

JAPAN INTERNATIONAL
COOPERATION AGENCY

Brochure on
Transfer Procedure for Japanese ODA Loans

November 2019

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Section 1. Introduction

- 1.01. Unless otherwise defined in this brochure, the capitalized words not defined herein have the same meanings as defined in the Loan Agreement and/or the General Terms and Conditions to which this brochure applies.
- 1.02. If any provision of this brochure is inconsistent with any provision of the Loan Agreement, of which this brochure constitutes an integral part, such provision of the Loan Agreement shall govern.
- 1.03. Headings of Sections herein are inserted for convenient reference only, are not part of this brochure and do not affect the construction of, or be taken into consideration in interpreting this brochure.

Section 2. Procedure

- 2.01. This brochure is to be followed in cases where the expenditures eligible for JICA's financing are for payments to be made to the suppliers, contractors or consultants (hereinafter collectively referred to as the "**Supplier(s)**").
- 2.02. The Borrower shall request JICA to make disbursement to a non-resident Yen account (hereinafter referred to as the "**Loan Account**"), which shall be opened, in accordance with the relevant laws and regulations of Japan, in advance with a bank in Tokyo (hereinafter referred to as the "**Paying Bank**"), as stipulated in the Loan Agreement, for a sum not exceeding the amount actually claimed by the Supplier(s). Depending on the type of currency to be paid to the Supplier(s), the Borrower shall

simultaneously instruct the Paying Bank or the Agent Bank (as defined in Section 5. below) to transfer such amount to the account of the Supplier(s).

- 2.03. Details of the procedure for Type A and Type B, depending on the currency to be used for the actual payment to the Supplier(s), are provided in Sections 3 and 4, below, respectively.

Section 3. Procedure for Type A

- 3.01. Type A shall apply in case where the currency used for the actual payment to the Supplier(s) is Japanese Yen or other internationally traded foreign currency acceptable to JICA.

3.02. Request for Disbursement

- (1) When the Borrower receives Claims for Payment from the Supplier(s) (made substantially as per Form CFP attached hereto), the Borrower shall request JICA to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to JICA a Request for Disbursement in accordance with the attached Form RFD(T). Each request shall be accompanied by the following documents:
 - (a) Summary Sheet of Payments made substantially as per Form SSP(T/R) attached hereto;
 - (b) copy of Transfer Instruction for Type A addressed to the Paying Bank, made substantially as per attached Form TI-A;
 - (c) copy of Claims for Payment evidencing the amount to be paid to the Supplier(s); and
 - (d) supporting documents evidencing each payment and its usage, as stipulated in the Loan Agreement.
- (2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or other internationally traded foreign currency acceptable to JICA.
- (3) In principle, the currency stated in the Request for Disbursement shall be the same currency stated in the Claims for Payment by the Supplier(s). However, in case where the Supplier(s) requests

payment to be made in a different currency, provided that it is Japanese Yen or other internationally traded foreign currency acceptable to JICA, the amount stated in the Request for Disbursement shall be calculated using the telegraphic transfer buying (TTB) rate quoted by a foreign exchange bank authorized as such by the authority in the territories of the Borrower one (1) business day prior to the date on which the Request for Disbursement is made. The amount payable to the Supplier and the exchange rate used for conversion to Japanese Yen or other internationally traded foreign currency acceptable to JICA, shall be described in the Summary Sheet of Payments and submitted together with the evidence of such conversion rate.

- (4) The Borrower shall send, to the Paying Bank, Transfer Instruction for Type A accompanied by a copy of the Request for Disbursement and Claims for Payment.
- (5) The Borrower shall make the request mentioned in paragraph (1) above so that JICA can receive the necessary documents, in principle, not less than fifteen (15) business days prior to (i) the expiration date of the Disbursement Period and (ii) the date that the Borrower requests JICA to make disbursement, only if so requested.

3.03. Disbursement

- (1) When JICA finds the Request for Disbursement in order and in conformity with the relevant provisions of the Loan Agreement, JICA shall make disbursement in Japanese Yen, in principle, within fifteen (15) business days from the date of receipt of the Request for Disbursement by paying into the Loan Account.
- (2) In case where the amount stated in the Request for Disbursement is in an internationally traded foreign currency acceptable to JICA other than Japanese Yen, the amount of disbursement in Japanese Yen shall be calculated at the telegraphic transfer selling (TTS) rate quoted by the Paying Bank two (2) business days before the date on which the disbursement is made.

