

Letters of Credit

With Quipu Core Banking financial institutions can offer a wide variety of letters of credit.

A letter of credit is a payment instrument which protects the interests of both the buyer and the seller. It reassures suppliers that they will receive payment for the goods they have shipped as soon as they present the documents specified in the terms and conditions of the letter of credit.

Main Features

- Register, update and approve a letter of credit using a single intuitive form
- Use the system-wide search tool to identify the ordering party
- Select the beneficiary from a list of previously registered “external parties” (parties that do not hold an account at the financial institution) or create a new non-client record
- Update or complete a client’s profile while preparing a letter of credit request
- Define letters of credit as “confirmed” or “unconfirmed”
- Register letters of credits involving at least four parties, with or without a confirming bank
- Select from a custom-defined range of letters of credit the type that best suits the client’s needs, e.g. transferable, back-to-back, payable on sight or with deferred payment
- Define the fees applicable to each letter of credit, e.g. issuance fee, quarterly fee, confirmation fee, amendment fee
- Issue letters of credit in foreign currency
- Record the financial information needed for a full financial analysis: financial statements, economic activities, related parties, collateral
- Transform a letter of credit into an instalment loan or a credit line at the time of payment
- Define commission payment method by selecting from a pre-defined list
- Register the results of committee members’ votes
- Select the contract to be printed and signed from a range of pre-defined templates