



**BEN FRANKLIN, INC USA**

### **STANDBY LETTERS OF CREDIT (SBLC) IRREVOCABLE SWIFT MT760**

A **Standby Letter of Credit (SBLC)** is a payment guarantee that is issued by a bank or financial institution by a SWIFT MT760 message, and is used as payment for a client in the case that the applicant defaults.

A SBLC can be utilized within a wide range of financial and commercial transactions. They are very similar to **Documentary Letter of Credits (DLC)** but are different in that a Standby Letter of Credit (SBLC) only becomes usable if the applicant defaults.

In this case, the beneficiary of the SBLC can place a draw and demand payment.

A **Standby Letter of Credit** requires the presentation of specific documents agreed upon in the terms and conditions of the SBLC.

Without the specific documents, payment cannot be made.

The SBLC protects the seller/exporter by getting them paid, and protects the buyer/exporter in the case that the seller never ships the goods ordered, ships them damaged, or ships the goods not as agreed upon in the contract.

A SBLC is an extremely flexible financial instrument which makes it a great option for a variety of financial deals.

### **SUMMARY OF WORKING PROCEDURES**

1. Letter of Intent [LOI] on official letterhead from the buyer
2. Proof of funds are required, and the buyers bank will issue a form of the below:
  1. "Ready Willing and Able" [RWA] - MT199.
  2. 'Standby Letter of Credit" (SBLC) - MT760
    - a. The fund will cover the purchase and will be enough to start and complete the order.
3. The seller will send a fully completed and signed sales and purchase agreement [SPA] to the buyer.
4. The buyer fully understands, completes, and signs the [SPA] to the seller.
5. All documents will be required to include a notary public [NP].
6. The buyer will be required to commit, send, and acknowledge to a 70% deposit to begin the said purchase agreement [SPA].
7. The seller will provide a commercial invoice [CI] with necessary documentation and details.
8. Prior to releasing the order by the seller, the final payment [FP] will be released by the buyer.
9. If the above proposal and general procedures [GP] are acceptable to both the buyer and seller we welcome the opportunity to do business together.
10. WWW.BENFRANKLININC.COM

#### **COIN DISCLOSURE**

In an effort to continually improve our products, we will make design changes from time to time. We reserve the right to ship improve designs to fill any order unless it is agreed in writing to do otherwise. Designs may vary slightly and running changes may occur.

