

Terms & Conditions for Application for Irrevocable Documentary Credit (Letter of Credit)

In consideration of United Overseas Bank Limited ("The Bank") issuing a Letter of Credit ("The Credit") in accordance with the particulars the Customer has furnished using the Bank's Business Internet Banking ("BIB"), the Customer hereby agrees as follows:

1. To pay to the Bank on demand any amount drawn under the Credit together with interest, commission and all customary bank charges and the Bank shall be entitled to debit any such amount to any account maintained by the Customer with the Bank.
 - 1.1 The Bank shall be entitled to obtain payment under Clause 1 hereof, and to debit the Customer's account with the amount involved, whenever, in the Bank's opinion, the documents tendered under the Credit are regular on their face, and it is hereby declared that documents shall not be considered irregular even if the Bank has accepted documents in which the description of the goods, merchandise or services departs from their description provided via BIB or in the Credit, if in the Bank's opinion, the description provided is either ambiguous or too detailed. The documents accepted under the Credit shall be considered regular and valid even if the description of the goods or services departs or varies from the description provided via BIB or in the Credit, if in the Bank's opinion, the said description is either ambiguous or of excessive detail.
 - 1.2 To pay the Bank on demand any amount remitted by the Bank to or drawn by a negotiating bank under the Credit if, for any reason whatsoever, such negotiating bank fails to repay the Bank such an amount when demanded by the Bank; and the Bank shall be entitled to debit any amount due to the Bank under this Clause 1 hereof.
2. All goods any other property and all Bills of Lading, warrants, delivery orders, documents of title and securities whatsoever which have been or shall be hereafter delivered into the Bank's possession (or into the possession of the Bank's agents) as a result of the opening of, or in connection with transactions related to, the Credit are to be pledged to the Bank as a security for all payments made or to be made by the Bank or by the Bank's agents under the Credit.
3. To hold the Bank and the Bank's agents harmless and free from any responsibility whatsoever for any delay, mistake or omission that may occur in the transmission of instructions respecting the opening of the Credit, or any amendments, extensions of the cancellation thereof (by mail, telegraph or other telecommunication), and from the loss of or delay in the forwarding of documents, and for the validity, regularity or genuineness of any document, or any signature thereon, provided the document or signature appears regular, and for the description, quality, quantity or value of the goods or property represented by such documents.
4. To authorise the Bank to dispose, at the Bank's discretion, of any goods, or other property pledged to the Bank hereunder in whole or in part by public or private sale without notice to the Customer whenever the Customer fails to pay an amount due hereunder or fail to discharge the Customer's liabilities and obligations.
5. Where the Credit provides for insurance to be effected by the Bank or by any third party the Bank shall be entitled to ensure that the goods or other property be covered in the joint names of the Bank and the Customer or to transfer and assign the insurance contract (be it by way of policy or certificate) to the Bank in a manner satisfactory to the Bank and, in the case of the expiry of any insurance, the Bank shall be entitled to renew it or, at the Bank's option, to effect a new insurance of the goods or other property for the Customer's account until such time as the Bank deems necessary.
6. That the Credit is subject to usages and customs prevailing in the place where it is established.
7. That the Bank shall be entitled to earmark or charge any account maintained by the Customer with the Bank with any sums that are due or might become due to be paid by the Customer under Clause 1 hereof and the Customer shall not be entitled to dispose over or demand the refund or the release of amounts so earmarked or charged until all amounts due or become due under Clause 1 hereof has been paid.
8. In addition to any other rights to which the Bank as bankers may be entitled by law or in equity or otherwise, the Bank shall be entitled to combine or consolidate at any time and without notice to the Customer the balances on all or any of the Customer's account with the Bank (whether current, deposit or of any other nature whatsoever) and set-off any sum or sums standing from time to time to the Credit of any one or more such accounts in or towards payment or satisfaction of all or any of the Customer's liabilities to the Bank hereunder whether in Singapore or elsewhere. Where the Customer's liabilities are contingent, the Bank shall have the right to accelerate or mature the payment of any deposit due to the Customer and accelerate the maturity of the Customer's liabilities to the Bank.
9. That the delivery by the Bank to the Customer under a trust receipt (or any similar arrangement or any security) of the documents of title to the goods or any other property shall not release the Customer from any undertaking and obligation hereunder and the Customer shall be entitled to enforce its rights hereunder independently of or in conjunction with the rights conferred on the Customer under such trust receipt similar arrangement or other security.
10. The Customer shall continue to be bound by all its undertakings herein notwithstanding any amendment, extension, renewal, revision or modification of any kind in the term of the Credit and, where this application is signed on the Customer's behalf by two or more parties (whether partners or not), and be it in the name of a firm or in any other capacity, all parties so signing shall be jointly and severally liable hereunder.

11. This application and the Credit shall be subject to the uniform customs and practice for documentary credits (1993 Revision – International Chamber of Commerce Publication No. 500) or any updated version thereof and shall be governed by and construed in accordance with the law of the Republic of Singapore. In the event of inconsistency, the terms and conditions hereof and the laws of Singapore shall prevail. The Customer shall submit to the non-exclusive jurisdiction of the courts of Singapore.
12. The Bank shall be entitled, at the Bank's discretion and without notice to the Customer, to convert at any time into Singapore Dollars at the prevailing rate of exchange all amounts due hereunder, under the Credit or under drafts or documents negotiated thereunder Guarantee.
13. In consideration of the Bank's issuing the Credit in accordance with the particulars the Customer has furnished using BIB, the Customer hereby jointly and severally guarantees the performance of the undertakings and promises contained herein. This guarantee is an independent undertaking and shall not be affected by or subject to any defences available against the applicant and will remain intact, and will continue to apply in full force, notwithstanding any extension, amendment, renewal or modification of the Credit or of this application. The Customer further promises to hold the Bank harmless from and make good upon the Bank's demand any loss suffered by the Bank in consequence of the Bank having acted on this application or of the Bank having issued the Credit. The Customer hereby waives any defences available to the Customer in respect of claims made hereunder and agree that the Bank shall be entitled to pursue remedies available to the Bank, and claims available hereunder or against other parties, in any order chosen by the Bank.