

## **ASSIGNMENT OF PROCEEDS UNDER A DOCUMENTARY CREDIT**

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It is a form of pre-shipment finance that can be offered to the seller or suppliers. FEE Bank would issue a letter of comfort to the supplier indicating that;

1. The seller is the beneficiary of a documentary credit;
2. FEE bank is authorized to pay to the supplier a specified sum of money from the proceeds of the credit when they are well-received.

The letter of comfort can be used by the supplier to raise finance from its own bank.