3.04. Payment to the Supplier(s)

- (1) Immediately after the proceeds of the Loan disbursed by JICA has been credited to the Loan Account, the Borrower shall cause the Paying Bank to transfer the disbursed amount to the corresponding account(s) of the Supplier(s) as specified in the Claims for Payment.
- (2) At the same time, the Borrower shall cause the Paying Bank to inform the Agent Bank of the above-mentioned transfer.

Section 4. Procedure for Type B

4.01. Type B shall apply in case where the currency used for the actual payment to the Supplier(s) is the local currency of the Borrower's country.

4.02. Request for Disbursement

- (1) When the Borrower receives Claims for Payment from the Supplier(s) (made substantially as per Form CFP attached hereto), the Borrower shall request JICA to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to JICA a Request for Disbursement in accordance with the attached Form RFD(T). Each request shall be accompanied by the following documents:
 - (a) Summary Sheet of Payments made substantially as per Form SSP(T/R) attached hereto;
 - (b) copy of Transfer Instruction for Type B addressed to the Agent Bank made substantially as per attached Form TI-B;
 - (c) copy of Claims for Payment evidencing the amount to be paid to the Supplier(s); and
 - (d) supporting documents evidencing each payment and its usage, as stipulated in the Loan Agreement.
- (2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or other internationally traded foreign currency acceptable to JICA, and calculated using the telegraphic transfer buying (TTB) rate quoted by a foreign exchange bank

authorized as such by the authority in the territories of the Borrower one (1) business day prior to the date on which the Request for Disbursement is made. The amount to be paid in the local currency of the Borrower's country and the exchange rate used for conversion to Japanese Yen or other internationally traded foreign currency acceptable to JICA shall be described in the Summary Sheet of Payments and submitted together with the evidence of such conversion rate.

- (3) The Borrower shall send, to the Agent Bank, Transfer Instruction for Type B accompanied by a copy of Request for Disbursement and Claims for Payment.
- (4) The Borrower shall make the request mentioned in paragraph (1) above so that JICA can receive the necessary documents, in principle, not less than fifteen (15) business days prior to (i) the expiration date of the Disbursement Period and (ii) the date that the Borrower requests JICA to make disbursement, only if so requested.

4.03. Disbursement

- (1) When JICA finds the Request for Disbursement in order and in conformity with the relevant provisions of the Loan Agreement, JICA shall make disbursement in Japanese Yen, in principle, within fifteen (15) business days from the date of receipt of the Request for Disbursement by paying into the Loan Account.
- (2) In case where the amount stated in the Request for Disbursement is in an international traded foreign currency acceptable to JICA other than Japanese Yen, the amount of disbursement in Japanese Yen shall be calculated at the telegraphic transfer selling (TTS) rate quoted by the Paying Bank two (2) business days before the date on which the disbursement is made.

4.04. Payment to the Supplier(s)

Immediately after the proceeds of the Loan disbursed by JICA have been credited to the Loan Account, the Borrower shall cause the Paying Bank to make a cable advice to the Agent Bank.

After receiving the cable advice from the Paying Bank, the Borrower shall cause the Agent Bank to immediately transfer the amount actually payable to the Supplier(s) in the local currency of the Borrower's Country, to the corresponding account(s) of the Supplier(s) as specified in the Claims for Payment.

Section 5. Banking Arrangement

- 5.01. The Borrower shall designate a foreign exchange bank in the territories of the Borrower (hereinafter referred to as the “**Agent Bank**”), as stipulated in the Loan Agreement, as its agent for the purposes of taking any action or entering into any arrangement or agreement, on behalf of the Borrower, required or permitted under this brochure.
- 5.02. Such arrangement or agreement mentioned in Section 5.01. above for Type A shall include, but not be limited to, the following:
- (1) The Borrower shall cause the Agent Bank to make necessary arrangement or agreement with the Paying Bank:
 - (a) to open a Loan Account of the Agent Bank on behalf of the Borrower with the Paying Bank; and
 - (b) immediately after the disbursement made by JICA has been credited to the Loan Account of the Agent Bank, to make the Paying Bank transfer the disbursed amount to the corresponding account(s) of the Supplier(s) pursuant to the Transfer Instruction for Type A issued by the Borrower.
 - (2) Notwithstanding the stipulation in 5.02.(1) above, even if the Paying Bank has not received the Transfer Instruction for Type A from the Borrower by the time JICA makes the disbursement, the Paying Bank may transfer the disbursed amount to the corresponding account of the Supplier(s) pursuant to a copy of the Transfer Instruction for Type A which JICA has received from the Borrower.

