Letter of Credit (Capability)

1. Role Definition ⌃

Orchestrate the pricing and issuance of Letters of Credit to bank customers guaranteeing their ability to pay sellers for goods that are to be delivered at some future date. Letters of Credit are mostly used to facilitate international trade. They can be single transaction or revolving and can also be transferable and so traded (this Service Domain only covers the issuance and processing of the LoC)

2. Example of Use ⌃

A bank issues an LC to a corporate customer to enable them to make a large purchase from an overseas supplier

3. Executive Summary ⌃

This Service Domain handles the pricing and issuance of letters of credit to its corporate customers in support of their international trading requirements

4. Key Features ⌃

Price and issue letters of credit for bank customers

Evaluate seller claims and make payments against the letter of credit

Evaluate buyer delivery completion prior to releasing funds

Recover buyer collateral against redeemed letters of credit where applicable

Documentation ⌃

Properties ⌃

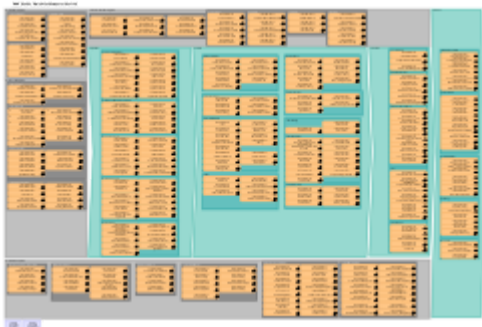| Property	Value
Service Domain	
API BIAN Portal	Letter of Credit API (https://app.swaggerhub.com/apis/BIAN-3/LetterofCredit/12.0.0)
Individual Analytics	letterOfCreditTransactionAccumulators letterOfCreditTransactionActivityAnalysis letterOfCreditTransactionPerformanceAnalysis letterOfCreditTransactionTrends&Events
Portfolio Analytics	letterOfCreditTransactionPortfolioActivityAnalysis letterOfCreditTransactionPortfolioMake-UpAnalysis letterOfCreditTransactionPortfolioPerformanceAnalysis
Scenarios	Receive Shipping Documents from Exporter Bank (views/view_54877.html) Process Letter of Credit Settlement Instructions from Importer (views/view_55582.html) Update Letter of Credit for Extension of Validity (views/view_55579.html) Handle Request to Extend Validity of Letter of Credit (views/view_55634.html) Handle Request to Issue Letter of Credit (views/view_55618.html) Initiate Letter of Credit (views/view_54819.html)
Service Role	Orchestrate the pricing and issuance of Letters of Credit (typically associated with trade finance activity)
BIAN Life Cycle	
Registration Status	Registered
Stereotypes	

stereotype	
	ServiceDomain

Appears on ⌃

BIAN Service Landscape V12.0 Value Ch…

BIAN Service Landscape V12.0 Matrix Vi…

Letter of Credit SD Overview

Relations ⌃

aggregated by	▤ Wave 6 (object_25.html?object=153745)
	⬚ Trade Banking (object_25.html?object=172016)
gets input from	▦ Session Dialogue (object_23.html?object=48273)
is equal to	▤ Letter of Credit (object_37.html?object=38419)
is part of	▦ Trade Banking (object_25.html?object=130655)

realized by

- Add a new BQ "Undertaking Amendment" for Letter of Credit SD (See documentation) (object_31.html?object=225137)
- Rename the BQ "Letter of Credit Payout Task" to the "Letter of Credit Demand Payment" for Letter of Credit SD (See documentation) and rename its SOs (object_31.html?object=225140)
- Change FP of Letter of Credit SD from Transact to Fulfil (see the documentation) (object_31.html?object=225157)
- Add a new BQ "Letter of Credit Termination" for Letter of Credit SD (object_31.html?object=225163)
- Delete Two BQs "Seller Obligation Confirmation Task" and "Customer Payment Task" for Letter of Credit SD (object_31.html?object=225209)
- Rename the BQ "BQ Letter of Credit Issuance and Booking Task Instance Record" to the "Letter of Credit Issuance" for Letter of Credit SD and update its operations and rename its SOs (object_31.html?object=225221)
- notify Letter Of Credit Transaction (object_18.html?object=238324)
- Letter of Credit_SD_Service Group (object_18.html?object=238883)
- Letter Of Credit Transaction_Instantiation (object_20.html?object=243926)
- initiate Letter Of Credit Transaction (object_20.html?object=243927)
- Letter Of Credit Transaction_Reporting (object_20.html?object=244158)
- update Letter Of Credit Transaction (object_20.html?object=245876)
- Letter Of Credit Transaction_Invocation (object_20.html?object=247470)
- execute Letter Of Credit Transaction (object_20.html?object=252326)
- request Letter Of Credit Transaction (object_20.html?object=253193)
- retrieve Letter Of Credit Transaction (object_20.html?object=253307)
- Notify Customer Payment Task (object_12.html?object=28936)
- Exchange Customer Collateral Allocation Task (object_12.html?object=29128)
- Request Customer Payment Task (object_12.html?object=30055)
- Exchange Customer Payment Task (object_13.html?object=30234)
- Update Seller Obligation Confirmation Task (object_13.html?object=30594)
- Notify Customer Collateral Allocation Task (object_13.html?object=30600)
- Execute Customer Payment Task (object_13.html?object=30751)
- Notify Letter of Credit Definition and Pricing Task (object_13.html?object=31041)
- Control Letter Of Credit Transaction (object_13.html?object=31513)
- Exchange Letter of Credit Issuance and Booking Task (object_13.html?object=31576)
- Notify Seller Obligation Confirmation Task (object_13.html?object=31745)
- Request Customer Collateral Allocation Task (object_13.html?object=31831)
- Execute Letter of Credit Issuance and Booking Task (object_13.html?object=32105)
- Initiate Customer Payment Task (object_13.html?object=32235)
- Update Customer Payment Task (object_13.html?object=32589)
- Notify Letter Of Credit Transaction (object_13.html?object=32823)
- Update Letter of Credit Issuance and Booking Task (object_12.html?object=33428)
- Request Letter of Credit Payout Task (object_13.html?object=33769)

