

Import Letter of Credit

Quick Reference Guide

Establish an Import Letter of Credit

1. In the left menu panel, select **Letters of Credit > Import LC > All** to display the Transactions grid.

LC Type	First Step
Create a completely NEW LC	<ul style="list-style-type: none"> Click Create new.
Create a SIMILAR LC	<ul style="list-style-type: none"> Select the required (released) LC to base your new LC on then click Create similar.
Create using a TEMPLATE	<ul style="list-style-type: none"> Select Template in the Status field, click Update list. <ul style="list-style-type: none"> Note: Clear start date to find templates created more than 4 weeks ago. Select required LC template then click Create similar.

2. Complete **1. Parties information**.

- Enter your applicant reference number for the LC.
- Applicant** and **Account party** fields will default to your company.
- If you want the LC to be transferable, select **This letter of credit (LC) is transferable**.
- Select the **Beneficiary** and the **Beneficiary bank**.
- Please ensure that full address of Beneficiary, Beneficiary Bank along with the SWIFT code of the Beneficiary Bank is provided.
- Select **Confirmation instructions to advising bank**.

3. Complete **2. Payment information**.

- Select **Currency**.
- Enter **Amount**.
- If **tolerance** is required, select type, then enter the percentage of tolerance or the amount.

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- Complete **Payment terms**.
 - Select if the LC is Sight or Term.
 - For a **Sight LC**, select **Sight** and go the Expiry terms section.

The screenshot shows the 'Payment terms' section of a form. It has a header 'Payment terms' and two radio buttons: 'Sight' (selected) and 'Term'. To the right is a 'Tenor period' dropdown menu with the value '-- Choose --'. Below this are two optional fields: 'Tenor date (optional)' with a date input 'D/MM/YY' and a calendar icon, and 'Tenor days (optional)' with a text input '0'. At the bottom, there are two buttons: 'Mixed/deferred payment' and 'Additional tenor details'.

- For a **Term LC**, select **Term** and the **Tenor period**, then enter the optional **Tenor date** and **Tenor days**.
- If required, click **Additional tenor details** and add information on the multiple tenors. The **Tenor date** or **Tenor days** fields should reflect the latest date.

The screenshot shows the 'Payment terms' section of a form. It has a header 'Payment terms' and two radio buttons: 'Sight' and 'Term' (selected). To the right is a 'Tenor period' dropdown menu with the value 'ABL-(AFTER BILL OF LADING DATE)'. Below this are two optional fields: 'Tenor date (optional)' with a date input 'D/MM/YY' and a calendar icon, and 'Tenor days (optional)' with a text input '2'. At the bottom, there are two buttons: 'Mixed/deferred payment' and 'Additional tenor details'.

- Complete **Expiry terms**.
 - Select **Expiry date**. The date should equal the **Latest shipment date** (if this is entered on the next screen) plus the **Document presentation period**.
 - Select **Place of expiry**.
 - If required, enter **Document presentation period (days)** and **Document presentation period (text)**. For example, "AFTER SHIPMENT DATE", "AFTER B/L DATE", "AFTER INVOICE DATE".

The screenshot shows the 'Expiry terms' section of a form. It has a header 'Expiry terms'. There are four fields: 'Expiry date' with a date input '23/03/20' and a calendar icon; 'Document presentation period (days) (optional)' with an empty text input; 'Place of expiry' with a dropdown menu showing 'US (UNITED STATES)'; and 'Document presentation period (text) (optional)' with an empty text input. Below the date input, it says 'Format: D/MM/YY'.

4. Complete **3. Shipping information**.

- Select **Latest shipment date**.
- Select **Shipping incoterm**.
- Select **Partial Shipments** option and **Transshipment** option.
- Complete **Shipping details**.
- Complete the **Details of charges**.

5. Complete **4. Goods Description**.

- Enter the **Description of goods**, by using a phrase or typing the description.
- Select a phrase and click the red arrow to move it across. Click ("+") to add a new phrase/text.