- 5.03. Such arrangement or agreement mentioned in Section 5.01 above for Type B shall include, but not be limited to, the following:
- (1) The Borrower shall cause the Agent Bank to make necessary arrangement with the Paying Bank:
 - (a) to open a Loan Account of the Agent Bank on behalf of the Borrower with the Paying Bank; and
 - (b) to let the Paying Bank make a cable advice to the Agent Bank of the disbursement by JICA.
 - (2) The Borrower shall make necessary arrangement with the Agent Bank, so that, after receiving the cable advice from the Paying Bank, the Agent Bank shall immediately credit the amount actually payable to the Supplier(s), in the local currency of the Borrower's country, to the corresponding account(s) of Supplier(s) pursuant to the Transfer Instruction for Type B issued by the Borrower.
- 5.04. Any action taken or arrangement or agreement entered into by the Agent Bank pursuant to the authority conferred on the Agent Bank shall be fully binding on the Borrower and shall have the same force and effect as if such action was taken or such arrangement or agreement was entered into by the Borrower.
- 5.05. The Borrower may revoke or modify the authority conferred on the Agent Bank if consent of JICA is obtained.

Section 6. Foreign Exchange Risk

- 6.01. JICA shall not be liable for any risks incurred by the Borrower and/or the Supplier(s) at the time of exchange owing to any difference between payment claims from the Supplier(s) to the Borrower and the actual payments to the Supplier(s).

Request for Disbursement

Date:

Loan Agreement No.:

Application Serial No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY

[Name of the Department or JICA Office in charge]

Attention:

1. Pursuant to the Loan Agreement No. _____, dated _____, between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as “JICA”) and (the Borrower) (hereinafter referred to as the “Loan Agreement”), the undersigned hereby requests for disbursement under the Loan Agreement, of the sum of _____ (say _____) for the payment of expenditures as described in the attached Summary Sheet(s) of Payments.
2. The undersigned has not previously requested for disbursement of any amount under the Loan Agreement for the purpose of meeting the expenditures described in the Summary Sheet(s) of Payments. The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned.
3. The undersigned certifies that:
 - a) the expenditures described in the Summary Sheet(s) of Payments are made for the purposes specified in the Loan Agreement;
 - b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed with JICA pursuant to the Loan Agreement and the cost and terms of purchase thereof are reasonable;
 - c) the said goods and services were or will be supplied by the Supplier(s) specified in the attached Summary Sheet(s) of Payments and were or will be produced in (or, in the case of services, supplied from) the applicable eligible country(ies) for the Loan Agreement; and
 - d) the amount requesting above does not include any amount payable to non-eligible items for JICA's finance described in the schedule 2 of the Loan Agreement, namely, general administration expenses, taxes and duties, purchase of land and other real property, compensation or other indirect items.
4. Please disburse the amount requested herein requested by paying into the Loan Account of (Agent Bank of the Borrower) with (Paying Bank), Tokyo, Japan.
5. Summary Sheet(s) of Payments and other required documents attached to this request shall form an integral part hereof.

Very truly yours,

For: (Name of the Borrower)

By: _____
(Authorized Person's
Signature, Name & Title)

Summary Sheet of Payments Transfer Procedure Reimbursement Procedure

Date:

L/A No.:		Application Serial No.		L/A Category Name :		JICA Concurrence No.:	
						Contract No.:	
					(A)	(B)	(C)=(A)×(B)
Item No.	Supplier	Contract Concurrence Amount (or Contract Amount)	Date of Payment (Reimbursement Procedure only)	Description	Payable/Paid Amount and Currency (without Tax)	Disbursement Ratio	Amount for JICA Financing and Currency
1.							
2.							
3.							

