

MARKET BULLETIN

REF: Y4370

Title	Extension to the current Letter of Credit Facility
Purpose	To inform the Market of changes to the existing Letter of Credit Scheme operated by Lloyd's and Citibank
Type	Event
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Date	15 February 2010
Deadline	Immediate effect
Related links	

For a number of years Lloyd's and Citibank have been operating a USD Letter of Credit (LOC) facility via the Lloyd's Dollar Trust Fund.

We have been investigating whether we are able to extend this facility, following requests from the market in relation to EUR LOCs, and are pleased to announce that this facility has now been extended to include all Lloyd's settlement currencies. (Currently USD, GBP, CAD, EUR, CHF, JPY, AUD, ZAR, NOK, DKK, SEK, HKD, NZD and SGD)

To enable a syndicate to participate in this facility they must first have signed the relevant documentation between themselves and Citibank. For any syndicate that already has existing documentation in place and wishes to issue other currency LOCs during 2010, new LDTF4 and LDTF5 forms will need to be signed. After 2010 the amended forms will be included in the usual deed signing exercise.

New letters of credit issued within the scheme will attract the same charge basis as the existing USD letters of credit, but the charges will be made in the currency of the LOC. In the unlikely event that a European beneficiary has requirements for the LOC to be issued via a local bank there may be additional charges incurred.

There will also be additional charges incurred if LOCs are required outside of the USA or Western Europe.

As not all syndicates hold currency accounts at Citibank all interest and charges associated with LOCs for currencies other than USD will be processed via STFO.

Further information

If you are not currently signed up and would like to participate in the scheme please contact Keith Coutinho on Lloyd's ext. 5762, if you require any other information in relation to this scheme or are unsure whether you currently participate in the scheme please contact

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