

TRANSFERRING OF EXPORT LETTER OF CREDIT

How do Transfer LCs work?

What is a Transferable LC?

A Transferable Letter of Credit (LC) is a documentary credit under which the Beneficiary (first Beneficiary) may request the bank specifically authorised in the credit to transfer the credit, available in whole or part, to one or more secondary Beneficiary(ies).

The LC can be transferred only in accordance with the terms and conditions stipulated in the original LC, with the exception of the following which may be changed:

- the LC amount
- the unit price of goods (if stated in the original LC)
- the time of shipment
- the last date for presentation of negotiation documents
- the expiry date of LC

Any or all of the above may be reduced in the transferred credit to the second Beneficiary.

Moreover, the name of the Applicant can be substituted with the name of the first Beneficiary, unless the original LC stipulates that the name of the Applicant be used in any document other than the invoice.

If all or part of the LC is transferred, the first Beneficiary retains the right to substitute their own drafts and invoices for those of the second Beneficiary, if they so require.

Instructions must also be provided on whether the bank is allowed to make any amendments to the original LC to the second Beneficiary.

How do I apply for Transferring of Export Letter of Credit?

UOB can consider transferring the LC for you if it is stipulated and requested by the Issuing Bank. LC Transferring fees are normally charged to the account of the Beneficiary (Seller) unless otherwise agreed.

If you currently do not have any facilities with UOB, but wish to apply for the Transfer of a Letter of Credit by the Bank, please contact us at:

UOB Transaction Banking - Email: TransactionBanking@UOBgroup.com / Tel: (65) 6539 8704

To apply for a Transfer LC for total or partial value, simply download and print out the Transfer LC Form from the following link:

Total / Partial Transfer of Letter of Credit

www.uob.com.sg/corporate/commercial/useful/business_resource.html

Alternatively, you can visit any [UOB Group Branch](#) to obtain the Application Forms.

Submit the completed Transfer LC Form together with your Original Export LC (LC must be advised through UOB) to any [UOB Group Branch](#). Please ensure that the form bears the signatures of the Company Signatories and Company stamp. Upon successful application/approval, your application for Transfer LC will be processed.