

## APPLICATION FOR DOCUMENTARY CREDIT

To Caisse: \_\_\_\_\_

TRANSIT                      POINT OF SERVICE                      INSTITUTION

We hereby authorize you to obtain from Caisse centrale Desjardins the issuance of an irrevocable documentary credit according to the present terms and conditions. (Please attach additional instructions to your application, if necessary)

<b>1. Please issue a Documentary Credit</b> <input type="checkbox"/> Confirm <input type="checkbox"/> Transferable	<b>2. Date of expiry:</b> _____  Contract no.: _____
<b>3. Applicant</b> (For account of - Full name and address):  _____  <b>Folio :</b> <input type="checkbox"/> CAD <input type="checkbox"/> USD <input type="checkbox"/> Currency account <b>Account number</b>	<b>4. Beneficiary</b> (In favour of - Full name et address):  _____
<b>5. Advising bank:</b>  _____	<b>6. Currency and amount:</b>  _____ <input type="checkbox"/> Maximum <input type="checkbox"/> Approximately
<b>8. Partial shipments</b> <input type="checkbox"/> Allowed <input type="checkbox"/> Not Allowed <b>Transshipment</b> <input type="checkbox"/> Allowed <input type="checkbox"/> Not Allowed	<b>7. Payment terms (Drafts):</b> <input type="checkbox"/> At sight  <input type="checkbox"/> Time <input style="width: 50px;" type="text"/> <input style="width: 50px;" type="text"/> <small>(e.g. 30, 60, 90 or other)</small>
<b>9. Dispatch at:</b>  _____  Destination: _____	<b>10. No later than:</b>  _____

Accompanied by the following documents (in duplicate unless otherwise indicated.) indicate by an "X".

11.  Commercial invoice in \_\_\_\_\_ copy(ies)                      12.  Canada customs invoice in \_\_\_\_\_ copy(ies)
13. **Transport documents** (choose the appropriate box)                       Notify applicant (state if otherwise)
- a.  (Sea) Full set of multimodal transport documents, clean, on board, made out to order, blank endorsed and marked:  Freight prepaid     Freight collect
- b.  (Air) Air waybill consigned and marked:                       Caisse/branch     CCD     Freight prepaid     Freight collect
- c.  (Road) Truck bill of lading consigned to applicant and marked:                       Freight prepaid     Freight collect
- d.  Other: \_\_\_\_\_
14.  Insurance Policy/Certificate in negotiable form, covering Institute Cargo clauses "ALL RISKS", Institute War, S.R.C.C. and T.P.N.D. clauses for \_\_\_\_\_ % of invoice value with claims, if any, payable in Canada.
15.  Packing list in \_\_\_\_\_ copy(ies).
16.  Certificate of origin indicating the country of origin.
17. **Other documents**  
 \_\_\_\_\_  
 \_\_\_\_\_
18.  Brief description of merchandise \_\_\_\_\_
19.  Terms of delivery:  FOB     CFR     CIF     EXW     Other (specify) \_\_\_\_\_

**20. Special conditions:**

All banking charges outside Canada are for the                       Beneficiary                       Applicant

In the event that these charges are refused by the beneficiary, the applicant remains liable for the payment thereof.

**21.** Documents to be presented within \_\_\_\_\_ days after the date of shipment within the validity of the credit.

**22.**  Please forward the credit to the beneficiary through one of your correspondents.

I/We fully understand that the documentary credit to be issued in response to this application will be subject to the "Uniform Customs and Practice for Documentary Credits" International Chamber of Commerce, and documents presented and conforming to these provisions will be acceptable unless the terms of this application specifically detail otherwise.

