

Types of Documentation used for Letters of Credit	
Instructions	Documentation
Expiry date	Bill of lading (B/L)
Shipping date	Air waybill
Mode of transport	Document of transport
Respect of flag	Packing list
Name of carrier	Certificate of origin
Transit time	Certificate of insurance
Transshipment	Certificate of analysis
Partial shipments	Certificate of inspection
Incoterms	Certificates (others)
Port of loading	Commercial invoice
Port of discharge	Bank draft

Typical Letter of Credit Process

1. The buyer issues a letter of credit (L/C) through the issuing bank in Mexico.
2. The issuing bank advises the negotiating bank in Canada.
3. The negotiating bank advises the seller.
4. The seller examines the letter of credit with a transportation professional.
5. The seller prepares and obtains all the documents except the transport document.
6. The seller remits the merchandise to the carrier.
7. Once on board, the carrier issues a document of transport.
8. The merchandise leaves for the port of destination.
9. The seller obtains all required documents and hands them to the negotiating bank.
10. The negotiating bank verifies the documents and pays the funds to the seller.
11. The negotiating bank remits the documents to the issuing bank.
12. The buyer takes the documents from the issuing bank.
13. The merchandise arrives at destination.
14. The buyer presents original documents of transport to the carrier (ocean only).
15. The carrier remits the merchandise to the buyer.