

## SWIFT CODE

### Category 7: Documentary Credits and Guarantees

Message type	Description
<b>MT 700</b>	Issue of a Documentary Credit
<b>MT 701</b>	Issue of a Documentary Credit
<b>MT 705</b>	Pre-Advice of a Documentary Credit
<b>MT 707</b>	Amendment to a Documentary Credit
<b>MT 710</b>	Advice of a Third Banks Documentary Credit
<b>MT 711</b>	Advice of a Third Banks Documentary Credit
<b>MT 720</b>	Transfer of a Documentary Credit
<b>MT 721</b>	Transfer of a Documentary Credit
<b>MT 730</b>	Acknowledgement
<b>MT 732</b>	Advice of Discharge
<b>MT 734</b>	Advice of a Refusal
<b>MT 740</b>	Authorization to Reimburse
<b>MT 742</b>	Reimbursement Claim
<b>MT 747</b>	Amendment to an Authorization to Reimburse
<b>MT 750</b>	Advice of Discrepancy
<b>MT 752</b>	Authorization to Pay, Accept or Negotiate
<b>MT 754</b>	Advice of Payment/Acceptance/Negotiation
<b>MT 756</b>	Advice of Reimbursement or Payment
<b>MT 760</b>	Guarantee
<b>MT 767</b>	Guarantee Amendment
<b>MT 768</b>	Acknowledgement of a Guarantee Message
<b>MT 769</b>	Advice of Reduction or Release
<b>MT 790</b>	Advice of Charges, Interest and Other Adjustments
<b>MT 791</b>	Request for Payment of Charges, Interest and Other Expenses
<b>MT 792</b>	Request for Cancellation
<b>MT 795</b>	Queries
<b>MT 796</b>	Answers
<b>MT 798</b>	Proprietary Message
<b>MT 799</b>	Free Format Message

**Terms used in UCP600: Acceptance Draft** - payable at a fixed or determinable future date, upon the face of which the drawee has acknowledged in writing his or her obligation to pay at maturity. See also "banker's acceptance" and "trade acceptance".

**Account Party** - The party instructing the bank to open a letter of credit and on whose behalf the bank agrees to make payment. In most cases, the account party is the importer/buyer, and is also known as the applicant.

**Advice of Fate** - Notification of the status of a collection that is still outstanding. When a draft bears this phrase, the time begins to run from its date. The date of maturity is therefore fixed and does not depend on the date of acceptance of the draft.

**Advising Bank** - A bank that accepts a letter of credit from the issuing bank, verifies its authenticity, and forwards it to the beneficiary. The advising bank does not take on any payment obligations.

**After Sight** - When a draft bears this phrase, the time begins to run from the date of its acceptance.

**Air Waybill (of lading)** - A signed receipt and a contract to deliver goods by air. Such bills are non-negotiable and do not convey title to the goods as do "To Order" bills of lading used by ocean and land carriers. The title passes to the party to whom the goods are consigned (the Consignee).

**Amendment** - Change to terms of a letter of credit. Beneficiary has the right to refuse the amendment under an irrevocable letter of credit.

**Applicant** - See "account party".

**Assignment of Proceeds** - A request by the beneficiary to pay all or part of the funds due to him to a third party. This instrument does not transfer rights in the letter of credit nor the title to the goods.

**Back-to-Back Letter of Credit (L/C)** - Letter of credit issued for the account of a buyer who is already holding an L/C in his or her favor. The back-to-back L/C is issued in favor of the supplier to cover the same shipment as stipulated in the credit already held by the buyer. Terms of both L/Cs, except for the amount and expiration date, are so similar that the same documents presented under the back-to-back credit are subsequently applied against the credit in favor of the buyer. However, the buyer/beneficiary of the first credit substitutes this draft and invoice for those presented by the supplier. See also "letter of credit".

**Banker's Acceptance** - Form of credit created when a bank "accepts" a time draft typically drawn on the bank by a seller of goods. By accepting a draft, the bank is obligated to pay the face amount at a specified time in the future, usually six months or less after acceptance. A seller of merchandise can sell the banker's acceptance for an amount less than face value and have immediate use of funds. See also "acceptance".

**Bank Draft** - A check drawn by a bank on another bank payable to the seller at the request of the buyer. The check may be denominated in U.S. Dollars or most foreign currencies.

**Beneficiary** - The party who receives payment as stipulated in a letter of credit. This party is usually the seller/exporter.

**Bill of Exchange** - Formal written order addressed by one person (drawer) to another (drawee), signed by the drawer, and directing the drawee to pay on demand or at a fixed or determinable future time, a certain sum in money to the order of a specified person (payee).

