

**BANK OF CREDIT AND COMMERCE INTERNATIONAL**

SOCIETE ANONYME (SYSTEMS & OPERATIONS DIVISION)  
*Incorporated in Luxembourg*

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March 7, 1977

INSTRUCTION CIRCULAR NO: 011

TO: ALL BRANCH MANAGERS

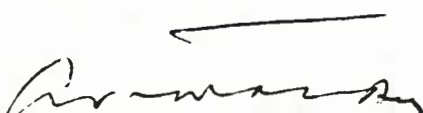
RE: MONITORING UTILISATION OF CREDIT/CONFIRMATION LINES WITH  
VARIOUS FOREIGN CORRESPONDENTS.


1. The current practice of collecting information on utilisation of credit lines shall continue. Following is the procedure:  
  
Every week on Thursday Regional Offices collect from their respective branches utilisation figures as at the end of each Wednesday. After consolidation, they advise these figures to the Foreign Division by telex. Foreign Division consolidates this information further for all Regions and telex to each Regional Office, if any credit line is nearing full utilisation. As at the least Thursday of each month this consolidated information is also sent to each Regional Office.
2. To keep a day to day track of large amount movements, henceforth, whenever any branch is required to ask a correspondent to add confirmation to any L.C. of equivalent U.S. Dollars one million and above, whether at the time of opening or subsequently, such branch will immediately inform its Regional Office by telex or telephone. Regional Offices in turn will advise Foreign Division by telex of such large movements.
3. Since bulk of the credit lines are utilised by Middle East Branches, to take prompt corrective action, whenever Middle East Regional Office finds that any credit line stands utilised to the extent of 80%, it will inform all branches to divert further business to some other correspondents where sufficient balance in credit lines may be available.

When the utilisation is substantially reduced in the case of such correspondent, the Middle East Regional Office would inform the branches accordingly. Such action by the Middle East Regional Office will be taken under advice and in co-ordination with the Foreign Division.

In the case of other Regions similar action will be taken by the Foreign Division through the respective Regional Offices.

4. Whenever branches receive requests for increasing of the amount of already opened and confirmed (by correspondents) L/Cs by any further significant amount, they should discuss with their customer the possibility of establishing a new L.C. instead. This will help in proper allocation of LCs for confirmation purposes according to the availability of credit lines.
5. Special efforts should be made by the Branch Managers with their customers to persuade them to insist on the beneficiaries to accept our LCs without another banks confirmation. In case of small amount LCs this should not be difficult to achieve. In case of large amount LCs assistance of the Foreign Division may be taken.
6. In case of large amount LCs of equivalent of U.S.\$ one million and above even if no confirmation is requested at the time of opening of LC, Branch Managers should evaluate the chances of a subsequent request being made for confirmation. If such a request is anticipated they should forewarn their Regional Office, and if possible without loss of time, select the correspondent in consultation with them.

  
Akhtar Anis

  
Humayun Sadiq