood that your rights as specified herein or therein shall be in furtherance of and/or in addition to, but in limitation of, your rights under any applicable law. Upon any transfer, sale, delivery, surrender or endorsement of any bill of lading, warehouse receipt or other document at any time(s) help by you, or held for your account by any of your correspondents, relative to any draft(s) accepted by you in reliance hereon, the undersigned will indemnify and hold you harmless from and against each and every claim, demand, action or suit which may arise against you, or any such correspondent(s), by reason thereof. You may file a financing statement, at your option, without the signature of the undersigned with regard to any of the above described property.

9. To pledge, and do(es) hereby pledge, to you as security for any and all of the obligations and/or liabilities of the undersigned hereinbefore or hereinafter referred to, now or hereafter existing, any and all property of the undersigned now or at any time(s) hereafter in your possession of control or that of any third party acting in your behalf, whether for the express purpose of being used by you as collateral security or for safekeeping or for any other different purpose, including such property as may be in transit by mail or carrier to or from you, a lien and security interest being hereby given you upon and in any and all such property for the aggregate amount of any and all such obligations and/or liabilities; and the undersigned hereby authorize(s) you, at any time(s), whether or not the property then held by you as security hereunder is deemed by you to be adequate, to appropriate and apply upon any and all the said obligations and/or liabilities, whether or not then due, any and all moneys now or hereafter with you on deposit or otherwise to the credit of the undersigned and/or, in your discretion, to hold any such moneys as security for any such obligations or liabilities until the exact amount thereof, if any, shall have been definitely ascertained by you. Your rights, liens and security interests hereunder shall continue unimpaired, and the undersigned shall be and remain obligated in accordance with the terms and provisions hereof notwithstanding the release or substitution of any property which may be held as collateral hereunder at any time(s) or of any rights or interests therein, or any delay, extension of time, renewal, compromise or other indulgence granted by you in reference to any granted by you in reference to any of the aforesaid obligations and/or liabilities, or any promissory note, drafts, bill of exchange or other instrument given you in connection with any of the aforesaid obligations and/or liabilities, the undersigned hereby waiving notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consenting to be bound thereby as fully and effectually as if the undersigned has expressly agreed thereto in advance.

10. At any time and from time to time, on demand, to deliver, convey, transfer, or assign to you, as security for any and all of the obligations and/or liabilities of the undersigned hereunder, and also for any and all other obligations and/or liabilities, absolute or contingent, due or to become due, which are now, or may at any time hereafter, be owing by the undersigned to you, additional security of a value and character satisfactory to you, or to make such cash payment(s) as you may require.

11. You are hereby authorized, at your option and without any obligation to do so, to and/or register in the name(s) of your nominees(s) all or any part of the property which may be held by you as security at any time(s) hereunder, and to do so before or after the maturity of any of the said obligations and/or liabilities and with and without notice to the undersigned.

