Development Engineering Bulletin
December 13, 2022

Subject: Digital Letter of Credit

The Development Commitments group issued an information letter to BILD on June 30, 2022 about the digital Letter of Credit (LOC) process.

In addition to the June 30, 2022 letter to BILD, we inform you that as of January 1, 2023, the Development Commitments group will no longer accept Letters of credit on paper. All Letters of credit must be submitted digitally.

The digital LOCs are acceptable from Banks that have access to the (Society for Worldwide Interbank Financial Telecommunications) SWIFT network. For Canadian Schedule I, II or III Banks (under the Bank Act (RSC 1991, c. 46)), Letters of Credit require an issuer credit rating of at least A- (Standard & Poor's) or equivalent.

After the performance security amount is confirmed, the Infrastructure Strategist will prepare the template of the LOC with the relevant information filled in. The LOC will be sent to the Developer to forward to their Bank for finalization. The Bank will fill in the remaining fields and send the digital LOC through the SWIFT network code ROYCCAT2XXX. RBC will inform Development Commitments of the submittal of LOC. Development Commitments will review the submitted LOC and provide confirmation to RBC that the LOC can be accepted. The Letter of credit has to be submitted prior to the Development Agreement being made available for signing.

Updated December 22, 2022

Please note: Performance Bonds provided as security under the agreement or as required for top lift paving are still required to be submitted in paper form. At this time, Performance Bonds will not be accepted digitally.