

U.S. \$ **1** \_\_\_\_\_ **2** \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ **3** \_\_\_\_\_ of this **FIRST** of Exchange (Second unpaid)

Pay to the Order of **4** \_\_\_\_\_ **5** \_\_\_\_\_

**United States Dollars**

for Value received and charge the same to account of **1**

To \_\_\_\_\_ **6** \_\_\_\_\_

No. \_\_\_\_\_ **7** \_\_\_\_\_ **8** \_\_\_\_\_ Authorized Signature

**9** \_\_\_\_\_

SAMPLE

**10** \_\_\_\_\_

Date

Gentlemen:

We enclose Draft Number **11** \_\_\_\_\_ and documents below

**12**  for collection,

for

for payment/negotiation under L/C

**13**

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

Please handle in accordance with instructions marked "X"

- Deliver all documents in one mailing. **14**
- Deliver documents in two mailings.
- Deliver documents against payment if sight draft, or acceptance if time draft. **15**
- All charges for account of drawee. **16**
- Do not waive charges.
- Protest for non-payment **17**
- Do not protest.
- Present on arrival of goods. **18**
- Advise non-payment by airmail giving reasons.
- Advise non-acceptance by cable
- Advise payment by airmail **19**
- Advise acceptance by cable

IN CASE OF NEED refer to:

Name \_\_\_\_\_ **20**

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

Freight Forwarder:

**22** \_\_\_\_\_

**23** \_\_\_\_\_

Authorized Signature

# Instructions for completing the Draft/Transmittal Letter

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**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 Dollar” 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 an 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 above.

**12. PURPOSE OF DRAFT** — Check the application 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 off 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 document in two mailings.” Generally, documents are delivered in one mailing.

**15. DELIVER DOCUMENTS AGAINST** — Ensure that the type off Draft attached (Block 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 for Account for 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 Waive Charges” has not been checked, the Seller will be billed for expenses incurred.

**17. PROTEST** — Check “Protest” (specify “for non-payment” 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 blocks, and block out the non-applicable terms, if you wish to be advised of payment/acceptance or non-payment or non-payment/acceptance.

**20. IN CASE OF NEED** — Enter the representative of the Seller in the country of the Draft and documents are going, if one exists; check the block which describes the representative’s authority.

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

**22. REFER ALL QUESTIONS** — Enter the name or 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 above), the date prepared, and the authorized person’s signature.