

Payment 2: SWIFT Letter of Credit



Review



SWIFT



Contents of L/C

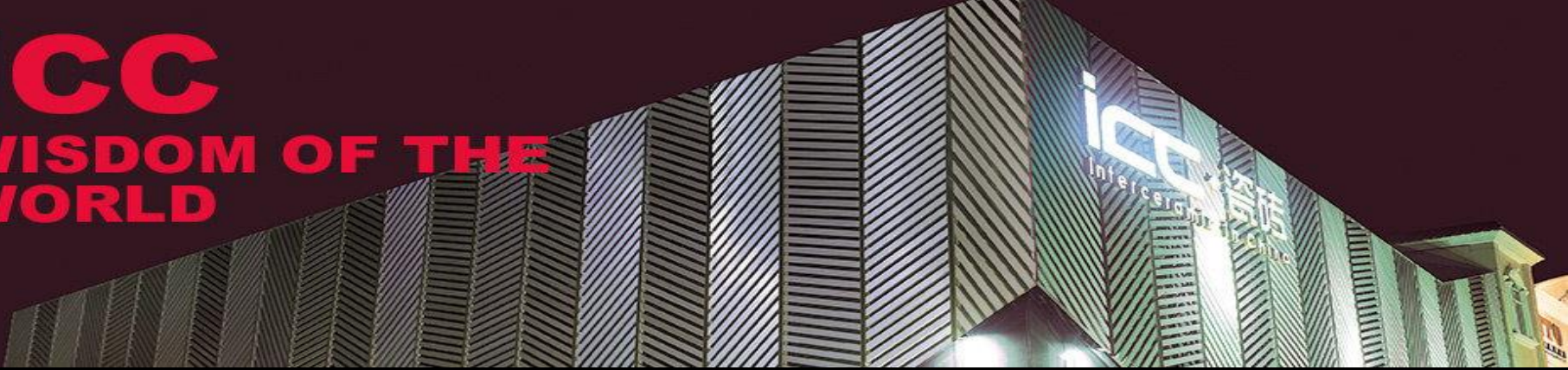
Brief Introduction

International trade is exchange of capital, goods, and services across international borders between people who belong to different languages, cultures and laws. And Letters of credit are one of the most important payment methods of international trade.