12. Upon the non-performance of any of the promises to pay

herein above set forth, or upon the non-payment of the other obligations or liabilities above mentioned, or upon the failure of the undersigned forthwith, with or without notice, to furnish satisfactory additional collateral or to make payments on account as hereinbefore agreed, or to perform or comply with any of the other terms or provisions of this Agreement, or in the event of the death, failure in business, dissolution or termination of the undersigned or in case any petition in bankruptcy, should be filed by against the undersigned, or any proceedings in bankruptcy, or under laws or regulations of any jurisdiction relating to the relief of debtors should be commenced for the relief or readjustment of any indebtedness of the undersigned either through reorganization, composition, extension or otherwise, or if the undersigned should make an assignment for the benefit of creditors or take advantage of any insolvency law, or if a receiver of any property of the undersigned should be appointed at any time, or in the event of any seizure, vesting or intervention by or under authority of a Government by which management of the undersigned is displaced or its authority in the control of its business is curtailed, or if any funds or other property of the undersigned which may be in, or come into, your possession or control, or that of any third party acting in your behalf as aforesaid, should be attached or distrained or should be or become subject to any mandatory order of court or other legal process, then, or at any time after the happening of any such event, any or all of the aforesaid obligations and/or liabilities of the undersigned shall, at your option, become due without demand or notice; and full power and authority are hereby given to you to sell, assign, and deliver all and payable immediately, any of the property hereinbefore referred to, at any broker's board, or at public or at private sale, at your option, either for cash or on credit or for future delivery, without assumption of any credit risk, and without either demand, advertisement or notice of any kind, all of which are hereby expressly waived. At any sale, hereunder you may, in your discretion, purchase the whole or any part of the property sold, free from any right of redemption on the part of the undersigned all such rights being also hereby waived and released. In event of any sale or other disposition of any of the property aforesaid, after deducting all costs or expenses of every kind for care, safekeeping, collection, sale, delivery or otherwise, you may apply the residue of the proceeds of the sale(s) or other disposition thereof, to the payment or reduction, either in whole or in part, of all or any of the aforesaid, obligations and/or liabilities whether or not then due, making proper allowance for interest on obligations or liabilities or not then due, and return the over plus, if any, to the undersigned {or the one(s) of us whose property may have yielded the over plus}: all without prejudice to your right as against the undersigned with respect to any all amounts which may be or remain unpaid on any of the aforesaid obligations and/or liabilities at any time(s), provided, however, that where the provisions of the Uniform Commercial Code of any jurisdiction apply to such a default you shall have in lieu of the foregoing all rights and remedies provided to a secured party by such Uniform Commercial Code as in effect at that time and in addition to such rights and remedies, the undersigned further agrees that (1) in the event that notice is necessary, written notice mailed to the undersigned at the mailing address given above three days prior to the date of public sale of the property subject to the lien and security interest created herein or prior to the date after which private sale or any other disposition of said property will be made shall constitute reasonable notice, but notice given in any other reasonable manner or at any other reasonable time shall be sufficient, (2) in the event of sale or other disposition of such property, you may apply the proceeds of any such sale or disposition to the satisfaction of your reasonable attorney's fees legal expenses and other costs and expenses incurred in connection with your re-taking holding, preparing for sale, and selling of the property, and (3) without including any other methods of sale, the sale of property shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of banks disposing of similar property but in any event you may sell at your option on such terms as you may choose without assuming any credit risk and without any obligation to advertise.



13. That neither you nor any of your correspondents shall be responsible for; (a) the use which may be made of the Credit or for any acts or omissions of the beneficiary(ies) in connection therewith; (b) the existence, character, quality, quantity, condition, packing, value or delivery of the property purporting to be represented by documents; (c) any difference in character, quality, condition or value of the property from that expressed in documents; (d) the validity, sufficiency or genuineness of documents, or of any endorsements(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (e) the time, place, manner or order in which shipment is made; (f) partial or incomplete shipment, or failure or omission to ship any or all of the property referred to in the Credit; (g) the character, adequacy, validity or genuineness of any insurance; (h) the solvency or responsibility of any insurer, or for any risk connected with insurance; (i) any deviation from instructions delay, default or fraud by the shipper and/or any other(s) in connection with the property or the shipping thereof; (j) the solvency, responsibility or relationship to the property of any party issuing any documents in connection with the property; (k) delay in arrival, or failure to arrive, of either the property or any of the documents relating thereto; (l) delay in giving, or failure to give, notice of arrival or any other notice; (m) any breach of contract between the shipper(s) or vendor(s) and the consignee(s) or buyer(s); (n) failure of any draft to bear any reference or adequate reference to the Credit, or failure of documents to accompany any draft at negotiation, or failure of any person to surrender or to take up the Credit or to send forward documents apart from drafts as required by the terms of the Credit, each of this provisions, if contained in the Credit itself, it is agreed may be waived by you, or (o) errors, omission, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, wireless or otherwise whether or not they may be in cipher; (p) failure of any documents to conform to, or to be presented under the Credit in any instance where the undersigned or its agent, upon request, has received documents and/or property represented thereby or therein. That you shall not be responsible for any act, error, neglect or default, omission, insolvency or failure in business of any of your correspondents, and that the happening of any more of the contingencies referred to in the preceding sentence shall not affect, impair or prevent the vesting of your rights or powers hereunder. In furtherance and extension and not in limitation of the provision hereinbefore set forth. It is hereby further agreed that any action, inaction or omission taken or suffered by you, or by any of your correspondents, under or in connection with the Credit or the relative drafts documents or property, if in good faith and in conformity with such foreign or domestic laws, customs or regulations as you or any of your correspondents may deem to be applicable thereto, shall be binding upon the undersigned and shall not place you or any correspondents under any resulting liability to the undersigned.