**IMPORTANT:** The agreement on the reverse of this form must be signed by the applicant.

\_\_\_\_\_

Applicant's Signature

\_\_\_\_\_

Date

**TERMS AND CONDITIONS**

In consideration of the issuance of Documentary Credit by the Caisse centrale Desjardins, its representatives or agents, according to the application hereof, the undersigned (hereinafter called the "Applicant") undertakes towards the Desjardins Caisse mentioned on the reverse side (hereinafter called the "Caisse"):

1. To provide for all bills which shall be drawn and accepted under the said Documentary Credit by:
  - a) Payment to you on demand in Canadian currency of the amount of each bill (whether Sight, Term or Deferred Payment) which may be drawn and accepted in Canadian currency under the credit; also, in any event and without demand, to effect such payment with respect to each such term bill at least one day prior to its maturity date, it being understood that you will notify us of the amount and date of maturity of each such term drafts or deferred payment.
  - b) Payment to you on demand in Canadian currency, the equivalent (at your then selling rate for cable transfers to the place where and in the currency in which such bill is payable) of the amount of each bill (whether Sight or Term) which may be drawn in other than Canadian currency under the credit; also, in any event and without demand, to effect such payment with respect to each Term bill at least three days prior to its maturity date. At your option payment of each bill (whether Sight or Term) may be made in the currency in which the bill is drawn in such form and manner as shall be acceptable to you.
 Notwithstanding anything to the contrary the Applicant agrees that payment of sight bills will be subject to an interest charge on the amount of such bills from date of presentation abroad until payment at the foreign correspondent's prevailing rate.
2. **Mortgage:** To guarantee reimbursement of amounts due or which may be due to the Caisse in consideration of the issuance of the said Documentary Credit, principal, interest, expenses incurred, accessories and commissions, the Applicant secures by a mortgage in favour of the Caisse, for an amount equal to that of the amount of the Documentary Credit mentioned on the reverse side hereof (converted, if in foreign currency, into Canadian currency and this, at the rate of exchange prevailing at the Caisse, the day this contract is signed), all goods and materials described by the bills of lading under this Documentary credit (hereinafter called: the "Goods"). The mortgage covers as well the insurance rights and indemnities of the Goods in case of claim, as well as indebtedness, bills or proceeds from the Goods renting, selling or other alienation, as the case may be, including deposits in any financial institution, titles, contracts, securities or other documents the Applicant will receive or that he will be allowed to receive in regards to these sales or rents.
3. **Supplementary Mortgage:** To guarantee amounts due to the Caisse which would exceed the above mentioned mortgage amount, the Applicant secures by a mortgage the Goods and the indebtedness for an additional amount representing 20% of the Documentary Credit amount.
4. **Declaration:** The Applicant declares that he is or will be at the time of the realization by the Caisse of his allocation, the sole owner of Goods secured under the mortgage and that the latter are not or will not be subject to any other lien, mortgage, conditional sale or installment plan sale, or any other rights or security.
5. **Liability, Maintenance, Use and Transfer of Goods:** The Applicant must be fully liable for the Goods, provide maintenance to the Goods, use the Goods and take care of the Goods, in a cautious and diligent manner and he undertakes to follow the instructions given by the Caisse regarding the Goods. He must also, as the case may be, inform the Caisse of any transfer of the Goods.
6. **Insurance:** The Applicant must maintain the Goods insured at his expenses, for full replacement value, against all risks insurable, to the satisfaction of the Caisse. Upon demand, relevant policies or certificates of insurance must be remitted to the Caisse and they must indicate its role as a mortgagee. In the event of a claim, the Applicant undertakes to advise the Caisse immediately. He will produce the claim at his own expense, but the Caisse may itself submit the claim. The Applicant must arrange that the Caisse can be paid directly by the insurance company. The Caisse has also the choice to either attribute the indemnities to the payment or reduce the collateral guarantees undertaken by the mortgage, or remit it to the Applicant to repair the damages or replace the Goods. Any amount paid by the insurance company does not in any way reduce the collateral of the Caisse.
7. **Sale or Other Alienation of Mortgage Goods:** The Applicant cannot rent, sell nor otherwise dispose of the Goods that are not intended for rent or sale, without prior written authorization of the Caisse. As long as he is not in default, he can rent, sell or otherwise dispose of the Goods intended for rent or sale, provided that these are effected as current activities in his company and to maintain its continuity. In case of default, he cannot rent, sell nor dispose of the Goods in any other way without prior written authorization of the Caisse and subject to the conditions prescribed by the latter.