- Initiate Letter of Credit Definition and Pricing Task (object_14.html?object=34481)
- Retrieve Customer Collateral Allocation Task (object_14.html?object=34777)
- Retrieve Letter of Credit Definition and Pricing Task (object_14.html?object=34914)
- Execute Letter Of Credit Transaction (object_14.html?object=34920)
- Initiate Letter of Credit Issuance and Booking Task (object_14.html?object=35111)
- Execute Seller Obligation Confirmation Task (object_14.html?object=36373)
- Request Letter Of Credit Transaction (object_14.html?object=36630)
- Retrieve Customer Payment Task (object_14.html?object=36834)
- Execute Customer Collateral Allocation Task (object_14.html?object=37024)
- Update Letter of Credit Payout Task (object_14.html?object=37286)
- Initiate Customer Collateral Allocation Task (object_14.html?object=37302)
- Request Letter of Credit Definition and Pricing Task (object_14.html?object=37402)
- Letter Of Credit Transaction (object_24.html?object=37581)
- Exchange Letter Of Credit Transaction (object_15.html?object=38297)
- Update Customer Collateral Allocation Task (object_15.html?object=38303)
- Notify Letter of Credit Issuance and Booking Task (object_15.html?object=39165)
- Retrieve Letter of Credit Payout Task (object_15.html?object=39486)
- Execute Letter of Credit Payout Task (object_15.html?object=39516)
- Notify Letter of Credit Payout Task (object_12.html?object=41863)
- Request Letter of Credit Issuance and Booking Task (object_12.html?object=42226)
- Retrieve Seller Obligation Confirmation Task (object_15.html?object=42701)
- Initiate Letter Of Credit Transaction (object_15.html?object=42823)
- Exchange Letter of Credit Payout Task (object_15.html?object=42981)
- Exchange Seller Obligation Confirmation Task (object_16.html?object=43780)
- Exchange Letter of Credit Definition and Pricing Task (object_16.html?object=45123)
- Retrieve Letter Of Credit Transaction (object_16.html?object=46056)
- Request Seller Obligation Confirmation Task (object_16.html?object=46317)
- Initiate Seller Obligation Confirmation Task (object_16.html?object=46590)
- Retrieve Letter of Credit Issuance and Booking Task (object_16.html?object=46644)
- Initiate Letter of Credit Payout Task (object_16.html?object=46670)
- Execute Letter of Credit Definition and Pricing Task (object_16.html?object=46738)
- Update Letter Of Credit Transaction (object_17.html?object=47931)
- Update Letter of Credit Definition and Pricing Task (object_17.html?object=48267)
- Transact (object_28.html?object=55809)
- Letter Of Credit Transaction_Reporting (object_18.html?object=85331)
- Letter of Credit_SD_Operations (object_18.html?object=85338)
- Letter Of Credit (object_24.html?object=85344)
- Letter Of Credit Transaction_ Analytics Object (object_25.html?object=85349)
- Letter Of Credit Transaction_Instantiation (object_18.html?object=85370)
- Letter Of Credit Transaction_Invocation (object_18.html?object=85374)

sends output to	Correspondence (object_20.html?object=32927)
	Financial Accounting (object_20.html?object=42346)
	Document Directory (object_22.html?object=44708)
serves	Trade Finance Management (object_6.html?object=130830)
triggered by	Letter of Credit (object_21.html?object=38418)
triggers	Party Lifecycle Management (object_20.html?object=29780)
	Document Services (object_21.html?object=30399)
	Correspondent Bank Operations (object_21.html?object=32729)
	Correspondence (object_20.html?object=32927)
	Product Directory (object_21.html?object=34953)
	Payment Order (object_21.html?object=35550)
	Market Data Switch Operation (object_21.html?object=35659)
	Sales Product Agreement (object_21.html?object=37916)
	Letter of Credit (object_21.html?object=38418)
	Credit Facility (object_22.html?object=40622)
	Customer Product and Service Directory (object_22.html?object=41591)
	Financial Accounting (object_20.html?object=42346)
	Underwriting (object_22.html?object=44666)
	Document Directory (object_22.html?object=44708)
	Virtual Account (object_22.html?object=45513)