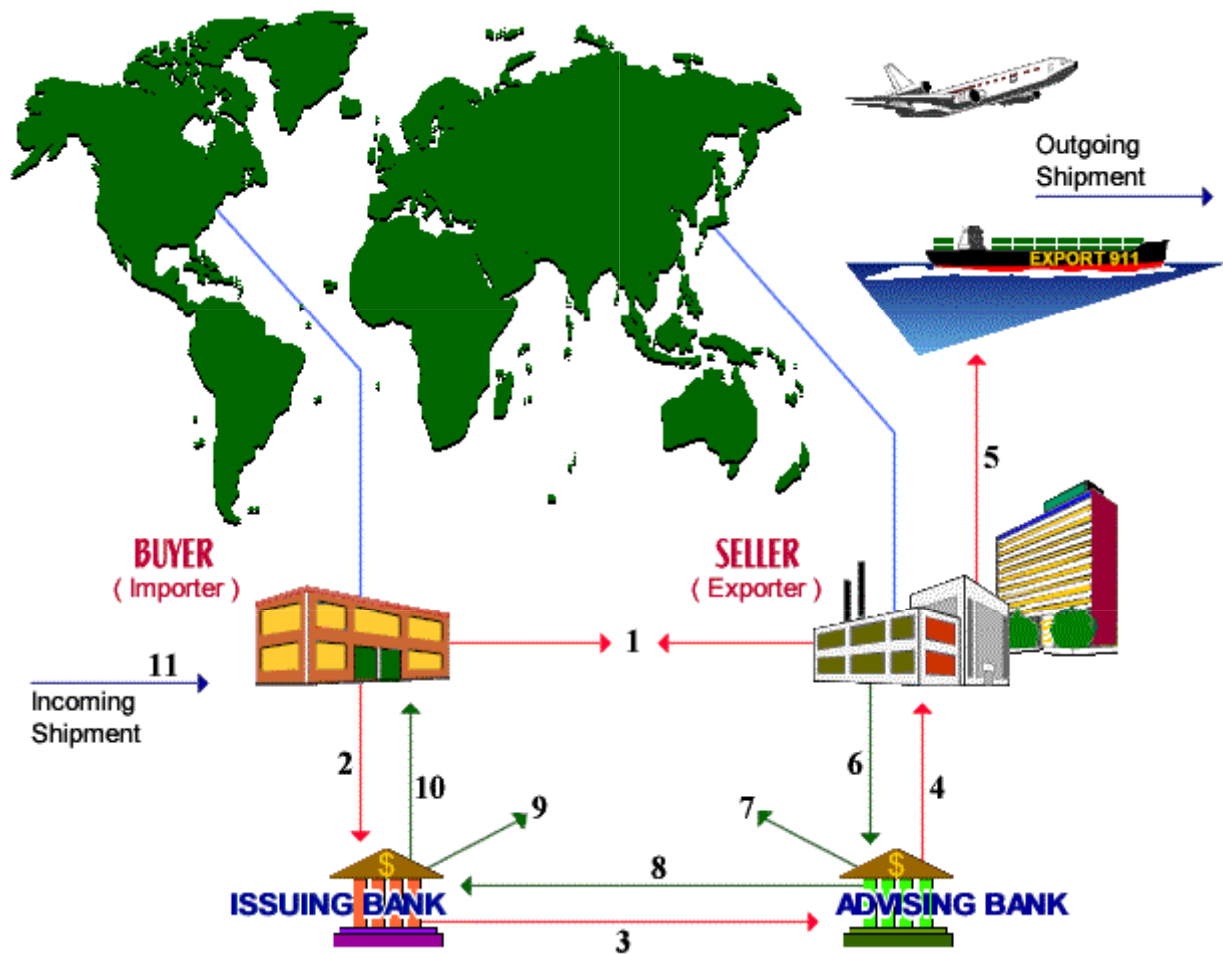


IMPORT EXPORT PROCEDURE



- 1 Seller and Buyer conclude a sales contract, with method of payment usually by letter of credit (documentary credit).
- 2 Buyer applies to his issuing bank, usually in Buyer's country, for letter of credit in favor of Seller (beneficiary).
- 3 Issuing bank requests another bank, usually a correspondent bank in Seller's country, to advise, and usually to confirm, the credit.
- 4 Advising bank, usually in Seller's country, forwards letter of credit to Seller informing about the terms and conditions of credit.
- 5 If credit terms and conditions conform to sales contract, Seller prepares goods and documentation, and arranges delivery of goods to carrier.
- 6 Seller presents documents evidencing the shipment and draft (bill of exchange) to paying, accepting or negotiating bank named in the credit (the advising bank usually), or any bank willing to negotiate under the terms of credit.

- 7** Bank examines the documents and draft for compliance with credit terms. If complied with, bank will pay, accept or negotiate.
- 8** Bank, if other than the issuing bank, sends the documents and draft to the issuing bank.
- 9** Bank examines the documents and draft for compliance with credit terms. If complied with, Seller's draft is honoured.
- 10** Documents release to Buyer after payment, or on other terms agreed between the bank and Buyer.
- 11** Buyer surrenders bill of lading to carrier (in case of ocean freight) in exchange for the goods or the delivery order.