

# GUIDE TO PREPARING A BILL OF EXCHANGE / DRAFT

The following wording is intended as a guide and may vary according to:

- Tenor (eg: „Sight“, „30/60/90/ days from date of.....“, Fixed Maturity Date)
- Whether Bill of Exchange is drawn under a Letter of Credit (will be referred to as 'draft')

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Date.....

Amount ..... (in figures)

At ..... (tenor – see above) of this First\* Bill of Exchange (second\* of same date and tenor being unpaid), please pay to the order of ourselves the sum of .....(amount in words) for value received.

To: (Drawee Name & Address)

For and on behalf of:

(Company Name)

.....  
.....

.....  
(Capacity of signatory)

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## Notes

- ★ Duplicate Bill of Exchange to be drawn: “At..... of this SECOND Bill of Exchange (FIRST of same date and tenor being unpaid).....”
- ★ It is common for only one Bill of Exchange to be required, in which case drawn: “At..... of this SOLE Bill of Exchange.....”
- ★ Ensure that Bill of Exchange is signed on its face and endorsed on reverse, ie: signed „for and on behalf of.....“(your company name)
- ★ Is „Drawee“ name & address correct?
- ★ If Bill of Exchange is presented direct for acceptance (eg: documentary / clean collection), Bill should be drawn on the **buyer**.
- ★ If Bill (or „draft“) is to be drawn under a **Letter of Credit**, check requirements of L/C as to which bank is named as the drawee.
- ★ If Bill / draft is drawn under L/C ensure Bill is clearly marked as per L/C requirements, eg: „Drawn under irrevocable L/C no ..... of ..... (bank) dated .....“ (or as required under the L/C)

This specimen Bill of Exchange and supporting notes have been prepared by Kathryn Read to assist exporters prepare basic Bills of Exchange, without any liability or responsibility on our part. Exporters should take appropriate advice and base their own Bills of Exchange on the particular circumstances of the underlying transaction.