

المؤسسة العربية لضمان  
الإستثمار وائتمان الصادرات  
The Arab Investment & Export  
Credit Guarantee Corporation



# Confirmed Documentary Credit Insurance

*Service Guide*

Disclaimer: This guide is designed to provide information on the Confirmed Documentary Credit Insurance service and cannot be considered as exhaustive and complete presentation of the service. While every effort has been made to make the information presented here as complete and accurate as possible, it may contain errors, omissions or information that was accurate as of its publication but subsequently has become outdated by guarantee changes or conditions, new laws or regulations, or other circumstances. Dhaman denies any liability or responsibility to any person or entity with respect to any loss or damage alleged to have been caused, directly or indirectly, by the information or other content in this guide.

## **Who we are**

The Arab Investment & Export Credit Guarantee Corporation "Dhaman" is a Kuwait based Pan-Arab multi-lateral organization owned by governments of 21 Arab states & 4 Pan-Arab multi-lateral financial institutions. Established in April 1974 as the first multilateral investment guarantee provider in the world; It has been enjoying a "AA *stable outlook*" by Standard & Poor's since 2008.

Dhaman aims at promoting Arab countries' export/Import and promoting the flow of foreign direct investment (FDI) into Arab countries through providing Commercial and/or Political Risks Insurance coverage to financial institutions engaging in Arab related trade finance activities and inward investments & project financing; as well as providing such insurance services to Arab Exporters, Non-Arab Suppliers and Foreign Investors. The insurance coverage protects against losses arising from the default of payment of the obligor, be it a financial institution, an importer, or a local buyer.

## **Benefits of the Insurance**

- Enhances Confirming/Insured bank's Country & Credit limits.
- Increase the share of the business volume.
- Expand the geographical reach through wider range of risk appetite, hence better serving its client base.
- Covers Post Financing Periods.
- Capital relief based on DHAMAN's "AA" rating by S&P.
- Accommodate the clients' challenging trade requirements on a minimal risk basis.

## **Eligible Banks**

- The confirming bank may be of any nationality (Arab, joint Arab-foreign nationality or Non-Arab).
- The issuing and the confirming banks should not be related, with certain exceptions accommodated for strict regulatory purposes.
- Conventional and Shariaa compliant banks.

## **Eligible underlying trade transaction**

- Goods or services of Arab origin exported all over the world.
- Goods of non-Arab Origin exported to Arab countries, including all types of commodities, equipment, food and other developmentally sound goods and services ....

## **Insured Risks**

### **Commercial Risks:**

Risks pertaining to the refusal or failure of issuing/obligor bank to honor its obligations due to reasons associated with:

- Protracted default.
- Bankruptcy.

## **Political Risks:**

Risks pertaining to external factors beyond the control of the issuing/obligor bank:

- Measures taken by the authorities of the country of the issuing/obligor bank preventing the confirming bank from obtaining his rights.
- War and public civil disturbances.
- Confiscation, Expropriation and Nationalization.
- Currency inconvertibility and transfer restriction.

## **Losses Covered**

Losses resulting from the non-receipt of all or part of the value of the insured confirmed L/C.

## **Compensation Rate**

Up to 100% of the insured amount under the confirmed letter of credit, should any of the identified risks materialize, with compensation effected on pro-rata basis vis-à-vis the actual incurred loss/unpaid amount.

## **Cost of Insurance**

Takes into account the following criteria:

- Country Ranking / Rating.
- Ranking of banks within their home country (Top Tier banks vs. 2nd Tier bank).
- LC Validity & Shipment dates.
- Tenor / Settlement Conditions.
- Type of Goods.

- Insured Banks' pricing.
- Flexible Premium calculation methods as agreed with the Insured Bank from time to time.

## **Other Financial Institutions Insurance Products**

- AVALAIZED Drafts Insurance.
- IRU's (Irrevocable Reimbursement Undertaking) Insurance.
- Buyer credit Insurance.
- Loans and Non Honoring of Sovereign Financial Obligation Insurance.
- Leasing Insurance.
- Factoring Insurance.
- Loss payee assignment for credit insurance policies.

## **Contact**

The Arab Investment & Export Credit Guarantee Corporation  
Arab Organizations Headquarters Building  
The intersection of Jamal Abdul Nasser Street and Airport Road  
Shuwaikh, Kuwait  
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operations@dhaman.org  
www.dhaman.org



## Insurance Application Form

## نموذج طلب تأمين

Insured Name (Confirming Bank)	.....	اسم المؤمن له (البنك المعزز)
Insurance Policy No.	.....	رقم عقد التأمين

