

About Payment Methods

A written commitment to pay, by a buyer's or importer's bank (called the issuing bank) to the seller's or exporter's bank (called the accepting bank, negotiating bank, or paying bank).

L/C:Letter of credit

A written commitment to pay, by a buyer's or importer's bank (called the issuing bank) to the seller's or exporter's bank (called the accepting bank, negotiating bank, or paying bank).

D/A:Documents Against Acceptance

The D/A transaction utilizes a term or time draft. In this case, the documents required to take possession of the goods are released by the clearing bank only after the buyer accepts a time draft drawn upon him. In essence, this is a deferred payment or credit arrangement. The buyer's assent is referred to as a trade acceptance.

D/P :Documents against Payment

After the goods are shipped, the exporter sends the sight draft to the clearing bank, along with documents necessary for the importer/buyer to obtain the goods from customs. The buyer has to settle the payment with the bank before the documents are released and he can take delivery of the goods. If the buyer fails or refuses to pay, the exporter has the right to recover the goods and resell them.

T/T :Telegraphic Transfer

Telegraphic Transfer or telex transfer, often abbreviated to TT, is a term used to refer to an electronic means of transferring funds. A transfer charge is often charged by the sending bank and in some cases by the receiving bank.