Import LC / Issue / In process - WinTrade 1 2 3 4 5 Actions ▾

1. Parties information 2. Payment information 3. Shipping information 4. Goods description 5. Documents & additional conditions

Please make sure you have completed all required fields.

Description of goods

Phrases +

- BEAUTY PRODUCTS [MAKEUP AND CREAMS]
- BEDSOCKS [BED SOCKS]
- BLOCKS [CHILDREN'S BUILDING BLOCKS]
- CARS [BLUE CARS]
- SHOES [RED SHOES]
- TELE [TELEVISIONS]
- WINE [WINE VARIETIES]

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Description of goods (optional)

RED SHOES IN INDIVIDUAL BOXES

6. Complete **5. Documents & additional conditions**.

- Select **Documents required** for the LC. Click (“+”) to add a new phrase/text.

Import LC / Issue / In process - WinTrade 1 2 3 4 5 Actions ▾

1. Parties information 2. Payment information 3. Shipping information 4. Goods description 5. Documents & additional conditions

Please make sure you have completed all required fields.

Documents required

Phrases +

- 0345 [TESTING CERTIFICATE BOM]
- 345D [TESTING CERTIFICATE BSA]
- 345T [TESTING CERTIFICATE SGB]
- ASDF [ASDF]
- AWB [AIR WAYBILL]
- B/L [BILL OF LADING]
- COO [CERTIFICATE OF ORIGIN]
- DT345 [TESTING CERTIFICATE]
- INS [INSURANCE POLICY/CERTIFICATE]
- INV [COMMERCIAL INVOICE]

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Documents required (optional)

FULL SET CLEAN ON BOARD OR SHIPPED MARINE BILL OF LADING CONSIGNED TO ORDER BLANK ENDORSED MARKED FREIGHT COLLECT. CERTIFICATE OF ORIGIN IN DUPLICATE. COMMERCIAL INVOICE IN DUPLICATE. INSURANCE POLICY/CERTIFICATE FOR 110 PERCENT OF INVOICE VALUE COVERING ALL RISKS IN DUPLICATE.

- Select **Additional conditions** for the LC. Click (“+”) to add a new phrase/text.

Additional conditions

Phrases +

- FF B/L [FREIGHT FORWARDERS BILL OF LADING]
- MSC CLAU [BUNZL BILL OF LADING]

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Additional conditions (optional)

FREIGHT FORWARDERS BILL OF LADING ACCEPTABLE

This field allows you to enter text up to a maximum of 300 rows of 65 characters.

- Select any **Special payment conditions for beneficiary**. Click (“+”) to add a new phrase/text.

7. Check that you have green traffic lights for all tabs.

8. Open **Actions**, click **Save**. The transaction now needs to be checked and approved before it is sent to the bank.

Pay a Sight LC without discrepancies

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Select the LC to be paid.
3. Click **Edit/amend** to open the transaction.
4. On **1. Summary** tab, review details of transactions. Discrepancies will be blank as this LC is clean i.e. no discrepancies.
5. Select **2. Acceptance** tab.
 - **'Accept'** will be selected by default as there are no discrepancies.
 - Select the **Disposal of documents** method.
 - Select the **Account to debit charges** from. If none selected, the charges will be deducted from the same account as the proceeds.

6. Select **3. Payment** tab.
 - Enter the payment instructions.
 - Select **New** and nominate the account.

Import LC / Sight payment / In process - WinTrade 1 — 2 — 3

1. Summary | 2. Acceptance | 3. Payment

Please make sure you have completed all required fields.

Amount: **USD 100.00**

Enter payment instructions below

Payment instructions

Refer to additional information Enter payment instructions below

List of accounts

Account	Currency	Amount
<input type="radio"/> 123456789	AUD	100.00

- If currency conversion is needed, select **New**.
- Enter foreign exchange instructions in the **Edit foreign exchange instruction** window. Click **Save**.

List of foreign exchange instructions

Currency	Amount	Contract Rate	Rate type	Foreign Exchange Contract/DCPK number
No matching records found				

- If finance is required, click **New** in the **Advances request** section.
- Complete the **Edit advances request**, then click **Save**.