Total (A)

Total (C)

If requested currency is different from (C) above:

Exchange rate as of Date/Month/Year : 1 JPY = XXX (name of the currency) (E)**Request Amount and Currency (D)**

(C) ÷ (E)

Please notify (the Paying Bank) that (the Paying Bank) shall transfer the necessary amount of disbursement in the applicable currency to the account of the Supplier(s) calculated at the relevant telegraphic transfer selling rate (TTS) quoted two (2) business days before the date on which the actual disbursement is made, in accordance with the Banking Arrangement referred to in the Transfer Instruction.

For (Name of the Borrower)

(Authorized Person's
Signature, Name & Title)

Reference:**[Transfer Procedure / Reimbursement Procedure]** Tick the procedure applied to this request**[Category]:** Category Name described in Section 1 of Schedule 2 of the Loan Agreement**[Contract Concurrence Amount or Contract Amount]:** Concurrence amount by JICA. If not applicable, contract amount**[Description] :** Description of service/goods, & details of payment (i.e. down payment, an installment payment or the final payment, invoice no., monthly payment, etc).**[Amount Paid/Payable]:** Amount in the currency claimed by/paid to the Supplier(s). (A) \geq Eligible amount on the Claims for Payment/or amount on the Receipt**[Disbursement Ratio]:** Ratio to derive the Amount for JICA Financing against Amount Payable/Paid.**[Amount for JICA Financing]:** Amount applicable for JICA financing in the currency claimed by/paid to the Supplier(s). If the currency for the final requested amount to JICA is different from (C), indicate the Exchange rate (E) (TTB rate 1 business day prior to the date on the Request for Disbursement/Reimbursement) quoted in accordance with the Brochure on Transfer/Reimbursement Procedure and relevant provision(s) of the Loan Agreement, to calculate the Request Amount (D).***If the Request for Disbursement/Reimbursement includes payments for more than 1 Category/Concurrence no., prepare the Summary Sheet for each.***

Transfer Instruction for Type A

Date:

Loan Agreement No.:

Application Serial No.:

To: [Paying Bank]

Pursuant to the Banking Arrangement between [Paying Bank] and [Agent Bank of the Borrower] dated [date of the B/A], we hereby request you to transfer the amount disbursed by JICA against our Request for Disbursement No. [] dated [] to the account of the relevant Supplier mentioned in the Claims for Payment No. [] dated [] attached to the Request for Disbursement mentioned above.

For: (Name of the Borrower)

By:

(Authorized Person's
Signature, Name & Title)

encl. Request for Disbursement
Claims for Payment

Transfer Instruction for Type B

Date:

Loan Agreement No.:

Application Serial No.:

To: [Agent Bank of the Borrower]

Upon receipt of cable advice from the Paying Bank, [Agent Bank of the Borrower] shall immediately credit the amount in [currency of the Borrower's country] actually payable to the corresponding account of the Supplier.

For: (Name of the Borrower)

By:

(Authorized Person's
Signature, Name & Title)

encl. Request for Disbursement
Claims for Payment

Claims for Payment

Date :
 Loan Agreement No.:
 Application Serial No.:

To: [Name and Address of the Borrower or Executing Agency]

We hereby submit Claims for Payment to you for the progress of the work in the following content.

1. Name of the Supplier:
2. Contract No.:
3. JICA Contract Concurrence No. (if applicable) (ex. XX-P1/C-001):
4. Description of goods and/or services accomplished:
5. Claimed amount for JICA financing:

Please pay the amount claimed in 5. above into the following account.

A. Account Holder's Name and Address (Country and city are mandatory)

B. Bank Name and Branch:

B. Bank Address (Country and city are mandatory):

B. Account No. of Account Holder:

B. IBAN (if applicable):

B. SWIFT Code (8 or 11 digits):

C. Correspondent Bank (if account holder's bank is not located in the country whose currency is claimed, fill in the name and address of their banks correspondent in the country whose currency is to be paid)

B. Correspondent Bank's Name and Address:

B. Correspondent Bank's SWIFT Code (8 or 11 digits):

For: [Name of the Supplier]

By:

 (Authorized Person's Signature,
 Name & Title)