

Intentionally business is associated with the trade particularly since many centuries. It is evident that business in the international market is highly competitive and tough ask for the entrepreneur to sustain their position. in the business LC (Letter of Credit) is the focus for the business and run their operations through it in the internationally while on the other hand; banks are highly harmonized to deal with it adequately. Financial inefficiency of the business directly impact upon banks and also the trade conditions as well. The LC is the official procedure that is being issued by the banks and other financial organizations in order to assume that seller will be receiving the money with the surety after handing over the papers to the bank. The banking term of trade finance is the combination of two words that are: Trade and Finance; Trade is the very old terms and known since the many centuries with the passage of time trade meaning has been changed considerably. In this paper researcher has presented the different players that exist in the market regarding providing the finance such as: financial institutions, commercial and corporate banks, business development banks, export creditors are operating to streamline the financial flows of the market and contribute adequately towards the international trade as well. The study focuses upon the induction of Letter of Credit in the trade in the international context and use as the tool to help the trade.