

Guide to Fill Out the Irrevocable Documentary Credit Application Form (VIB - 880)

1. **Section for internal use** (top, filled by the Official) - Loan ID, Unit (originating branch), Mailing Code, Cost Center, Application Date (application date), Employer Tax ID, Account Number and Unit Contact Person/Extension No. (employee contact and telephone number and extension).
2. **Applicant Name** - Exact name of the applicant / buyer company.
3. **Physical Address** - Exact physical address of the applicant, not PO Box.
4. **Telephone Number** - Telephone of the requesting company.
5. **Email Address** - Email of the contact person in the applicant's company.

All the above information must match the information of the account holder and the line of credit.

6. **Beneficiary Name** - Full name of the beneficiary / seller of the goods.
7. **Physical Address** - Exact physical address of the beneficiary, not PO Box.
8. **Telephone Number** - Telephone of the Beneficiary.
9. **Email Address** - Email of the contact person in the company of the beneficiary.
10. **Beneficiary Advising Bank** - Name of the bank where the letter of credit will be sent to notify the beneficiary. If the client does not nominate the bank, Banco Popular de Puerto Rico will name one of its correspondent banks that serve the area where the seller is located.
11. **Physical Address** - Exact physical address of the Warning Bank, not PO Box.
12. **Amount in figures and words** - Quantity in words and numbers and indicate the currency in which the letter will be paid. The guarantee in words is to detect errors in the expression of the currency.
13. **Shipment:**
 - From: terminals or port of shipment where the merchandise comes from.
 - For transportation to: terminals or port of disembarkation; includes information about transshipments.
 - Latest date of shipment: date on which the goods will be placed on the ship.
14. **Expiry Date and Place for Presentation of Documents:**
 - Expiry Date - expiration of the letter of credit which represents the last date on which the draft can be presented and the documents for payment at the issuing, nominated or confirming bank.
 - Place for Presentation: place where the documents will be presented to request payment on or before the expiration of the loan.

15. **Credit available with Nominated Bank** - name of the nominated bank in which the credit will be available and the terms of the transfer.
- **By payment at sight** - Payable immediately on the date of submission of documents.
 - **By deferred payment at** - a fixed date is established to pay and a draft document is not required or the due date of the draft is for more than 180 days.
 - **By acceptance of drafts at** - Payment of the draft at a fixed date that does not exceed 180 days from the established date. Example: 30 days view, 30 days of Bill of Lading or 30 days of invoice date.
 - **By negotiation for 100%** - Represents the payment, advance or commitment to advance funds by the nominated bank of the line and / or documents submitted by the drawer.

Negotiation means the purchase by the nominated bank of the draft (bills of exchange) against another bank, (other than the nominated bank) and / or documents presented for payment on or before the banking business day in which the obligation to repay the nominated bank expires.
16. **Issue by (air) mail (Notify by mail)** - if the letter will be sent by registered mail.
17. **Issue by Courier** - if the letter will be sent by courier.
18. **Issue by teletransmission** - whether the letter will be sent through a bank by SWIFT provided that the bank where it is sent is Banco Popular correspondent with which authorization is maintained to honor mutually authenticated messages.
19. **Partial Shipments** - are allowed (allowed) or not allowed (not allowed).
20. **Transshipments** - are allowed (allowed) or not allowed (not allowed), this is when the merchandise is lowered from one container or wagon to another for boat changes.
21. **Type of Credit** - Indicate if the credit is transferable. A credit is transferable if the exporter / seller is the agent of the importer / buyer or an intermediary between the supplier and the importer / buyer, instead of being the actual supplier of the goods.
22. **Confirmation of the Credit (Confirmed Letter of Credit):**
- **Requested (Confirmed or Requested):** if the letter of credit must be confirmed by another bank. It means that the beneficiary's bank will send the documents according to the credit for payment or acceptance to the confirming bank before the date of expiration of documents. The confirming bank pays and sends an authenticated message to the Bank requesting reimbursement of the funds. The issuing bank will receive the documents later.
 - **Not requested (Not Confirmed or Not Requested):** if in the letter of instructions or in the proforma invoice (proforma invoice) it does not indicate that it must be confirmed.

