

INDIAN INSTITUTE OF TECHNOLOGY, DELHI

Dated: 24.12.2009

Subject:- Foreign Bank charges while opening of Letter of Credit

The following may kindly be noted for future procurement of imported goods:-

- (1) Tender enquiry for all imported stores should invariably include the clause on bank charges outside India. i.e. "All Bank Charges payable in India are to buyer's account and bank charges in seller's country to sellers account".

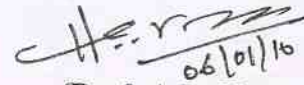
Or

"All outside India bank charges including confirmation charges if any have to be borne by beneficiary (applicable for International Firms)."

Or

"All Bank charges outside India on beneficiary's account & within India shall be on opener's account".

- (2) In case of items where the foreign vendor refuses to bear bank charges arising in foreign country and the item is critically required, the Competent Authority can sanction such charges on the basis of Purchase Committee's recommendations. Hence all the cases for sanctioning of foreign bank charges be referred to for approval by competent authority.
- (3) Payment of foreign bank charges of the vendors by the buyer in the foreign country is however against international norms & all efforts must be made by all concerned to ensure that such bank charges are borne by the seller.


06/01/10
(Prof. A.L. Vyas)
Acting Registrar

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