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# Export Letter of Credit

## Frequently asked questions

- **How does a documentary credit reduce the risks for the buyer?**

Through an irrevocable commitment of a bank - the payment is not subject to the creditworthiness of the buyer and the payment will be received after submission of documents that meet strictly the conditions of the letter of credit.

- **Does the bank review the documents under the letter of credit in advance?**

Yes, UBB makes a preliminary review of the documents for which it collects a fee based on the current tariff of the Bank

- **What does it mean that the bank will confirm a letter of credit?**

The confirmation of a letter of credit is a separate and independent commitment of the confirming bank in addition to that of the issuing bank and means that the confirming bank has to make a payment according to the conditions of the letter of credit when it receives regular documents in case the issuing bank does not fulfil the commitment. UBB adds its confirmation to letters of credit at its own discretion and subject to certain conditions if requested by the issuing bank and/or if requested by the Beneficiary against a current fee set by the Bank.

- **What happens if the documents submitted for utilization of letter of credit are not compliant?**

The payment under the letter of credit shall take place only if the buyer gives its consent to accept the submitted non-compliant documents.

- **Can the bank exercise any control over the actual performance of the commercial contract?**

In these operations, banks only check the documents and do not express an opinion on the



goods/services to which these documents refer. The letter of credit is an independent and separate commitment from a commercial contract.