



Ulster Bank

Export Letters of Credit

Trade with confidence and minimise the risk of non-payment

Our Export Letter of Credit enables you to trade goods safe in the knowledge that you will receive payment. This is because Export Letters of Credit provide a commitment given by the buyer's bank that they will pay on behalf of their client, provided certain pre-agreed conditions are met. This product is sometimes called a Documentary Credit.

Your business needs

You are a supplier to an overseas buyer and want assured payment for goods exported abroad.

How we could help?

With an Export Letter of Credit, you get an undertaking from your buyer's bank that you will be paid, provided you ship the goods and present the required documentation, within a particular timeframe as specified in the Letter of Credit.

Benefits

- Assured payment, providing relevant documentation is in compliance with the terms and conditions.
- Improved cashflow because documentation that is under a term Letter of Credit can be discounted prior to due/maturity date.
- Greater control over your trade activities: facilitates international trade where open account terms are not practical or preferred, especially when you are doing business in a new country or with a new buyer.

Is an Export Letter of Credit right for you?

You might consider an Export Letter of Credit if you:

-  Require a conditional guarantee of payment while exporting
-  Are seeking Trade Finance
-  Need immediate access to funds

Things to think about

- Negotiate with the buyer and agree upon detailed terms to be incorporated into the Letter of Credit.
- If goods are shipped and the presented documents do not comply with all terms and conditions within the Letter of Credit, they can be rejected by the buyer's bank.
- Consider whether a confirmed Letter of Credit from Ulster is needed to mitigate any risk from the foreign issuing bank or country risk.

How it works?

You make contact with your Relationship Manager (RM)

Your RM, usually with one of our specialist Trade Advisors, discusses your needs and agrees an appropriate solution with you.



Advising

We inform you when your buyer's bank issues the Letter of Credit.



Checking

You ship goods and present documents to us for checking and forwarding to your buyer's bank for payment / acceptance.



Payment

Where we've not confirmed the Letter of Credit, We will make payment to you on receipt of funds from the issuing bank.

Where we've confirmed the LC, we can make payment either immediately or on the due date. we make payment either immediately or on a deferred basis, depending on the terms.

Tomorrow begins today

How we work with you

- Our team of specialist Trade Advisors will work with you and your Relationship Manager to understand your business and your plans for the future.
- Our wide range of trade products, along with the benefits and the costs, will be explained to you and we will work together to find the best solution for your business.

Your Challenges

You have a new buyer or are unsure about a buyer's ability to pay so you want to be assured of payment before you ship your goods.

You need to access funds immediately after shipment and presentation of required Letter of Credit (LC) documentation.

You may not be comfortable with the issuing bank of the LC in the importers country and want more security.

Our Solution

Export Letters of Credit assures payment to your business when exporting, Provided presented documents are in full order and compliance with terms and conditions.

Presented documents can be discounted providing you with immediate access to funds.

Ulster may be able to confirm the LC – We will underwrite the LC given by the issuing bank thereby removing bank and country risk.

Product specifications

- **Payment either at sight or at the end of specified term:** The buyer or their bank may pay at sight or accept to pay at the end of a specified term (acceptance).
- **Discounting Available:** Discounting available, but only applies to term letters of credit and may allow us to provide immediate payment to you.
- **Validity Period on Letter of Credit:** Letters of Credit can always be limited to an expiry date. Letters of Credit will most likely have a latest shipment date, a stated expiry date and place of expiry.
- **Available to non-bank customers as well as customers:** the product is available to those who do not have an account with Ulster, subject to prescribed checks.

Our Fees

Confirmation fees

If you require confirmation of the LC, fees will be payable.

Transactional fees

Transactional fees will be payable for advising amendments, payment, correspondence etc. Postage and SWIFT charges will also be levied.

Security may be required. Product fees may apply. Over 18s only. Subject to status, business use only.

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