14. The word "property" as used herein includes goods and merchandise, as well as any and all documents relative thereto; also, securities funds, chooses in action, and any and all other forms of property, whether real, personal or mixed and any right or interest of the undersigned therein or there to.

15. That in the event of any change or modification with respect to: (a) the amount or duration of Credit; (b) the time or place of shipment of any relative property; (c) the drawing, negotiation, presentation, acceptances or other documents, or (d) any of the terms or provisions of the Credit, such being done at the request of the undersigned, this Agreement shall be binding upon the undersigned in all respects with regard to the Credit so changed or

modified, inclusive of any action taken by you or any of your correspondents relative thereto.

16. That you assign or transfer this Agreement, or any instruments(s) evidencing all or any of the aforesaid obligations and/or liabilities, and may deliver all or any of the property then held as security therefore, to the transferee(s), who shall thereupon become vested with all the powers and rights in respects thereto given you herein or in the instruments(s) transferred, and you shall thereafter be forever relieved and fully discharged from any liability or responsibility with respect thereto, but you shall retain all rights and powers hereby given with respect to any and all instruments(s) rights or property not so transferred.

17. No delay on your part in exercising any power of sale or any other rights or options hereunder, and no notice or demand, which may be given to or made upon the undersigned by you with respect to any power of sale or other right or option hereunder, shall constitute a waiver thereof, or limit thereof, or impair your right to take any action or to exercise any power of sale, or any other rights or options hereunder, without notice or demand or prejudice your rights as against the undersigned in any respect.

18. SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (LATEST VERSION).

19. This agreement shall be binding upon the undersigned, the heirs, executors, administrator, successors and assigns of the undersigned, and shall inure to the benefit of, and be enforceable by, you, your successors, transferees and assigns. If this Agreement should be terminated or revoked by operation of laws as to the undersigned, the undersigned will indemnify and save you harmless from any loss which may be suffered or incurred by you in acting hereunder prior to the receipt by you, or your successors, transferees or assigns, of notice in writing of such termination or revocation if this Agreement is executed by two or more parties, they shall be severally liable severally liable hereunder, and the word "undersigned" wherever used herein shall be construed to refer to each of such parties separately, all in the same manner and with the same effect as if each of them has signed separate instruments; and in any such case, this Agreement shall not be revoked or impaired as to any one or more of such parties. Furthermore, this Agreement shall be deemed to be made under and shall be governed by the laws of Kenya in all respects, including matters of construction, validity and performance and none of its terms or provisions may be waived, altered, modified or amended except in writing duly signed for and on your behalf.

20. VICTORIA COMMERCIAL BANK LTD may be unable to process a transaction that involves a breach of sanctions and authorities may require disclosure of information and VICTORIA COMMERCIAL BANK LTD is not liable if it, or any other person, fails or delays to perform the transaction, or discloses information as a result of actual or apparent breach of such sanction, shipment, transshipment or transit is prohibited to, from or through countries sanctioned by the UNITED NATIONS, UNITED STATES, THE EUROPEAN UNION OR UNITED KINGDOM and any other REGULATORY AUTHORITY(IES)included but are not limited to IRAN, CUBA, NORTH KOREA, SUDAN AND SYRIA no party in any of those countries (which includes any vessel flagged in, or owned or operated by a party in such country)is to be involved in the transaction in any manner. If a party so sanctioned, is to be involved in the transaction in any manner, we may not complete a transaction which involves such a party, or any party in sanctioned countries.

Very truly yours

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Authorized Signature

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Authorized Signature