

Figure 12 Sample Draft Transmittal Letter

| | |
|---|--|
| U.S. \$ 1 | _____ 2 _____ 19 _____ |
| _____ 3 _____ | of this <i>FIRST</i> of Exchange (Second unpaid) |
| Pay to the Order of _____ 4 | _____ 5 _____ United States Dollars |
| for Value received and charge the same to account of _____ 9 | |
| To _____ 6 | |
| No. _____ 7 | _____ 8 _____ |
| | Authorized Signature |

_____ **10** _____
Date

Gentlemen: _____ **11** _____ and documents below

for collection,
 for _____
 for payment/negotiation under L/C

| BILLS OF LADING | B/L COPY | COMM. INV. | INS. CTF. | CTF. ORIG. | CONS. INV. | PKNG. LIST | WGT. CTF. | OTHER DOCUMENTS |
|-----------------|----------|------------|-----------|------------|------------|------------|-----------|-----------------|
| | | | | | | | | |

14 Please handle in accordance with instructions marked "X"

Deliver all documents in one mailing.

Deliver documents in two mailings.

15 Deliver documents against payment if sight draft, or acceptance if time draft.

All charges for account of drawee. **16**

Do not waive charges.

17 Protest for non-payment / non-acceptance

Do not protest.

18 Present on arrival of goods.

Advise non-payment / non-acceptance by airmail / cable giving reasons.

19 Advise payment / acceptance by airmail / cable

20 IN CASE OF NEED refer to:

Name _____

Address _____

who is empowered by us:

a To act fully on our behalf, i.e., authorize reductions; extensions, free delivery, waiving of protest, etc.

b To assist in obtaining acceptance or payment of draft, as drawn, but not to alter its terms in any way.

OTHER INSTRUCTIONS:

21 _____

Please refer all questions concerning this collection to:

Shipper **22**

Freight Forwarder:

_____ **23** _____
Authorized Signature

Figure 12, cont.
Instructions for Preparing the Draft Transmittal Letter

1. U.S. DOLLARS – Enter the entire amount to be collected; if not in U.S. dollars, specify currency.

2. DATE – enter the date the Draft is issued.

3. OF THIS FIRST EXCHANGE (SECOND UNPAID) – Enter the Terms of Payment (also called the Tenor of the draft); at 45 Days, at Sight, at 30 days B/L, etc. "Second Unpaid" refers to the duplicate copy of the draft ("OF THIS SECOND EXCHANGE, FIRST UNPAID"); once payment has been made against either copy, the other becomes void.

4. PAY TO THE ORDER OF – Enter the name of the party to be paid (Seller, "Payee"); this may be the Seller or the Seller's bank, and will be the party to whom the foreign buyer's bank will remit payment.

5. UNITED STATES DOLLARS – Enter the amount from Field 1 in words; if payment is not to be made in U.S. Dollars, block out "United States Dollars" and enter correct currency.

6. CHARGE TO ACCOUNT OF – Enter the name and address of the paying party (Buyer "Drawee"). For Letter of Credit payments, enter the name and address of the Buyer's opening bank as well as the L/C number and issue date.

7. NUMBER – Enter identification, or Draft number, as assigned by the Seller to reference the transaction.

8. AUTHORIZED SIGNATURE – The signature of the authorized individual for the Seller or the Seller's agents. ("Drawer").

9. FORWARD DRAFT TO – enter the name and address to whom the Draft is being sent. Unless this is a Letter of Credit being negotiated in the U.S., this should be the name and address of a foreign bank.

10. FORWARDING DATE – Enter the date the Draft is being sent to the bank in Field 9.

11. DRAFT NUMBER – Enter the Seller's Draft number, as noted in Field 7.

12. PURPOSE OF DRAFT – Check the applicable box if the Draft is part of Letter of Credit negotiation, a collection, or an acceptance.

13. LIST OF DOCUMENTS – Enter the number and type of each original and duplicate document to be included with this Transmittal Letter. Any document attached will eventually be released to the Buyer.

14. DELIVER ALL DOCUMENTS – Check either "Deliver all documents in one mailing" or "Deliver documents in two mailings." Generally, documents are delivered in one mailing.

15. DELIVER DOCUMENTS AGAINST – Ensure that the type of Draft attached (Field 3) is compatible with the "deliver against" instructions. Sight Drafts should accompany "Deliver against Payment" instructions, while Time Drafts should accompany "Deliver against Acceptance" instructions.

16. BANK CHARGES – The correspondent bank will not pay unless all charges are collected. Based on your agreement with the Buyer, indicate which party is responsible for both the remitting and presenting bank's charges. By checking "all charges of Account of Drawee," the Buyer is responsible for these charges; if the Buyer does not pay (or is not to pay) these charges, and if "Do Not Wave Charges" has *not* been checked, the Seller will be billed for expenses incurred.

17. PROTEST – Check "Protest," (specify "for nonpayment" or for "non-acceptance," depending on the type of draft attached — see instruction, Field 15) if you wish the correspondent bank to process written, notarized documentation in event that the Buyer refuses to pay or accept the Draft. Additional bank expenses associated with a protest are usually charged to the Seller.

18. PRESENT ON ARRIVAL – Check if you wish the Draft to be presented on the arrival of the goods to the Buyer.

19. ADVISE – Check the appropriate fields, and block out the non-applicable terms, if you wish to be advised of payment/acceptance or non-payment or non-payment/non-acceptance.

20. IN CASE OF NEED – Enter the representative of the Seller in the country to which the Draft and documents are going, if one exists; check the Field which describes the representative's authority.

21. OTHER INSTRUCTIONS – Enter any instructions to either the remitting or correspondent banks, such as remittance instructions, clarification of protest procedures, multiple-draft instructions, etc.

22. REFER ALL QUESTIONS – Enter the name of the contact, and his/her address & telephone number, in the Seller's country; specify if this contact is employed by the Shipper (Seller) or the Seller's agent (freight forwarder).

23. AUTHORIZATION – Enter the person authorized to sign the Transmittal Letter (see Field 8), the date prepared, and the authorized person's signature.

24. SHIPPER'S AGENT – Enter the signature of the individual preparing the shipment for the shipper.

25. CARRIER'S AGENT – The Carrier's agent will sign here prior to taking control of the shipment.

26. PERMANENT ADDRESS – Enter the permanent (business) mailing address of the shipper. This may be the same as for Field 1.

27. CERTIFICATION – A signature is required by the Department of Transportation after this statement for all shipments of hazardous material.