**Bill of Lading (Air, Ocean, Railroad, Truck)** - A document of title issued by the carrier (transport company) or its agent. Bill of lading is a receipt for the merchandise in transit, as well as a contract for delivery to a specified party at a specified destination.

**"BLANK ENDORSED"** - A negotiable bill of lading in which the title to the merchandise is passed on to another party by means of an endorsement. The holder of the "blank endorsed" bill of lading is entitled to take possession of the merchandise.

**"CLEAN BILL OF LADING"** - One in which the goods are described as having been received by the carrier in "apparent good order and condition" and without qualification. **"LATE PRESENTATION" (STALE):** A bill of lading is presented to a bank for payment or negotiation after the stipulated date in the letter of credit, or later than 21 days after the date of its issuance.

**"NEGOTIABLE OR „TO ORDER"** - A bill of lading in which the merchandise is consigned directly "to order" or "to the order of" a designated party, usually the shipper or a bank. The phrase "to order" or "to the order of (a designated party)" signifies negotiability permitting the title of the merchandise to be transferred many times by means of appropriate endorsements.

**"NOTIFY"** - This phrase requires the carrier to notify a designated party upon arrival of the merchandise, but does not transfer title of the merchandise to that party.

**"STRAIGHT OR NON-NEGOTIABLE"** - A bill of lading in which the merchandise is consigned directly to a designated party, generally the buyer, but not to his "order". Delivery of the merchandise is made only to the designated party, usually without surrendering the bill of lading.

**"THROUGH"** - A bill of lading issued by a shipping company or their agent covering more than one mode of transportation. **Cash Against**

**Documents (CAD)** - Payment for goods in which an intermediary (usually a bank) releases title documents to the buyer upon payment in cash.

**Cash in Advance (CIA)** - A term of trade in which the exporter does not ship goods until payment is received; offers the least risk to sellers and the most risk to buyers.

**Clean Draft** - A sight or time draft (bill of exchange) which is not accompanied by additional documents. Also referred to as "Clean Collection".

**Collecting Bank** - Bank that acts as an agent for a remitting bank that wishes to have its collections handled. The collecting bank demands payment from the buyer and handles the funds received as instructed; generally the funds are sent back to the remitting bank.

**Commercial Invoice** - A written and signed list of merchandise and/or services with associated quantities, prices and expenses. It contains the terms of the sale and is prepared by the seller to show the total amount owed by the buyer.

**Confirmed Credit** - A letter of credit in which the issuing bank's obligation to pay is backed (confirmed) by a second bank.

**Deferred Letter of Credit (L/C)** - Letter of credit that calls for payment at a future date, but does not require a draft. See also "letter of credit" and "usage letter of credit".

**Direct Collection** - Method of payment for goods in which the seller sends a draft drawn on the buyer, the shipping documents, invoices, insurance certificates, other appropriate documents directly to the buyer's bank for collection. Only an information copy of the advice is sent to the exporter's bank to establish and monitor the collection transaction for the seller.

**Discrepancy** - Any deviation from the terms and conditions of a letter of credit or from the documents presented under the letter of credit.

**Documentary Credit** - A letter of credit issued to support the movement of merchandise supported by shipping documents presented by the beneficiary to the Issuing Bank for payment or acceptance.

**Documents Against Acceptance (D/A)** - Instructions given by a shipper to his or her acceptance bank that the documents attached to a time draft for collection are deliverable to the drawee/payer against his or her acceptance of the draft.

**Documents Against Payment (D/P)** - Instructions given by a shipper to his or her bank that the documents are deliverable to the drawee/payer only against his or her payment of the draft.

**Draft** - A draft is a formal demand for payment. It is an unconditional order in writing, addressed by one party (drawer) to another party (drawee), requiring the drawee to pay, at a designated or determinable future date, a specified sum in lawful currency (either in dollars or other currency) to the order of a named party (the Payee). In international trade, drafts are also known as "Bills of Exchange."

**Eurodollars** - A term used for U.S. dollars held on deposit or traded anywhere else in the world except in the USA.

**Eximbank (Export-Import Bank of the United States)** - A U.S. government agency that offers insurance/guarantees of commercial or political risks associated with U.S. export transactions. These programs encourage U.S. exports by reducing the exporter's risk.

**Expiry or Expiration Date** - The date on which the draft and documents drawn under a letter of credit must be presented to the negotiating, accepting, paying, or issuing bank in order to effect payment. The issuing bank's obligation ceases on that date if the letter of credit is a "straight credit." If the letter of credit is a "negotiable credit," the issuing bank must honor the credit, provided the complying documents were submitted prior to the expiry (or expiration) date.

