

# Letter of Credit Issuance

## Payment assurance to suppliers



Assure your supplier with an irrevocable undertaking of payment by a reputable bank.



You (buyer) can rely on DBS' (issuing bank) expertise to examine your shipping documents' compliance with the terms of the Letter of Credit (LC).



Leverage on DBS' extensive branch network and connectivity to your suppliers.

### At a glance

- DBS provides an independent undertaking (at your request) to pay your supplier up to a specified amount, within the stated period.
- Assure your supplier of payment, subject to the submission of compliant documents with the terms of the LC.
- Once LC is issued, it is irrevocable and cannot be cancelled without LC beneficiary's (supplier) consent.

### Designed for

- Traders, merchandisers, wholesalers and manufacturers engaged in the buying and selling of various merchandise such as commodities, household goods, etc.
- New and existing DBS clients with or without credit facility.

### How it works

#### Your benefit

- Ensure smooth clearance of goods.
- Ensure that the shipping documents are compliant with the terms of the LC.
- Use your sales proceeds to settle your payables.

#### Our solutions

- You can specify the documentary evidence required to satisfy goods clearance.
- Our document checking standards are in accordance with international banking practices.
- Issue a back-to-back LC to self-liquidate the purchase of goods.

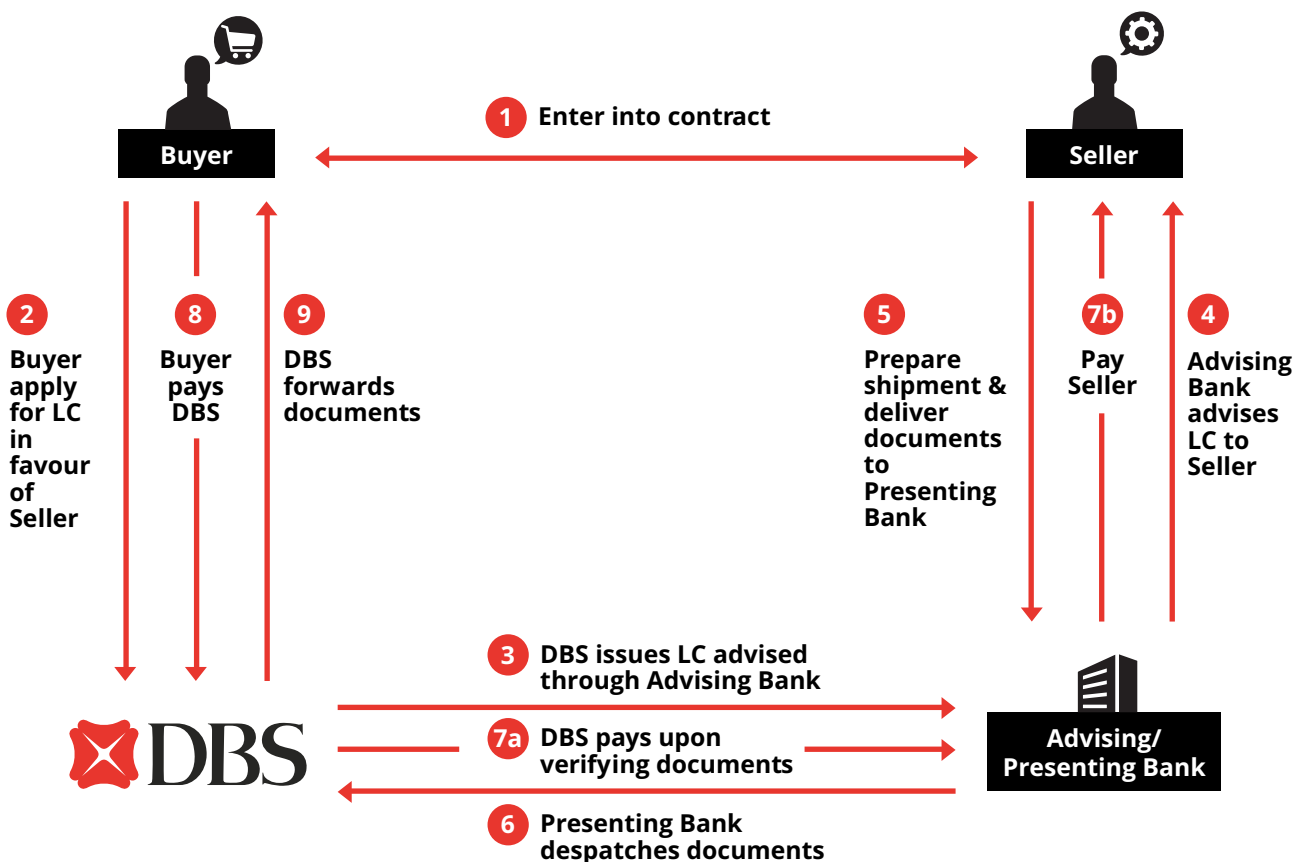
## Your benefit

- Enjoy faster processing and delivery of LC to support your import requirements.
- Convenient and easy LC application process, even for new DBS customers.
- Most LC issued within same business day.

## Our solutions

- Submit your LC application and amendments through an online SmartForm or via DBS IDEAL.
- For new DBS customers without any existing credit facility, you can apply for an Online LC, using advance upfront payment.

## How does a Letter of Credit work?



1. Buyer and Seller enter into contract and agree that payment will be made on the basis of LC.
2. Buyer approaches DBS (Issuing Bank) to issue LC in favour of Seller.
3. DBS issues LC which is advised through its branch or correspondent bank (Adverting Bank) in the Seller's country.
4. Adverting Bank advises LC to Seller.
5. Upon receipt of LC, Seller prepares shipment and delivers documents to Presenting Bank (which could also be your Adverting Bank).
6. Presenting Bank despatches documents to DBS for payment.
7. a. DBS pays Presenting Bank upon verifying that the documents are in order.  
b. Upon receipt of payment, Presenting Bank pays Seller.
8. Buyer pays the document amount to DBS.
9. DBS forwards the documents to Buyer, who can now use them to obtain the goods.

## What makes us different

### Why we are different

- DBS' strong AA- and Aa1 credit ratings is one of the strongest in Asia.<sup>1</sup>
- DBS is ranked as the Safest Bank in Asia, 2009-2016 and 12th Safest in the World.<sup>2</sup>

<sup>1</sup> Ratings by Standard & Poor and Moody's, 25 May 2017

<sup>2</sup> Global Finance

- Best-in-class cut-off time for submission of applications.

- A convenient Online LC application process.

- DBS has one of the widest network across 160 countries and over 2,500 correspondent bank relationships.

### How it helps you

- Provide your suppliers with the assurance of payment with a LC issued by DBS.

- Allow you to meet your supplier's expectation to issue the LC on time.

- Save time and receive faster delivery of goods by applying for a LC online.

- Enable you to trade with counterparties across a wide geographical network.

### Find out more today

Partner with DBS today so you can live more, bank less.

For more information on our products and services, please contact your Relationship Manager, or call DBS *BusinessCare* at 1500327 or +6221 2985 2800 (overseas) from Mondays to Fridays (excluding public holidays), 8.00 am to 5.00 pm.

#### Disclaimer and Important Notice

PT Bank DBS Indonesia is registered and supervised by the Financial Services Authority (OJK) and also a participant of Indonesian Deposit Insurance Corporation (LPS) guarantee program.

 **DBS: The World's Best,  
Three Years In A Row**

Best Bank in the World 2020, Global Finance  
World's Best Bank 2019, Euromoney  
Global Bank of the Year 2018, The Banker  
Best Bank in the World 2018, Global Finance