

Key Fact Statement (KFS) – Letter of Credit (the “Product”)

This Product is a Shariah compliant Letter of Credit, which is a payment undertaking by the Bank to facilitate your imports. KFS provides you with key features and indicative information about fees and charges of this Product. Kindly refer to the Bank’s Offer Letter for the final terms of this Product.

Product Information	
Product Description	A Letter of Credit in modern business practice is also known as Documentary Credit. It is a written commitment given by a bank (issuing bank) in writing or via an electronic communication SWIFT a global platform for communication between banks, an undertaking to make payment to the beneficiary subject to documents are being presented in compliance with LC terms and as per governing rules stated in the LC. Governing rules are UCP, URR, Incoterms, ISP and ISBP. ISBP are not rules but guide to handling and examining trade documents under letters of credit. Letter of Credit (LC) can be established under Cash or Murabaha.
Finance Currency	As agreed with the customer
Maximum Finance Tenor	As agreed with the customer
Minimum down payment	As agreed with the customer
Profit Rate Type	Fixed Rate p.a.
Payments required	Where financing is done based on Murabaha, payments (including Murabaha Profit) will be made over a time period as agreed by both parties together with applicable fees and commissions. Where cash is used it will be used to satisfy any indebtedness following demand under a Letter of Credit and all applicable fees and commissions will be payable.
Total Murabaha Profit	Murabaha Profit = Finance Amount* Fixed Profit rate per annum* tenure in days/360 Example for a Finance amount of 1,000/-, Fixed Profit rate 5% pa and Tenure of 30 days Murabaha Profit = 1,000 x 5/100 x 30/360 = 4.17
Profit Rate (indicative)	As agreed with the customer

Key Fees & Charges

Commission and Fees	Import LC Issuance Commission	
	Up-to AED 100,000/ Above AED 100,000/ Minimum	1.575% p.a. (minimum: 3 months) 0.7875% p.a. (minimum: 3 months AED 367.50)
Revolving LC Minimum	1.575% p.a. (minimum: 3 months AED 420.00)	
Back to Back Minimum	Same as LC issuance (minimum: 3 months) AED 682.50	
Standby LC Minimum	1.575% p.a. (minimum: 3 months) AED 420.00	
Amendments Enhancement/Extension Minimum	Same as relevant LC Issuance Commission (minimum: 3 months) AED 315.00	
Miscellaneous amendments	AED 262.50	
Withdrawal of LC processed not issued	AED 157.50	
Cancellation after issuance (amendment)	AED 262.50	
Draft of LC to client	AED 157.50	
Reinstatement of Expired LC	Same as relevant LC Issuance Com (min AED 315)	

Key Fees & Charges

Commission and Fees	Exports L/C Advising	
	LC advising Customer Non Customer	AED 315 AED 367.50
LC amend advising Customer Non Customer	AED 210 AED 262.50/USD 73.50	
Advising LC/Amd to another Bank (2nd Advising Bank)	Local AED 315/ AED 210 + courier / SWIFT	
Confirmation Chgs (Min 3 months)	Case by Case (Min AED 525)	
Silent Confirmation	Case by Case (Min AED 525)	
Export LC Bills		
Acceptance com on Confirmed LC (Acceptance - Maturity)	Case by Case (Min AED 315)	
Documents Processing/Negotiation commission DC	0.13125% flat (min AED 315)	
Commission on documents fwd to nominated bank for Neg	0.13125% flat (min AED 315)	
Discp handling charges	AED 210 / flat	

Key Fees & Charges

Commission and Fees	Reimbursement per claim	USD 105 / AED 388.50
	Assignment Fee	0.13125% flat (min AED 420)
	Handling and despatch of revised /additional documents under LC	AED 262.50
	LC Disc Docs returned	AED 210/ USD 57.75 + Courier
	Pre examination of copies of documents under DC and advising of our observations / suggestions	0.105% flat of the bill value (Min AED 262.50)
	Non submission of copy documents for file (per bill)	AED 105
	Payment / Acceptance Tracer	AED 131.25/USD 36.75
	Commission in Lieu of Exchange	0.2625% flat (Min AED 210) / Not applicable for Hedged Deals
	<p>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.) https://www.emiratesislamic.ae/eng/soc/trade-financecorporate-operations/.</p>	

All charges, commissions and fees are inclusive of Value Added Tax (VAT) and/ or other similar sales tax. To review the full and updated schedule of charges, please visit our website.

Additional Information

- 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 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 structure and documentation related to this Products are compliant with the rules and principles of Shariah as interpreted by the Internal Shariah Supervision Committee of Emirates Islamic (ISSC).
- 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 www.emiratesislamic.ae/eng/contact-us/.

Important Link

For Key Fact Statement and other important information visit (<https://www.emiratesislamic.ae/eng/key-information/>) or scan this QR code



Warning

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.

Warning



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.

Warning



Rebate on unearned profit for early settlement of Finance is at the Bank discretion.

Warning



If the customer does not meet with the payments on his/her finance, on time and in full, his/her account will go into arrears. This may affect the customer credit rating, which may limit to access finance/ financing in the future.

Warning



In case the customer fails to fulfil his/her 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 as per the related contract.

Warning



The customer is requested to provide the Bank with copies of his updated documents at all times (Emirates ID, Passport, Visa, Trade License, etc.); as not providing these documents might result in the charges, transactions being restricted, account being blocked, or account being closed.