Letter of Credit Checklist

If you receive an L/C please pay attention to following points:

- Are L/C amount and currency (and if applicable the tolerance) in conformity with the contract
- Are expiry place and payment regulations as per contract and if agreed, does the L/C contain the order to add the confirmation (if required)
- Are date of shipment, date of expiry and period for presentation of documents calculated sufficiently
- Do goods description and terms of delivery conform to the contract
- Are you able to fulfil L/C conditions concerning transport route, partial shipments and transhipments
- Are you able to present the required documents with all clauses/confirmations/legalizations in time
- In case of CIF or CIP delivery – are you able to get the necessary cover of insurance
- Are the conditions concerning who is going to pay the bank commissions and charges as per contract
- In case the shipowner allows transportation of certain goods only ’on deck’ – do L/C conditions permit shipment ’on deck’
- Does the L/C contain the remark „transferable“ if required
- Is the L/C operative or will the L/C be set operative subject to fulfilment of a condition which cannot be influenced by yourselves
Before presenting documents please pay attention to following points:

- Is the L/C still valid
- Is the documents presentation period not yet expired
- Are goods shipped within latest shipment date or according to shipment schedule
- Do the documents refer to the same delivery and to the same L/C
- Are required documents issued in the stipulated number of copies
- Are all documents named as per L/C terms
- Do all documents correspond to each other concerning measurement, weight, number and kind of packing as well as marks
- Are all documents, if necessary, certified and/or legalized by the correct authority
- Do documents show corrections? – If yes – are they properly approved by the issuer
- Have additional conditions (if any) been fulfilled
- Are goods description and prices exactly as per L/C terms
- Are there any calculation errors in the invoice
- Does the remark concerning freight in the transport document correspond to the terms of delivery
- Is the consignee of the goods stated in the transport document L/C-conform
- Do you have the full set of original Bills of Lading, are they signed properly and endorsed correctly if necessary
- Is the transport document "clean" i.e. does not bear any clause or notation expressly declaring a defective condition of the goods or their packaging
- Do the L/C conditions allow the presentation of a "Charter Party" Bill of Lading
- Is the "notify-party" shown in the Bill of Lading L/C-conform
- Has the shipment advice been sent correctly and in time
- Does the insurance document cover the risks asked for in the L/C
- Is the insurance amount correct
- Do you have the full set of original insurance documents and are they endorsed properly
- Are the measurement, weight and packing units stated correctly in the packing list/weight list/specification and do they correspond to the other documents
- Are all documents which are named as "certificate" signed by the issuer
- If the L/C requires the presentation of drafts – are they duly signed

If you should need further information, please contact us!