**Foreign Exchange** - The process of trading the currency of one country for that of another.

**Foreign Exchange Exposure** - A situation in which a U.S. company, selling/purchasing in a currency other than U.S. Dollars, runs the risk of receiving a reduced dollar amount or paying an increased dollar amount due to a fluctuating exchange rate. **Forward Transactions** - Foreign exchange transactions settling between three business days and one year (and sometimes longer).

**Freight Forwarder** - An independent business that arranges for the shipment of export cargo and completes the necessary export documentation on behalf of the exporter.

**Irrevocable Letter of Credit (L/C)** - Letter of credit that cannot be changed or cancelled without the consent of all parties involved. Almost all L/Cs are irrevocable unless otherwise stated on L/C. See also "letter of credit".

**Issuing Bank** - Bank that draws up and issues the letter of credit and that makes payment according to the conditions

**Letter of Credit** - An instrument issued by a bank, at the request of the applicant, promising to pay the beneficiary upon his presentation of stipulated documents in accordance with the terms and conditions of the credit.

**"CONFIRMED"**: A letter of credit issued by one bank to which another bank added its irrevocable confirmation to pay, thereby obligating itself in the same manner as the opening bank.

**"STAND-BY"**: A letter of credit that generally guarantees payment due for an unfulfilled obligation on the part of the applicant or another party. It is payable upon presentation of a draft, as well as a signed statement or certification by the beneficiary that the applicant has failed in his obligation.

**Maturity Date** - The date on which negotiable instruments become due for payment.

**Negotiate** - Take action to verify that the documents presented under an L/C conform to the requirements in order to release funds to the seller.

**Negotiating Bank** - The bank that reviews the documents required in the letter of credit for compliance with its terms and remits payment to the beneficiary. The bank may be specifically named in the letter of credit, or may be a bank chosen by the seller.

**Opening Bank** - See "Issuing Bank".

**Paying Bank** - Bank that effects payment of documents negotiated under a letter of credit, customarily the buyer's bank. It is usually also the negotiating bank, unless the L/C allows another bank to negotiate or the paying bank is unable to negotiate. See also "negotiating bank".

**Presentation** - Presentation for acceptance or payment on a collection or letter of credit.

**Proforma Invoice** - An invoice sent in advance of shipment, to enable the buyer to obtain an import permit or exchange permit or both. The proforma invoice gives a close approximation of the weights and values of the intended shipment. **Protest** - Legal process of demanding payment of a negotiable item from the maker who has refused to pay.

**Red Clause** - Clause in a letter of credit that authorizes the advising/negotiating bank to make an advance payment to the beneficiary before presentation of shipping documents, usually against a simple receipt. **Reimbursing Bank** - The bank names in a letter of credit as the bank authorized by the issuing bank to honor claims presented by the paying, accepting, or negotiating bank.

**Revocable Letter of Credit (L/C)** - A letter of credit that can be modified or canceled by the issuing bank without the beneficiary's consent unless the negotiation of complying documents has already taken place. The issuing bank must honor the draft(s) negotiated before the notice of revocation has been made. **Spot Transaction** - Foreign exchange transaction in which foreign currency is bought at the current rate of exchange and delivered within two business days after the transaction date.

**Spread** - The difference between the buying (bid) rate and the selling (offer) rate of any foreign currency for any particular period.

**Standby Letter of Credit (L/C)** - Letter of credit issued to back an obligation of the applicant, but typically not intended to be the primary method of payment. Usually payable against drafts and statements, but not against commercial documents. See also "letter of credit".

**Trade Acceptance** - Draft drawn by the seller of goods on the buyer and accepted by the buyer for payment at a specified future date. See also "acceptance".

**Transferable Letter of Credit (L/C)** - Letter of credit that permits the beneficiary to transfer all or some of the rights and obligations under the credit to a second beneficiary. See also "letter of credit". **UCP** - Uniform Customs and Practices for Documentary Credits. Publication issued by the International Chamber of Commerce (2007 revision, ICC Publication No. 600, or "UCP 600") that outlines the rules and guidelines involved in a letter of credit transaction.

**Usance (Time) Credit** - Letter of credit that calls for payment against drafts calling for payment at some specified date in the future. Gives buyers time to sell the goods to get the funds to reimburse the issuer.

**Usance Letter of Credit (L/C)** - Letter of credit that calls for payment at a future date -- generally within six months -- and requires a draft drawn on the issuing/paying bank for the amount of the invoice. See also "letter of credit".

**Value (Settlement) Date** - Contracted date on which the foreign exchange is to be delivered or received.

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