



itfc
International
Islamic Trade
Finance Corporation



LC CONFIRMATION PRODUCT EXPORTERS



LC Confirmation Product

Exporters

Background

ITFC is embarking on expanding the trade finance proposition to support its export transactions originated by the banks in the Member Countries (MCs). The proposition is open to both the public and private sector beneficiaries who are exporting their goods to the OIC Member Countries (MCs). Given the importance of international trade for the economic development, this is an important intervention that ITFC wants to drive in the coming years.

Often times, the exporter wants payment assurance from an investment grade financial institution prior to shipping the goods. To support the smooth flow of international trade, ITFC has launched 'LC Confirmation' product to cater to the requirements of the exporters.

The product, which is an un-funded trade solution, is designed with the view to supporting the cross-border trade and thus contribute to the economic growth of both the exporting and importing countries.




A Confirmation issued by ITFC on a Letter of Credit is an undertaking, in addition to that of the LC Issuing Bank, to pay the exporter / supplier of the LC (i.e. Beneficiary) upon submission of complying documents. The solution allows the supplier to have assurance from a credible multi-lateral financial institution, i.e. ITFC, to secure its payment on due date.

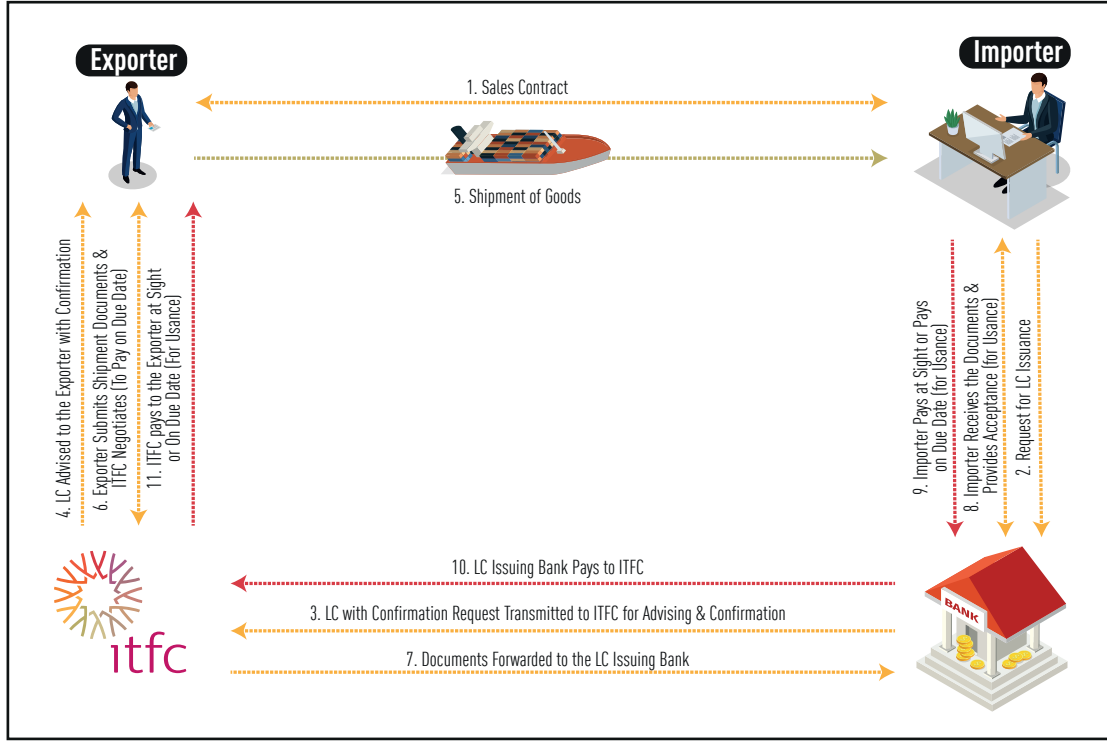
The direct beneficiary of this proposition are exporters who want to mitigate the credit and country risks of the LC Issuing Bank by availing the product.

