**Procedure IV**

**Form A**

To:

Caribbean Development Bank Date: ……………………….

P.O. Box 408 Grant No.

Wildey, St. Michael Application No.

**Barbados**

Dear …………..

Application for a Commercial Letter of Credit

Pursuant to the Grant Agreement dated **XXXXXXXX between the Caribbean Development Bank (hereinafter called the Bank) and Government of XXXXXX** (hereinafter referred to as the undersigned) the undersigned hereby certifies and agrees as follows:

1. The undersigned hereby applies for the establishment of an irrevocable letter of credit in favour of **XXXXXXXXXXXX** for an aggregate amount of **XXXXXXXXXXX** as set forth in Form B which forms an integral part of this application.

2. The undersigned hereby irrevocably authorises and requests the Bank to pay to the commercial bank from time to time as withdrawals from the grant account, such amounts as shall be requested by the commercial bank to reimburse it for payments which shall be made by it under the said letter of credit as the same shall be amended from time to time.

3. The undersigned has not heretofore withdrawn from the grant account or applied for the withdrawal from the grant account, of any amount for the purpose of reimbursing the undersigned for meeting such expenditure and has not obtained and will not obtain funds for such purposes out of the proceeds of any other grant, credit or grant available to it.

4. Such expenditure is incurred for the purposes specified in the said grant agreement, the goods to be purchased by means of this letter of credit are appropriate for such purposes; the cost and terms of purchase thereof are reasonable; and the undersigned hereby certifies that the expenditure is not from an ineligible source as stated in the grant agreement.

5. At the date of this application there is no existing default in the performance of any of the obligations of the undersigned under the said agreement; and to the best of the undersigned's knowledge and belief, of the Guarantor under the Guarantee Agreement (if any) referred to therein.

**Procedure IV**

**Form A (cont'd)**

6. The undersigned hereby agrees to reimburse the Bank for any charges incurred in connection with this credit.

This application consists of this page and the attached Form B.

**GOVERNMENT OF XXXXXXX**

**(Name of Beneficiary)**

B Authorised Representative(s):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**AUTHORISED SIGNATORY**  **AUTHORISED SIGNATORY**

**CATEGORY A CATEGORY B**

**Procedure IV**

**Form B**

Caribbean Development Bank

P.O. Box 408

Wildey, St. Michael

**Barbados**

Dear XXXXXXX

We request you to establish by:



Cable



Airmail

 Airmail with brief preliminary cable

advice, an irrevocable Documentary Letter of Credit on the following terms and conditions:

In favour of:

(Name and Address)

For Account of:

(Name and Address)

Up to the aggregate amount of **XXXXXXXXXXX** Available by drafts at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

on covering Invoice

(full Invoice value unless otherwise specified)

value of merchandise to be described in Invoice as

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(omit unnecessary details but specify price basis, i.e., CIF, FOB, etc.)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Documents required: (Please indicate by placing "x" in applicable box)

Invoice in quadruplicate

AID documents as per disbursement of Grant Funds \_ Letter of Commitment procedure

which is an integral part of this Letter of Credit.



Marine and War Insurance Policy or Certificate, in duplicate



Full set of clean On Board Ocean, Bill of Lading

 Air Waybills

To order of Shipper blank, endorsed, marked:

"Notify "

Other Documents

Shipment from to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Shipment latest Permitted Permitted

Partial Shipment Transhipment

Not Permitted Not Permitted

Drafts to be drawn and negotiated on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Insurance to be effected by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

All documents to be forwarded in one cover, by airmail, unless otherwise stated under Special Instructions.

Special Instructions \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**GOVERNMENT OF XXXXXXXX**

**(Name of Beneficiary))**

By Authorised Representative(s):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**AUTHORISED SIGNATORY**  **AUTHORISED SIGNATORY**

**CATEGORY A CATEGORY B**