Advances request

Sequence number	Currency	Amount	Days of finance
No matching records found			

- Review all details on the **3. Payments tab**. If no revisions are required, save the payment.
7. Open **Actions**, click **Save**. The transaction is ready for final review and approval.

Sight LC with discrepancies

You need to advise the bank whether a Sight LC with discrepancies will be Accepted or Dishonoured.

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Select Sight LC you are providing advice on:
 - The transaction will have a **Discrepant-payment (*) +D** type and an **In process** status.
 - **D** indicates there are discrepancies with the Import LC.

Import Letters of Credit transaction grid - WinTrade

Transactions Messages

Event: Payment | Payment type: All | Status: All | Ownership: All transactions

Search by: Choose | Enter parameter: | Start date: 7/03/20 | End date: 7/04/20

List of transactions

Create new | Create similar | Edit/amend | Approve | Reject | More actions

Applicant's reference	Type	Currency	Amount	Outstanding	Beneficiary	Expiry date	Bank reference	Transaction date	Status
<input type="checkbox"/> AUTO1144161019	Term payment (3)+D	USD	-150.00	5,000.00	BARKS CO	21/10/19	M000329	7/04/20	In process
<input checked="" type="checkbox"/> AUTONOV144720111	Discrepant-payment (2)+D	USD	-100.00	5,500.00	BARKS CO	25/11/19	M000355	7/04/20	In process

Showing 1 to 2 of 2 rows

- Click **Edit/amend** to open the LC.
- View the **1. Summary** tab, click **Discrepancies** to view the pop-up box, then click **Close**.

Discrepancies

L/C EXPIRED
LATE SHIPMENT
LATE PRESENTATION

Close Continue

- Select **2. Acceptance** tab. To advise whether a Sight LC with discrepancies will be **Accepted**:
 - Choose **Accept**.
 - Choose **Disposal of documents** and provide **Account to debit charges**.
 - Then proceed to **3. Payment** tab and refer to the above section **Pay Sight LC without Discrepancies**.
 - Proceed to Approval of transaction.

1. Summary | 2. Acceptance | 3. Payment

Please make sure you have completed all required fields.

Accept Refuse (enter reason for refusal in additional instructions below)

Disposal of documents

Send to us in terms of standing instructions Enter details below

Account for charges

Account to debit charges (optional): -- Choose --

Note: if an account is not selected, charges will be deducted from the debit account.

Additional instructions

OR to advise whether a Sight LC with discrepancies will be **Dishonoured**:

- Choose **Refuse**, then enter the reasons in the **Additional Instructions** field. Please note that all details in Payment tab will be disabled.
- Open **Actions**, click **Save**.
 - The transaction is now ready for approval.
 - If the LC was refused, the instructions still need to be approved so they are sent to the bank.

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View Term LC without discrepancies

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Select the **Term LC**. The Term LC without discrepancies will be released and displayed on the grid as **Accepted**. You do not need to 'Accept' as the documents comply with the Terms & Conditions of the LC.

Applicant's reference	Type	Currency	Amount	Outstanding	Beneficiary	Expiry date	Bank reference	Transaction date	Status
<input checked="" type="checkbox"/> M000389	Term payment (1)	AUD	-500.00	500.00	BARKS CO	31/05/20	M000389	16/04/20	Accepted
<input type="checkbox"/> M000388	Sight payment (1)	AUD	-1,000.00	5,000.00	BARKS CO	31/05/20	M000388	16/04/20	In process

3. Review the **1. Summary** tab
4. Review the **2. Acceptance** tab. You can view the transaction and check the images of the documents attached. Documents will be posted as per your disposal instructions.

5. After review, open **Actions** and click **Close**.

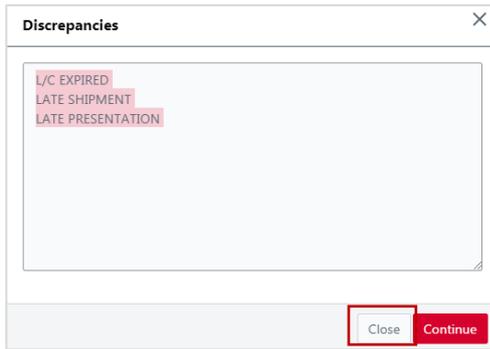
Term LC with discrepancies

You need to advise the bank whether a Term LC with discrepancies will be Accepted or Dishonoured.