ICC

WISDOM OF THE WORLD



ICC

setting rules



UCP

L/C

governing

Review

Transaction Process Flow for a Negotiable Letter of Credit



**Advising
bank**

SWIFT

**Society for Worldwide Interbank Financial
Telecommunication (环球银行金融电信协会)**

**Providing a secure
communications platform**

**Establishing standard
message formats**

SWIFT



Banks

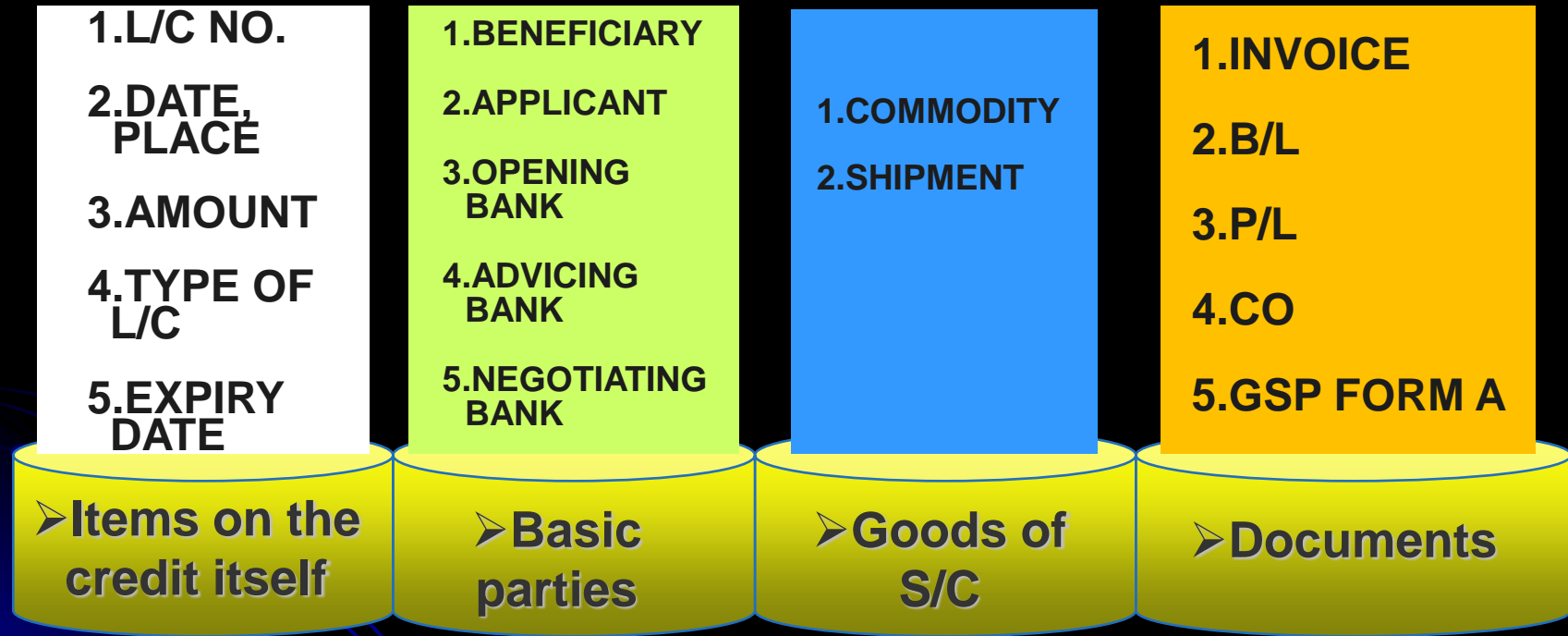
sending a wire transfer

issuing a letter of credit

**advising a discrepancy
message**

Code

Contents of Documentary L/C on SWIFT



Description of the contents

HEADING OF L/C

Advising
bank

Own BIC/TID

:II: ICBKCNBJZJP BIC identified as:

INDUSTRIAL AND COMMERCIAL BANK OF

CHINA,

JINHUA CITY BRANCH

NO 500 BAY1 NORTH ROAD YIWU CITY 321000

ZHEJIANG PROVINCE, CHINA

Opening
bank

SWIFT Message Type

:MT: 700 Issue of Documentary Credit

Correspondents BIC/TID

:IO: MIDLGB22 3757 401965 980710 2242 N

MIDLAND BANK PLC LONDON, U.K.

**Total
number**

**SWIFT
code**

**Kind of
L/C**

**July 1,
2007**

UCP

**Sep. 8,
2007**

**Total
value**

Tenor

Sequence of Total	:27:	1/1
Form of Documentary Credit	:40A:	NON TRANSFERABLE
Documentary Credit Number	:20:	LCBR82791
Date of Issue.	:31C:	070701
Applicable Rules.	:40E:	UCP LATEST VERSION
Date and Place of Expiry	:31D:	070908 CHINA
Currency code, Amount	:32B:	USD25000,00
Drafts at	:42C:	AT SIGHT

BASIC PARTIES

Applicant

: 50: DDD Co., Ltd.⌘

UNIT 2208 22/F LAFORD CENTRE 888 WAITER⌘

WEST ROAD⌘

LONDON SE7 8NJ, U.K.⌘

Beneficiary

:59: ZHEJIANG YIWU AAA CRAFTS FACTORY⌘

NO. 666 BINGWANG ROAD, YIWU, ZHEJIANG⌘

CHINA P. C. 3211000⌘

Full details of
the buyer and
seller

Negotiating
bank

Available with---by----

:41D: ANY BANK BY NEGOTIATION⌘

Drawee

:42D: MIDLAND BANK PLC LONDON, U. K. FOR⌘

NET INVOICE VALUE⌘

Drawee
bank

GOODS OF S/C

Partial Shipments	:43P..	ALLOWED
Transshipment	:43T:	NOT ALLOWED
Port of Loading/Airport of	:44E:	SHANGHAI
Destination	:44F:	FELIXSTOWE
Latest Date of Shipment	:44C:	070901
Description of Goods	:45A:	ITEM NO. CVK6317, REVEAL ASHTRAY, OVERALL SIZE: 100 X 100 X 35MM, WITH 2 DDD LASER LOGO ON GLASS 10,000 PCS AT USD2.50/PC DETAILS AS PER L/C APPLICANT'S PUR— CHASE NO. 9735-1 FOB SHANGHAI, CHINA