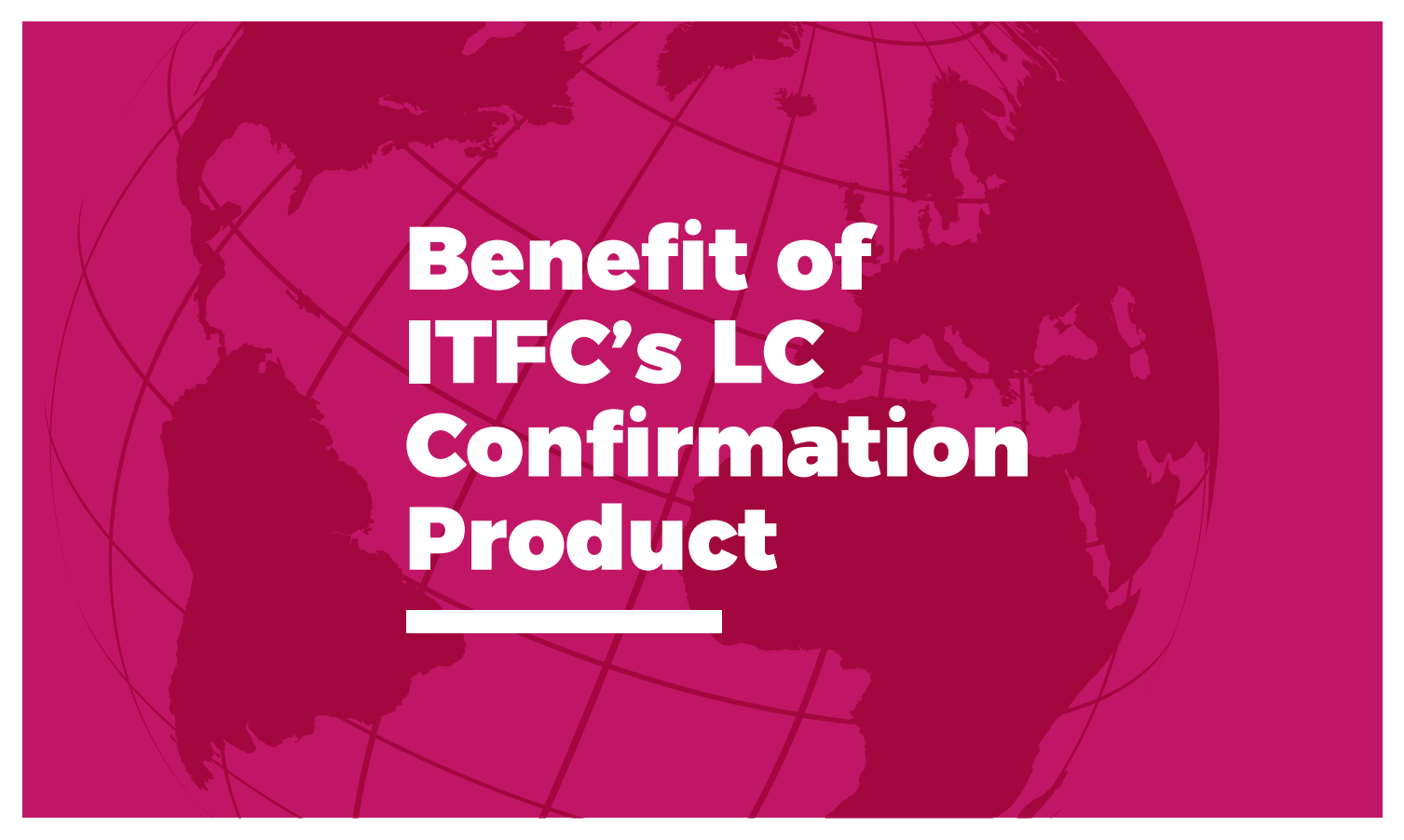


How the Solution works?

**LC
Confirmation**

-  Commodities
-  Money
-  Documents

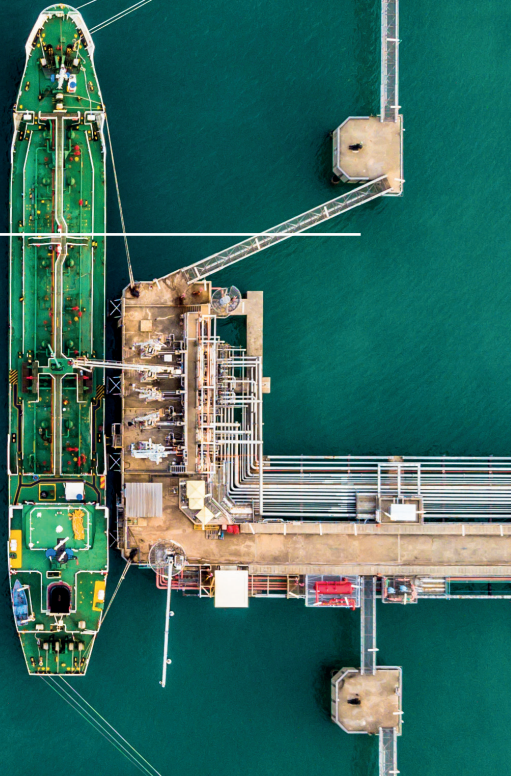




Benefit of ITFC's LC Confirmation Product

01

Ability to conduct export transactions with the counterparties located in countries that are perceived to have high risk profile.





02

Leveraging on its A1 credit rating, ITFC's LC Confirmation product will benefit the exporter to mitigate the credit and country risks of the LC Issuing Bank.



03

**Ability to avail
market-based
confirmation
pricing.**

04

Ability to accommodate longer tenor (6 to 12 months) risk coverage for equipment and projects related LC transactions that have clear and defined benefits.





05

**Reduce the need
for arranging 'Silent
Confirmation' from
the LC Advising
Bank.**

Dedicated support
from experienced
Operation team to
handle your export
LC & Shipping
Documents.



07

Dedicated
Relationship
Managers located
in the Regional
offices to serve
business needs.





08

Opportunity to build relationship with IsDB Group and explore the various trade solutions available within the Group.

Contact us:

Mr. Hamady Soma Ba

Senior Manager, Private Sector Division, Trade Finance Department

T: +966 12 646 8273;

E: hba@itfc-idb.org

Mr. Mubarak Abayomi Elegbede

Head of Africa & Latin America, Trade Finance Department;

T: +966 12 646 8254;

E: MElegbede@itfc-idb.org

P.O. Box 55335, Jeddah 21534,
Kingdom of Saudi Arabia.
T +966 12 646 8337
F +966 12 637 1064

www.itfc-idb.org



itfccorp