8. **Default:** The Applicant is in default in the following instances:
  - a) if any of the obligation herein are not respected;
  - b) if a declaration made herein or afterwards proves to be false or misleading, or should the same apply to documents supplied herein;
  - c) if the Applicant becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors that is refused or annulled;
  - d) if any attachment is issued against any mortgaged property or if these are the object of any proceedings taken against the Applicant by any other creditor.
 In the event of default, any amounts due to the Caisse, be they principal, interest, charges and out-of-pocket expenses, shall be payable immediately. The Caisse will, therefore, have the right further to its other rights and recourses:
  - a) to fulfil any obligation not carried out by the Applicant, any amount disbursed to this effect shall be immediately due and payable by the Applicant, at an interest rate prevailing for any of the conditions covered by the mortgage, at the option of the Caisse;
  - b) to require the liquidation of the Goods and to exercise any recourse contained in the mortgage provided for in Articles 2748 and subsequent of the Civil Code, while respecting the procedures provided for in rules and regulations applicable specifically to certain goods, as the case may be;
  - c) to require immediate possession of claims, bills, sums of money, including those deposited in any financial institutions, and other documents regarding the rental, sale or other alienation of the Goods and to collect the monies eligible under these claims and documents.
9. **Exemption from responsibility:** The Caisse and its agents assume no liability or responsibility for the form, sufficiency, correctness, genuineness or legal effect of any documents, or for the description, quantity, quality, condition of delivery or value of the merchandise represented thereby, or for the good faith or acts of the shippers or any other person whomsoever, the Applicant hereby assumes and undertakes all such risk, including acts of the user of the said Documentary Credit and the Applicant further agrees that the Caisse may hold the delivery of the documents named herein, as sufficient evidence of the good faith of the shippers and of the merchandise described therein, without assuming any responsibility in regards to the shipment.
10. **Indemnification:** That in the event of the issuance of said Documentary Credit being advised by cable, telegraph, SWIFT or otherwise to hold Caisse harmless from all losses, consequences or damages, arising either from insufficient or incorrect particulars being transmitted, or from mistakes or errors in transmission or delivery of said message, and Caisse may transmit all or any portion of the message in cipher as you may deem most expedient, the same being forwarded solely at the request and for the account and risk of the Applicant.
11. **Indivisibility and Joint and Several Liability:** That where there is more one Applicant the obligations herein contained shall be several and indivisible.
12. **Commissions and Fees:** The Applicant agrees to pay to the Caisse, the Fees and Commissions provided in the Desjardins International Products and Services List which he acknowledges having read and received a copy. He hereby authorizes the Caisse to retain from any Credit issuance and/or any transfer in his favour, an amount equal to the Fees and Commissions mentioned above.
13. **Conformity:** To comply with any Government (domestic or foreign) regulations in regards to the shipment of goods and to furnish, with all drafts drawn under said Documentary Credit, such certificates or other documents as may be required in connection with said Government regulations.
14. **Modifications:** That in case the expiry in said Documentary Credit be extended and/or the amount thereof be increased, and/or any of the terms and conditions be altered upon application of the Applicant, all the terms of this obligation shall remain in full force and effect without releasing any party thereto.
15. **International rules:** Except as otherwise expressly stated within, the above mentioned Documentary Credit is subject to the latest revision of "Uniform Customs & Practice for Documentary Credits" International Chamber of Commerce. The Applicant acknowledges that he has read the rules and that they shall be incorporated herein.

Signed: \_\_\_\_\_ on \_\_\_\_\_ Applicant's Signature \_\_\_\_\_

**FOR THE USE OF THE CAISSE/DBC - FEDERATION**  
**Authorization for issuance of Documentary Credit**

Transit of DBC:

Transit \_\_\_\_\_ Institution \_\_\_\_\_

In accordance with the application hereunder, we request Caisse centrale Desjardins (CCD) to issue this Documentary Credit and we undertake to irrevocably reimburse any payments effected under therein. Also, we shall indemnify CCD for any damages, losses and/or expenses arising from therein. We authorise CCD to debit our account without notice, for any amount related to this application. Furthermore, as the account holder of the requesting member, we confirm having verified the identity of the latter and hold all documents relating to his identity. **Details and/or copies of supporting documents will be provided within 24 hours of request.**

Authorized signature: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized signature: \_\_\_\_\_ Date: \_\_\_\_\_