

Global Trade Finance

Import Letters of Credit

A method of payment commonly used in international trade transactions, whereby the Issuing Bank promises to pay the Importer provided the Importer complies with the terms and conditions of the Letter of Credit. A Letter of Credit may also be referred to as a Documentary Credit.

Features

- Irrevocable Letters of Credit cannot be cancelled or changed without the consent of all parties involved (Importer, Exporter, and the Issuing Bank).
- May be payable upon presentation of certain documents (sight) or at a future date after documents have been accepted under the Letter of Credit (term or usance).
- The Letter of Credit should be consistent with the terms and conditions stipulated in the commercial contract.
- Can be transferred to a third party if stipulated in the Letter of Credit.
- Import Letter of Credit applications can be completed and forwarded electronically via TDFacilitrade Online Service to TD Bank Group for processing.

Benefits

- Importer is assured that, for the Exporter to be paid, all terms and conditions of the Letter of Credit must be met.
- Importer may be able to negotiate more favourable trade terms with the Exporter when payment by Letter of Credit is offered.
- Templates can be created on TDFacilitrade Online Service to allow for efficient issuance of Letters of Credit to repeat suppliers.
- Electronic issuance of Import Letters of Credit via TDFacilitrade Online Service is available at no additional cost above issuance fees.

Requirements

- Importer must have a credit facility with the Issuing Bank in order for a Letter of Credit to be issued.

TDFacilitrade Online Service requires initial set up by a Global Trade Finance Specialist.

**For more information, contact your Relationship Manager
or a Global Trade Finance Specialist.**
