

# Key Facts Statement (KFS)

## Import Letters of Credit

This KFS provides you the key features and indicative information about fees and charges of this Product. The Bank's Facility Offer Letter and all other related documents executed by you contain the final terms of his Product.

This product is used by an importer to procure their goods through Letter of Credit.

### Product definition

A Letter of Credit (LC) is an undertaking issued by a Bank in favor of the seller (beneficiary) at the request and in accordance with the instructions of the buyer (applicant), to honor payment obligations linked to a transaction, for e.g. payment covering shipment of goods or for services provided. It is issued for a stated amount and time and payment is made against stipulated documents in line with the terms and conditions of the Letter of Credit and international guidelines governing usage of Letter of Credit.

Depending on the payment terms, the LC's are classified as Sight or Usance LC.



- **Sight LC:**

In case of Sight LC, Bank undertakes to pay the beneficiary immediately upon presentation of documents that comply with the terms and conditions of the LC.



- **Usance LC:**

In case of Usance LC, Bank undertakes to accept the documents upon presentation that comply with the terms and conditions of the LC and pay the beneficiary only on a future date.



- **Mixed payment:**

Some portion of the LC will be paid at sight basis and remaining will be paid under agreeable usance terms.

### Finance Currency

As agreed with the customer

### Maximum Finance Tenor

As agreed with the customer

### Payments

All cash margins will be used to satisfy any indebtedness following demand under a LC. In addition all applicable fees and commissions must be paid.

### Security

- Cash margin of 110% require based on the transaction basis.
- Exposures on clean basis or partial collateral to be considered based on a specific facility terms and conditions are as per separate facility agreement sign with the bank prior availing this product
- Collateral lodged with the Bank should be adequately supported by relevant documentation which will be signed and accepted by the client. This provides un- conditional right to the Bank to enforce the same in the event of default.

### Processing Fees

- As per the Facility Offer Letter
- All charges, commissions and fees are inclusive of Value Added Tax (VAT) and/or other similar tax.
- The customer can visit Bank's website to know more on LC detailed Scheduled of charges as there are many more services which are charged based on the type / service / terms (for example LC Amendments, Documentary Credit Advised through SWIFT, Discrepancy fee on documents received under documentary credit, documents handling Charges etc.)

#### Additional information

- The Bank may from time to time, and at its sole discretion make changes to the Terms and Conditions pertained to this Product. Without prejudice to the [on-demand/uncommitted] nature of this product, where required by applicable law such changes will be communicated to you with a 60-day prior notice and/or as mutually agreed in the Offer Letter signed by you.
- The LCs limit without 110% cash margin will be subject to Bank's internal approvals post separate independent facility assessment and separate facility agreement to be signed with the bank detailing all facility terms and conditions prior availing the product on clean or partial collateral.
- Trade working capital facilities are subject to annual review wherein Bank has the right to add/amend any of the credit facility conditions which are to be mutually agreed for the continuity of the credit facility.
- The Bank, without referring to the customer, may debit the customer's accounts with any charges, expenses, or commission payable against the banking services rendered in accordance with the approved and announced banking charges and commissions.
- The Terms and Conditions (including any relevant applications and documents) shall be read and implemented in line with this KFS.
- You can contact the Bank for any enquiries, assistance or complaints at any of its branches or by visiting its website
- You should be aware that the Product is an uncommitted finance facility provided at the Bank's discretion. As such the facility is payable on-demand and can be amended or cancelled at any time. The Bank can also vary the pricing applicable to the Product at any time.
- Where any cash margin or collateral is provided to the Bank, you will not be able to access it and the Bank can utilise that cash to pay any amount owed to it.
- L/C once issued will be irrevocable. You will require beneficiary consent in order to cancel or amend L/C terms.
- Bank will deal only with documents, therefore once a compliant presentation is received from beneficiary Bank Dhofar will be liable to make payment under LC irrespective of conditions of goods
- You are required to provide the Bank with necessary information/ documents 60 days ahead of your facility renewal date in order to ensure timely renewal of facility on an annual basis. Limit renewal will be subject to bank's internal approval.
- The renewal of the limit might be linked to terms and conditions might be different on a yearly basis and subject to Bank's internal approval.
- Facility covenants, T&Cs should be adhered to and timely submission of information throughout the facility tenor to avoid cancellation of facility, which may subsequently affect your credit score with regulatory authorities/ credit agencies, impacting your access to future financing.
- In case the customer fails to fulfil his obligations as per the Terms and Conditions pertained to this Product, before and during his/her relationship with the Bank, there will be consequences including but not limited to the exercise of the Bank's rights against the customer and any security/guarantee together with the payment of penalties (including late payment fees).



## How to Raise Complaints

If you are not satisfied with our services, you can raise complaints via the following channels:

- Visit your nearest BankDhofar branch
- Contact our 24X7 Call Centre on **(+968) 24791111**.
- Email us on **Care@BankDhofar.com**
- Send us a direct message

<https://www.bankdhofar.com/contact/>

If you don't hear from us within 5 working days, you can escalate your complaint to Iman Al Amri - Customer Feedback - on **(+968) 22652010** during working hours (Sunday to Thursday 8:00 am – 2:00 pm).

## I Acknowledge Receiving and Understanding this Key Fact Statement

Customer Name

ID/ Passport Number

Date

Signature