

Conditions of Application for Transfer of Documentary Credit

In consideration of The Bank of East Asia, Limited (the "Bank") effecting the transfer of the Credit as per the request of the applicant (the "Applicant"), the Applicant agrees to the following conditions:-

1. This application for transfer of Credit is subject to the Uniform Customs and Practice for Documentary Credit, International Chamber of Commerce Publication as are in effect from time to time, General Security Agreement Relating to Goods, General Customer Agreement and other agreement(s) previously signed and delivered by the Applicant to the Bank, if any. In case of conflict, terms of this Application shall prevail to the extent of conflict.
2. Subject to the application, all rights in the Credit are transferred to the Transferee and the Transferee shall (up to the transfer amount) have the sole rights as the beneficiary of the Credit.
3. Without any responsibility or liability on the part of the Bank, the Bank may forward the Substituted Documents, together with the Transferee's documents, to the issuing bank for payment, acceptance or approval at the Bank's sole discretion. The Applicant agrees and acknowledges that the Bank may effect payment to the Applicant and/or to the Transferee only upon the Bank's receipt of final payment from the issuing bank or confirming bank, if any. In such circumstances, the Bank is irrevocably authorised to effect payment to the Transferee without reference to the Applicant and irrespective of discrepancies that may appear on the documents presented by the Transferee (all of which, if any, are hereby waived by the Applicant).
4. The Applicant understands that the Bank has no obligation to negotiate the presented documents, prepay a deferred payment undertaking incurred by the Bank or purchase a draft accepted by the Bank ("Financing"). However, if any request for Financing is accepted by the Bank, it is subject to full recourse against the Applicant (up to the total amount paid to the Applicant and the Transferee) plus interest irrespective of any reasons that the issuing bank or confirming bank, if any, may refuse to effect payment under the Credit.
5. The Applicant undertakes to examine the customer copy of the transfer of the Credit issued by the Bank and irrevocably agrees that failure to give a notice of objection about the contents of the transfer of the Credit issued by the Bank within 5 calendar days after the customer copy of the transfer of the Credit or subsequent amendment(s) is sent to the Applicant shall be deemed to have agreed to the contents of the transfer of the Credit and waive any rights to raise objections or pursue any remedies against the Bank in respect of the transfer of the Credit.
6. The Applicant authorises the Bank to advise or disclose to the issuing bank any information required by the issuing bank about the transfer of the Credit (including the name of the Transferee). The Applicant agrees to waive all rights it would have against the Bank for such disclosure.
7. The Applicant undertakes to indemnify the Bank and the Bank's delegate(s) on demand (on a full indemnity basis) against all liabilities, losses, damages, demands, expenses and costs (including legal fees), proceedings or actions that the Bank or the Bank's delegate may incur or suffer in connection with or as a result of effecting this transfer of Credit.
8. The Bank is irrevocably authorised to debit the Applicant's account(s) for any charges and expenses as determined by the Bank.
9. The Bank is authorised to advise the issuing bank details of this transfer if required by the issuing bank.
10. No person other than the Applicant or the Bank will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of the terms of this application.
11. This application is governed by and shall be construed in accordance with the laws of Hong Kong SAR.