Shipment

Name, item No.
size, quantity,
price, price term
of goods

DOCUMENTS

B/L, Invoice, Packing list, CO, Inspection Certificate

Documents Required : 46A:⌘

+ FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING MADE OUT TO ORDER OF MIDLAND BANK PLC LONDON, U.K. AND NOTIFYING L/C APPLICANT WITH FULL ADDRESS MARKED "FREIGHT COLLECT". MENTIONING THIS L/C NUMBER.⌘

+SIGNED COMMERCIAL INVOICES IN 3 COPIES.⌘

+PAKING LISTS IN 3 COPIES.⌘

+CERTIFICATE OF CHINESE ORIGIN IN 1 COPY.⌘

+ORIGINAL CERTIFICATE OF CHINESE ORIGIN GSP FORM A IN 1 COPY.⌘

+ONE ORIGINAL CLEAN INSPECTION CERTIFICATE IN DDD CO., L.L.D. SIGNED BY ANY ONE OF THE AUTHORIZED SIGNATORIES OF DDD CO., L.L.D.⌘

+ BENEFICIARY' S CERTIFICATE WITH COURIER RECEIPT CERTIFYING THAT ONE SET OF NON-NEGOTIATION COPY OF DOCUMENTS UNDER THIS LETTER OF CREDIT HAVE BEEN SENT TO APPLICANT WITHIN 5 DAYS AFTER SHIPMENT.⌘

OTHER INFORMATION

Additional Conditions

:47 A:

1. DISCREPANT DOCUMENTS WILL BE REJECTED. HOWEVER, IF WE GIVE NO-
TICE OF REFUSAL OF DOCUMENTS PRESENTED UNDER THIS CREDIT, WE-
SHALL. RETAIN THE RIGHT TO ACCEPT A WAIVER OF DISCREPANCIES FROM-
THE APPLICANT, AND SUBJECT TO SUCH WAIVER BEING ACCEPTABLE TO-
US, TO RELEASE DOCUMENTS AGAINST THAT WAIVER WITHOUT REFER-
ENCE TO THE PRESENTER UNLESS WRITTEN INSTRUCTIONS TO THE CON-
TRARY HAVE BEEN RECEIVED BY US FROM THE PRESENTER BEFORE THE-
RELEASE OF THE DOCUMENTS. ANY SUCH RELEASE PRIOR TO RECEIPT OF-
CONTRARY WRITTEN INSTRUCTIONS SHALL NOT CONSTITUTE A FALLURE-
ON OUR PART TO HOLD THE DOCUMENTS AT THE PRESENTER~S RISK AND-
DISPOSAL, AND WE WILL NOT BE LIABLE TO THE PRESENTER IN RESPECT-
OF ANY SUCH RELEASE.
2. CHARGES INCURRED IN RESPECT OF ANY TELEGRAPHIC TRANSFER/ CHATS
PAYMENT/PAYMENT ADVICE BY SWIFT/TELEX ARE FOR ACCOUNT OF
BENEFICIARY.

Other Information

银行手
续费

Charges	:71B:	ALL BANKING CHARGES OUTSIDE U. K. ARE ⁺ FOR ACCOUNT OF BENEFICIARY. ⁺
Period for presentation	:48:	ALL DOCUMENTS MUST BE PRESENTED ⁺ WITHIN 7 DAYS AFTER DATE OF SHIPMENT. ⁺
Confirmation Instructions	:49:	WITHOUT ⁺

单据提
交期

保兑申
明

Draft

It is written payment instrument that contains unconditional order from the drawer that directs the drawee to pay a definite sum of money to a payee on demand or at specified future date.

汇票是一种无条件的支付命令。它是开票人向受票人开出，要求对方按照汇票规定（即期或远期）付款。

Sample

凭。

Draw under _____.

信用证 第 _____ 号。

L/C No. _____.

日期 年 _____ 月 _____ 日。

dated _____.

1

按 息 付 款。

Payable with interest @ _____ % per annum.

号码 汇票金额 中国 广州 年 月 日。

No. _____ Exchange for _____ Guangzhou, China _____ 20__.

见票 _____ 日 后 (本 汇 票 之 副 本 未 付) 付。

At _____ sight of this **FIRST** of Exchange (Second of exchange being unpaid) .

pay to the order of _____ 或 其 指 定 人。

金 额。

the sum of .

Tenor

此致。

To _____.

_____.