Issuing Bank's Information	بيانات عن البنك المُصدر
Bank Name (in Arabic for Arab banks only)	الاسم باللغة العربية (للبنوك العربية فقط) والدولة
Bank Name & Country	الاسم بالحروف اللاتينية والدولة
Head Office Address	عنوان المركز الرئيسي
of LC Issuing Bank Address Branch (if different country)	عنوان فرع البنك مصدر الاعتماد (إن كان يقع في دولة أخرى)
Relationship between Insured & Issuing Bank	العلاقة بين طالب التأمين والبنك المُصدر
<input type="checkbox"/> علاقة تجارية Trade <input type="checkbox"/>	<input type="checkbox"/> علاقة ملكية Ownership <input type="checkbox"/>
<input type="checkbox"/> علاقة إدارة Joint management <input type="checkbox"/>	
Past Experience With The Issuing Bank	الخبرة السابقة بين طالب التأمين والبنك المُصدر
<input type="checkbox"/> أكثر من 3 سنوات Exceeding 3 years <input type="checkbox"/>	<input type="checkbox"/> جديدة New <input type="checkbox"/>
<input type="checkbox"/> 1-3 سنوات 1-3 Years <input type="checkbox"/>	
Unsettled Outstanding LCs At Application Date (Specify Amount & Details)	خطابات اعتماد معززة ولم يسدها البنك المُصدر حتى تاريخ الطلب (المبلغ والسبب)

Requested Cover	المخاطر المطلوب تأمينها
<input type="checkbox"/> غير تجارية فقط Non-Commercial Only <input type="checkbox"/>	<input type="checkbox"/> تجارية وغير تجارية Commercial & Non-Commercial <input type="checkbox"/>
<input type="checkbox"/> تجارية فقط Commercial Only <input type="checkbox"/>	

Kindly Attach An L/C Copy

برجاء إرفاق نسخة عن خطاب الاعتماد

Credit Limit Information

بيانات الائتمان المطلوب تأمينه

1	L/C Reference No	.....	رقم خطاب الاعتماد	1
2	L/C Currency & Value	.....	قيمة وعملة خطاب الاعتماد	2
3	L/C Issuance Date	.....	تاريخ إصدار خطاب الاعتماد	3
4	Insured Amount Requested	.....	مبلغ الائتمان المطلوب تأمينه	4
5	Minimum Retained by the Insured	.....	مبلغ الائتمان المحتفظ به من قبل المؤمن له	5
6	L/C Settlement Terms(days)	.....	أجل سداد الائتمان بالأيام	6
7	L/C Validity	.....	مدة صلاحية الاعتماد	7
8	Latest Shipment Date	.....	آخر تاريخ للشحن	8
9	Post Financing Tenor (if applicable)	.....	مدة تمويل ما بعد الشحن (في حال توفرها)	9
10	Exported Goods	.....	السلع المصدرة	10
11	Goods Country of Origin	.....	منشأ السلع	11
12	L/C Applicant / Importer	.....	اسم مقدم طلب خطاب الاعتماد / المستورد	12
13	Nationality of Importer	.....	جنسية المستورد	13
14	L/C Beneficiary / Exporter & Nationality	.....	اسم المستفيد من خطاب الاعتماد / المصدر & جنسيته	14

Signed & Stamped: ..... التوقيع والختم:

Name: ..... الاسم:

Title: ..... الصفة:

Date: ..... التاريخ:

This form should be forwarded to:  
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الموقع الشبكي: www.dhaman.org



لَمَّا سَأَلْنَا آلَ مَرْيَمَ  
كَيْفَ كُنْتِمْ إِذْ سَأَلْتِكُمْ  
أَنْ تَعْبُدِيَنَا فَجَاءْتِنَا  
بِزِينَةٍ وَقُلْتِمْ لَنْ نَعْبُدَ  
أَكْبَادًا إِذْ سَأَلْتُنَا  
أَنْ نَعْبُدَ إِلَّا اللَّهَ  
وَأَنْ نَكْفُرَ بِآلِهَتِنَا  
الَّتِي كُنَّا نَعْبُدُ قَبْلَ  
ذَلِكَ وَكُنَّا نَكْفُرُ  
بِهَا قَبْلَ ذَلِكَ قَالَتْ  
يَا قَوْمِ إِنِّي كُنْتُ مِنَ  
الْمُتَّبِعِينَ إِنِّي أَتَيْتُكُمْ  
بِآيَاتٍ مِنْ رَبِّي وَأَنْتُمْ  
أَكْفَرُونَ قَالُوا يَا مَرْيَمُ  
كَمْ جَاءَ مِنْ قَبْلِكَ  
رُسُلًا مِنْ رَبِّهِمْ يَأْتُونَ  
الْبَشَرَ بِالآيَاتِ وَالْكِتَابِ  
وَالْحَقِّ وَالْحَقِّ لَمْ يَكُنْ  
أَبَدًا مِنْ قَبْلِهِمْ قَالُوا  
يَا مَرْيَمُ كُنِّي وَتَكُنِي  
وَأَنْتِ الْبَرَّةُ الْغَافِلَةُ  
قَالَتْ إِنِّي كُنْتُ مِنَ الْغَافِلِينَ  
قَالُوا يَا مَرْيَمُ قَدِ  
إِنَّتِ كُنْتِ مِنَ الْغَابِرِينَ  
قَالَتْ إِنِّي كُنْتُ مِنَ الْغَابِرِينَ  
قَالُوا يَا مَرْيَمُ قَدِ  
إِنَّتِ كُنْتِ مِنَ الْغَابِرِينَ  
قَالَتْ إِنِّي كُنْتُ مِنَ الْغَابِرِينَ