23. **Shipping Terms** - Must be chosen according to the agreement with the Beneficiary, since they establish who covers the insurance, freight, who is responsible for assembling the goods to the ship and assumes the risks involved in the mobility of the commodity. These should be the terms defined by the ICC in the most recent Incoterms publication. Examples of the most used terms:

- **EXW** (Ex Works) - The seller discharges his obligation when he makes the goods available to the buyer on his premises.
- **FCA** (Free Carrier) - The seller's responsibility ends when he delivers the merchandise to the carrier appointed by the buyer at the agreed place.
- **CPT** (Carriage Paid To) - The seller assumes the cost of the freight charges (payment of the transport of the goods) to the agreed point.
- **CIP** (Carriage & Insurance Paid to) - The seller assumes the cost of the freight and the insurance that covers the merchandise during its transport.
- **DAT** (Delivered at Terminal) - The seller delivers when the merchandise is placed at the disposal of the buyer in the terminal without downloading it. Terminal includes: dock, warehouse in the dock, place of containers, train rail and air terminal. The specific point must be established in the terminal. If the seller assumes the risk and cost of transporting or handling it from the terminal to another location, the terms DAP or DDP should be used.
- **DAP** (Delivered at Place) - The seller delivers when the goods are placed at the disposal of the buyer on the means of transport ready to be unloaded at the agreed place. It requires the seller to decide with customs to export it, without being obliged to decide with customs at the place of importation, or incur the payment of excise or customs duties. If the seller assumes the risk and customs costs, the term DDP must be selected.
- **DDP** (Delivered Duty Paid) - The obligation of the seller ends by making the goods available in the place of the country of importation agreed. The seller covers the costs of customs duties, taxes and other charges for delivering the merchandise free of payment of entry fees.
- **FAS** (Free Alongside Ship) - The seller's responsibility ends when he delivers the goods to the side of the vessel on the dock or on the ship at the port of shipment agreed upon.
- **FOB** (Free on Board) - The buyer must take charge of insuring the goods and paying the freight upon arrival. The beneficiary's responsibility ends when the merchandise goes onto the ship.
- **CFR** (Cost and Freight) - The seller pays freight charges and the applicant must take charge of insuring the merchandise.
- **CIF** (Cost Insurance and Freight) - The beneficiary insures the merchandise and pays the freight.

When the shipping term is CFR, FOB, EXW and the insurance is for the account of the Bank's customer, this must provide the name of the insurance company and the policy number. For the terms DAT, DAP and DDP the seller is not obliged to take out insurance. If the buyer assumes the risk, he must provide the policy as previously established.

24. **Document to be presented within ____ days ...** (Number of days to submit documents) - After shipping the merchandise the beneficiary must present the documents in the nominated bank. This term is set by the beneficiary based on the time it takes to gather the documents required for payment. If it is not established in the purchase/sale agreement, the UCP rule establishes that it is 21 days.
25. **All banking charges ...** - Mark who covers the bank charges of the beneficiary/adviser/confirmor, Beneficiary (Seller/Beneficiary) or Applicant (Purchaser/Applicant).
26. **Goods** (Merchandise) - Brief description of the merchandise including details of quantity and unit price, if any. It is suggested to include a copy of the proforma with the application.
27. **Documents Required** - Documents that must be presented by the seller to obtain payment (documentary conditions):
- Beneficiary's draft (s) drawn on - payment order or demand from the beneficiary against the bank nominated to pay.
 - Commercial Invoice: It must always be requested, and it establishes the number of copies.
28. **Transport Document:**
- Multimodal Transport Document (Multiple Transport Document) - It is used to cover two or more types of transport.
 - Marine/Ocean Bill of Lading - Consigned to Banco Popular de Puerto Rico, in favor of the applicant. Indicate if freight rates are prepaid or collect, depending on the shipment term. Refer to the definitions published by ICC under Incoterms 2010, most recent edition.
 - Air Waybill - document prepared by the airline, if the merchandise comes by that route.
 - Delivery Receipt - Customer must indicate the name of the person authorized to sign for the receipt of the goods. You must include a copy of the authorized signature to complete the file and be able to verify it.
 - Other transport documents - Indicate the exact name of the document and by whom it should be issued.
29. **Certificates or Other Documents** - Mark the box of the certificate or documents that the Beneficiary must present for the collection of the letter of credit:
- Origin (Certificate of Origin)
 - Health (Certificates of Fumigation)
 - Analysis (Certificate of Analysis)
 - Inspection (Inspection Certificate)
 - Packing List (Packing List)
 - Weight List (Weight List)
 - PR or US Agency Approval - Approval for the inspection of the merchandise (FDA Approval, etc.).
 - Other (Other) - indicate the exact name of the document and by whom it should be issued.
30. **Insurance** (Insurance Policy) - Mark the corresponding boxes according to the Incoterm definition. If the insurance is on behalf of the importer/buyer, you must present evidence of insurance along with the application. If it is for the account of the exporter / seller, you must complete the box in the required documents section.