

TRANSFERABLE LETTER OF CREDIT

Included:

Introduction

Transferable Letter of Credit Tips

Sample Transferable Letter of Credit

Transferable Letter of Credit Template

Introduction

This letter is written for a third party who authorises to have a right to the amount of letter of credit as per the request by the client. This letter is a means of contacting the third party client and requesting them to finish the transaction as approved in the contract that both parties have done at times.

Transferable Letter of Credit Tips

Some tips to write good transferable letter of credit

- Write everything in brief, the amount, the mode of payment etc. Do not write a lengthy letter. A short and sweet letter actually makes a difference.
- Use a professional language as the letter is an official one. Use all the technical terms those are required to be used. Do not make use of a very simple language.
- Also mention all the terms and conditions in details. Also write about how the money has to be repaid. Write the address at which the demand draft has to be sent. This will make the things easy.
- Write about the rights that you are going to give to the person.

Sample Transferable Letter of Credit

From

Date

To

Subject – transferable letter of credit

Dear Mr. Joshi

This is as per requested by our important customer, XYZ Ltd. Navi Mumbai, The Board of directors of Maharashtra co-operative bank issue a letter of credit of rs. 50000/-. We further give authorization to the said credit letter as it is transferable to the third party client giving them right to access a portion of the amount in order to fulfil the requirements of our client to acquire the contract that the parties have mutually agreed.

We permit you to access to the amount on condition that you ensure to send us the amount by issuing a demand draft according to the agreement.

Yours sincerely,

Name

Transferable Letter of Credit Template

From

Date

To

Subject – _____(mention the purpose)

Dear ____ (sir/madam)

We are writing this letter to you according to the request made by one of our main customer, _____(name of the company). A letter of credit for Rs _____(amount)- has been issued by The Board of directors of _____ bank(name of the bank). Moreover we authorise the letter of credit as it can be transferred to the third party client and we also issue them rights to reach a share of the amount with the aim of satisfy the requirements of our clients to obtain the contract that has done after the mutual parties of the agreement. We also allow you to access to the amount as long as you make sure to send us a demand draft of the amount as agreed. This demand draft should be sent to our office address.

Thanking you

Name

Signature

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