



INSTITUTION DE GARANTIE ET DE  
TRADE FINANCE  
Technical and financial services for  
investment and international trade projects

**ETC**  
EXPORT, TRADING  
& COOPERATION



www.etcgroup.com

# Import Letter of Credit or L/C Confirmation (LCE)

## A SOLUTION DESIGNED TO SECURE AND FACILITATE INTERNATIONAL TRADE TRANSACTIONS

**ETC's Import Letter of Credit** is a financing solution designed to secure and facilitate the commercial transactions of African importers. This service ensures that the importer will only pay for the goods once the supplier has proven that they have been shipped. It helps preserve liquidity, as no advance payment or initial deposit will be made to the exporting company until the actual export takes place. Additionally, the letter of credit instantly makes the importer a credible partner in the eyes of the exporting establishment, as it demonstrates the importer's solvency, thereby ensuring smooth and reliable transactions.

## OUR OBSERVATION

In the context of trade in and with Africa, payment security and trust between business partners are essential. The Import Letter of Credit helps to overcome challenges related to the specific risks of African economies while facilitating international trade and reducing financial risks for both importers and exporters.

OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Payment guarantee for imports in the context of international commercial transactions.	Payment against compliant goods	Import Letter of Credit (ILC)	FIN MT700	Export trading & cooperation (ETC)	Optional	Exporter / Foreign Supplier



## WHAT IS IT ?

The **Import Letter of Credit is an irrevocable commitment** issued by ETC as a Non-Banking Financial Institution, guaranteeing that the seller (exporter) will receive payment, provided the documents presented meet the specified terms and conditions. It ensures the security of commercial transactions by confirming that payment will be made once the contractual conditions are met.

## WHO CAN BENEFIT ?

- **African Importers:** Companies importing goods and services who wish to guarantee payment to their foreign suppliers.

## WHEN TO REQUEST IT ?

- To secure international commercial transactions.
- When there is a lack of trust between trading partners.
- In the presence of high political or economic risks.
- To facilitate access to essential goods and services needed for the importer's business operations.
- To benefit from flexible and secure payment terms.

## THE ADVANTAGES

- **Payment Security:** Guarantees payment to exporters, provided the terms of the letter of credit are met.
- **Risk Reduction:** Minimizes the risk of non-payment and commercial disputes.
- **Transaction Facilitation:** Simplifies and accelerates international trade transactions.
- **Trust Building:** Establishes a trustful relationship between the importer and exporter.
- **Access to Favorable Credit Terms:** Allows for the negotiation of advantageous payment terms and improves cash flow management.
- **Regulatory Compliance:** Ensures that transactions comply with international and local regulations in force.

## PRICING

### FORMULA : $TAEG = (FDD/DDP) + (FDE/DDP) + CDE$

- TAEG = Taux Annuel Effectif Global / Annual Global Rate
- FDD = Frais de dossier (Taux indicatif 0,5% flat) / Application FEE (Indicative rate 0.5% flat)
- FDE = Frais d'émission de la garantie (Taux indicatif 0,25% flat) / Issuing Fees (Indicative rate 0.25% flat)
- DDP = Durée du prêt (année) / Tenor (year)
- CDE = Commission d'engagement (Taux annuel selon Notation financière\*) / Commitment fee (annual rate according to financial rating)

\*voir tableau

AMOUNT OF THE GUARANTEE	COVERAGE RATIO	DURATION OF THE GUARANTEE	COVERED RISKS	FACTORS GENERATING	ENGAGEMENT
up to €5 million	Value of the Commercial Contract	up to 360 days	Risk of Non-Payment	Exportation	Compliant documents