

Exports to Iraq

IECD.No. /04.02.02/98-99

March 8, 1999

The Chairmen/Chief Executives
of all commercial banks

Dear Sir,

Exports to Iraq

It has been represented to us that in respect of exports to Iraq made under non-negotiable sight Letters of Credit (LCs), payments are not made by the LC opening bank within the normal transit period of 20 days specified by FEDAI. The payment is made on arrival of cargo in Iraq, and issue of certificate by UN agency to the effect that the exports conformed to guidelines laid down by United Nations. The above process, it is stated, takes between 45 to 60 days after shipment.

2. The issue has been examined in consultation with FEDAI, and it has been decided that banks may extend concessional interest in such cases for a **maximum** period of 60 days.

3. Please acknowledge receipt.

Yours faithfully,

(M.G. Srivastava)
Chief General Manager