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Select term LC you are providing advice on.
 - The transaction will have a **Term payment +D** type and an **In process** status.
 - **D** indicates there are discrepancies with the Import LC.

<input type="checkbox"/>	RD240220AUJLC30	Term payment (2)+D
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3. Click **Edit/amend** to open the LC.
4. View the **1. Summary** tab, click **Discrepancies** to view pop-up box, then click **Close**.



5. Click **2. Acceptance** tab, select click **Accept or Refuse** the Discrepancies noted for this drawing.

To advise whether a Term LC with discrepancies will be Accepted:

- Choose **Accept**.
- Choose Disposal of Documents and provide **Account to debit charges**. Then proceed to Approval of the transaction.

OR to advise whether a Term LC with discrepancies will be Dishonoured:

- Choose **Refuse**.
- For refuse, enter reasons in the **Additional Instructions** field. Please note that all details in Payment Tab will be disabled. Then proceed to Approval of transaction.

7. Open **Actions**, click **Save**.

- The transaction is now ready for approval.

Pay a Term LC

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Select the **Term LC**.
 - The transaction will have a **Term Payment** type and an **In process** status, three days before the maturity date.
3. Click **Edit/Amend** to open the transaction.

List of transactions					
<input type="button" value="Create new"/>	<input type="button" value="Create similar"/>	<input type="button" value="Edit/amend"/>	<input type="button" value="Approve"/>	<input type="button" value="Reject"/>	<input type="button" value="More actions ▼"/>
<input checked="" type="checkbox"/>	Applicant's reference	Type			
<input checked="" type="checkbox"/>	TD234RD180220001	Term payment (1)			

4. Review the **1. Summary** tab information and check accuracy.
5. Select **2. Acceptance** tab.
 - Select the **Account to debit charges**. If none selected, the charges will be deducted from the same account as the proceeds.
 - Enter other additional instructions in the **Additional Instructions** field, e.g. if payment is made by a method other than from an account.

Import LC / Term payment / In process - WinTrade 1 2 3

1. Summary 2. Acceptance 3. Payment

Please make sure you have completed all required fields.

Accept Refuse (enter reason for refusal in additional instructions below)

Disposal of documents

Send to us in terms of standing instructions

Account for charges

Account to debit charges (optional)
032149123456 (AUD)

Note: if an account is not selected, charges will be deducted from the debit account.

Additional instructions

6. Select **3. Payment** tab.
 - Enter the payment instructions, then select **New** to nominate the payment account. **Note** – payment can be made from up to six accounts.

Import LC / Term payment / In process - WinTrade 1 2 3

1. Summary 2. Acceptance 3. Payment

Please make sure you have completed all required fields.

Amount: **AUD 6,000.00**

Enter payment instructions below

Payment instructions
 Refer to additional information Enter payment instructions below

List of accounts

Account	Currency	Amount
<input type="radio"/> 123456789	AUD	6,000.00

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- If currency conversion is needed, select **New** and enter foreign exchange instructions in the **Edit foreign exchange instruction** window.
 - If finance is required, click **New** in the **Advances request** section.
 - Review all details on the **3. Payments tab**. If no revisions are required, move on to save the term payment.
7. Open **Actions**, click **Save**. The transaction is ready for final review and approval.

Approve an LC payment

There are two ways to approve a Sight or Term LC payment.

- **With review (highly recommended)** – review and ensure the details of the payment/transaction are correct before approving and sending to the bank.
- **Without review** – select the check-box in front of application. Open **Actions**, click **Save and approve** and enter your password in the **Approve transaction** window. When selecting the check box, the 'Approve' button becomes active and there is no 'Approve' option under **More actions**.

1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Click the **Applicant's reference** link of the term payment to be approved. The transaction will have an **In process** status.

