

A conventional documentary credit is issued to provide the seller with an undertaking of payment upon the seller's submission of documents in accordance with the terms and conditions of the credit after shipment has taken place.

A standby documentary credit, on the other hand, is an undertaking which is activated only if something goes wrong between the buyer and the seller and the expected payment does not take place. It therefore allows the seller to enforce a claim.

Issuing Bank
Belfast, Northern Ireland

Seller
City, Country

Dear Sirs,

We hereby issue our irrevocable standby letter of credit no. ..., by order of Buyers Limited, Belfast, Northern Ireland, for an amount of * which expires at our counters on *.

This standby letter of credit is available with Northern Bank Limited trading as Danske Bank ("the Bank"), Belfast by payment against presentation of the following documents:

- Beneficiary's certificate stating that goods have been shipped and that the required documents have been sent to Buyers Limited and have not been paid on due date
- Copy of unpaid invoice
- Copy of transport document

Partial drawings are allowed.

All charges outside Northern Ireland under this standby letter of credit are for account of the beneficiary/applicant.

Upon receipt of credit complying documents we shall cover you as per your instructions.

Except where otherwise expressly stated, this standby letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) ICC Publication No. 600.

Please quote our reference number on any correspondence.

Yours truly,
Issuing bank