

[Bank Letterhead]

Date: [Date]

To: [Beneficiary Name]
[Beneficiary Address]
[City, Country]

Subject: Bank Comfort Letter - Red Clause Letter of Credit

Dear Sir/Ms,

This letter is issued at the request of our client, [Applicant Name], in connection with the proposed purchase of [Description of Goods] under Contract/Proforma Invoice No: [Number].

We, [Issuing Bank Name], hereby confirm that our client maintains a credit facility with us and is in good financial standing. We confirm our readiness and commitment to issue an Irrevocable Documentary Letter of Credit in favor of [Beneficiary Name] for the total amount of [Currency and Amount].

The Letter of Credit shall include a **Red Clause** provision, authorizing an unsecured clean advance payment of [Percentage]% of the total value, amounting to [Advance Amount]. This advance is intended to facilitate the procurement of raw materials and mobilization costs prior to shipment.

The advance payment under the Red Clause will be released upon receipt of the beneficiary's simple receipt and a written undertaking to provide the required shipping documents within the validity period of the Letter of Credit.

This Bank Comfort Letter is provided for information purposes only. It does not constitute a financial guarantee or a binding commitment to lend at this stage, and is subject to final internal credit approvals and the fulfillment of all bank compliance requirements.

This letter is valid until [Expiry Date].

Yours faithfully,

[Authorized Signature]
[Name and Title]
[Bank Stamp]