List of transactions		
<div style="display: flex; justify-content: space-between; align-items: center;"> Create new Create similar Edit/amend Approve Reject More actions ▼ </div>		
<input type="checkbox"/>	Applicant's reference	Status
<input type="checkbox"/>	TD234RD180220001	In process

3. Review the **3. Payment** tab and check all details.

- Open **Actions**, click **Save and approve** and enter your password in the pop-up **Approve transaction** screen. The transactions status will change to Sent to bank.

Approve a Term LC - Discrepancies to be Accepted or Dishonoured

There are two ways to approve the Term LC instructions.

- **With review (highly recommended)** – review and ensure edits and amendments are correct before approving and sending to the bank.
- **Without review** – select the check-box in front of application. Open **Actions**, click **Save and approve** and enter your password in the Approve transaction window. When selecting the check box, the 'Approve' button becomes active and there is no 'Approve' option under **More actions**.
- Note - If the LC was refused, the instructions still need to be approved so they are sent to the bank.

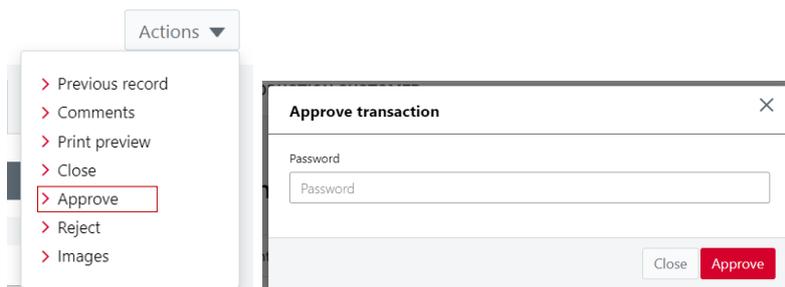
- Select the **Import LC** grid with the **Transactions** tab displayed.
- Select Term LC with discrepancies to be approved.
- On the **1. Summary** tab, click **Discrepancies** to view and check them.

4. Select **2. Acceptance** tab and check the details.

Acceptance of discrepancies

Refusal of discrepancies

6. To approve and submit to the bank, open **Actions**, click **Save** and enter your password in the pop-up **Approve transaction** window.



Create an Import LC template

Import LC templates	Details
Purpose	<ul style="list-style-type: none"> A template makes it easier to establish an Import LC for a regular supplier.
Key points	<ul style="list-style-type: none"> A template needs to be based on a previous transaction that has been released in the system. The template will contain all party information, payment and expiry terms (not including a date), dispatch details, additional details and details of charges that were on the original LC. These details can be overwritten. The following fields will be blank and must be completed each time the template is used: <ul style="list-style-type: none"> Applicant's reference Amount Transaction date.

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Editing or deleting a template	<ul style="list-style-type: none">A template can only be edited or deleted by the user that created the template, or Corporate Administrator.
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1. Select the **Import LC** grid with the **Transactions** tab displayed.
2. Click the **Applicant's reference** link for the transaction you want to use for the template.

<input type="button" value="Create new"/>	<input type="button" value="Create similar"/>	<input type="button" value="Edit/amend"/>	<input type="button" value="Approve"/>	<input checkbox"="" type="button" value="Re...</td></tr><tr><td><input type="/>	Applicant's reference	Type	Currency	Amount
<input checked="" type="checkbox"/>	RD609002130320	Issue	USD	51,000.00				

3. Open **Actions**, click **Save as template**.

Actions

- > Correspondence
- > Comments
- > Print preview
- > Close
- > **Save as template**
- > Cancel this L/C
- > Images

4. Enter a template name.

Save template

Enter template name

5. Click **Save**.
 - The Applicant's reference will change to the selected template name and the Status will change to Template.

<input type="checkbox"/>	Applicant's reference	Type	Currency	Amount	Status
<input type="checkbox"/>	MILANI GROUP	Template	USD	0.00	Template



Further information

- Refer to the **Import Letter of Credit User Guide** for detailed process steps and examples.
- For Import Letter of Credit reports, refer to the **Welcome to WinTrade®** User Guide.