

ICC Global Banking Commission Steering Committee mandate to review ISBP 821 in order to assess content in line with current market practice.

Ref	PRELIMINARY CONSIDERATIONS	COMMENT
1	<p>Sanctions ICC Opinion 884rev R906 <i>The impact of a sanction clause that also referred to the internal policies of the issuing bank, but without explaining what those policies included, and the subsequent refusal of documents where the issuing bank is using the internal policies as justification for the refusal.</i></p> <p>ICC Opinion 930rev <i>The issue of sanctions clauses in documentary credits (and other instruments) has been addressed in several ICC resources, most specifically in the Guidance Paper on the Use of Sanctions Clauses in Trade Finance-related Instruments Subject to ICC Rules (2014) and the subsequent Addendum dated May 2020. Paragraph 1.4 of the Guidance Paper highlights that where sanctions laws and regulations are determined to be applicable to a credit, they are considered as being mandatory and, depending on the exact nature of the law/regulation, may override the ICC rules applicable to that credit and, more generally, the underlying contract terms as well.</i></p> <p><i>More recently, this issue has been addressed in ICC Opinion TA.920rev, wherein it is stated that the Banking Commission cannot comment on specific sanctions or regulations and their application in respect of the involved parties, and that any delay in, or refusal to pay due to a sanctions clause is outside of the UCP 600. It was further stated that, unless mandatory law or regulation prohibits the issuing bank from honouring, it must do so if a complying presentation is made.</i></p> <p>The Addendum to the Sanctions Guidance Paper, Introduction 2nd paragraph, states that sanctions</p>	<p>CONCLUSION: Potential new Preliminary Consideration – however below comments* to be taken into account:</p> <ul style="list-style-type: none"> Issuing banks are, on occasion, reported for including a sanction clause in their credit. Through such a clause, an issuing bank purports to withhold the payment of a complying presentation if they determine that a sanction regulation has been breached by the data appearing on one or more documents. ICC discourages the use of a sanction clause in a credit, as it does in a standby letter of credit. The use of a sanction clause may put into question the irrevocable nature of the issuing bank or confirming bank’s undertaking and may be considered as a non-documentary condition. A sanction clause is, at best, a repetition of overriding mandatory rules applicable to the credit regardless of its terms or the applicable law, whereupon such a clause would be redundant and unnecessary. In certain situations, a sanction clause may also raise issues of liability of the issuing bank for violation of anti-discrimination laws and counter-measures. Inserting a sanction clause in a credit cannot be considered as international standard banking practice. <p>Whilst not directly pertinent to document examination, sanctions clauses do have a tangential impact on the examination process.</p> <p>* Whilst sanction review is part of the examination process any comment should be structured around examination according to the regulations indicated in the credit which should only be drafted in respect of the applicable country, region, regulatory body and not internal bank policy. Need to look at this from the perspective of the clause already being incorporated into the credit rather than how it should be structured. Structuring the clause should be for an extended ISBP or one solely covering issuance/advising.</p>

	clauses are non-documentary conditions for the purposes of the UCP and the URDG and recommends that banks should refrain from issuing trade finance-related instruments that include sanctions clauses that purport to impose restrictions beyond, or conflict with, the applicable statutory or regulatory requirements.	
2	Excessive detail in documentary credits specifically meant to cause discrepancies.	<p>CONCLUSION: Recommend new Preliminary Consideration to be inserted after existing Preliminary Consideration (iv):</p> <ul style="list-style-type: none"> Credits which contain excessive details such as lengthy elements in the description of goods and/or have included terms which only belong in an underlying agreement/contract, for example “goods to comply with such agreement/contract”, should be avoided as these often cause unintended consequences and payment delays. Only documents that are necessary (e.g. for customs clearance purposes) should be required by a credit. <p>Ensures alignment with the “Guidance Notes for Documentary Credit Formats”.</p>
3	With regard to ICC Opinions R332 (TA212), R556 (TA525), and TA936 (not yet approved) propose to insert the following: <i>“The fact that a bank may have previously accepted discrepant documents, with or without an applicant waiver, does not bind that bank to accepting a similar discrepancy(ies) on any future drawing(s).”</i>	<p>CONCLUSION: Recommend new Preliminary Consideration:</p> <ul style="list-style-type: none"> The fact that a bank may have previously accepted discrepant documents, with or without an applicant waiver, does not bind that bank to accepting a similar discrepancy on any future drawing unless local law states otherwise. <p>Precedents cannot be created because, whilst circumstances may be superficially the same on the documentation level, each transaction (i.e., each credit or drawing thereunder) is separate from each of its predecessors and is considered independent.</p>
4	UCP 600 sub-article 14 (d) <i>Data in a document, when read in context with the credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with, data in that document, any other stipulated document or the credit.</i> Comments have been noted regarding correct interpretation of the text “read in context with” – there appears to be some uncertainty in the market. The term “read in context” acts as an additional qualification for the phrase “not conflict”. Whilst this would be a suitable issue for a future Briefing Paper, it is also considered appropriate for inclusion within ISBP.	<p>CONCLUSION: Recommend new Preliminary Consideration:</p> <ul style="list-style-type: none"> As used in UCP 600 sub-article 14 (d), the text “when read in context with” means that the requirements of the documentary credit, the structure and purpose of the document itself, and international standard banking practice need to be assessed, understood and be taken into consideration in determining compliance of a document. <p>The above wording is consistent with that stated in the “Commentary on UCP 600”.</p>
5	Preliminary Consideration v)	CONCLUSION: Add further text at the end of Preliminary Consideration v)

	<p>The current wording “The <i>applicant</i> bears the risk of any ambiguity ...” may be misleading in some cases. As as soon as an issuing bank issues a credit or, if applicable, a confirming bank confirms a credit, such bank is then responsible for any ambiguity in the credit so issued / confirmed.</p>	<ul style="list-style-type: none"> In the event that an issuing bank issues a credit or amendment that is ambiguous or conflicting in its terms and conditions, it bears the risk of such ambiguity or conflict. The same applies to a confirming bank, if any, which confirms a credit which is ambiguous or conflicting in its terms and conditions. <p>The existing text already states that the issuing bank should ensure that any credit or amendment it issues is not ambiguous or conflicting in its terms and conditions; however, further clarification is to be considered, plus extension to the confirming bank.</p>
	<p>GENERAL PRINCIPLES</p> <p>1 Define “all documents” ICC Opinion R883 / TA853rev <i>When a credit requires all documents to indicate the contract number and date, does this include the draft and courier receipt?</i></p>	<p>COMMENT</p> <p>CONCLUSION: Recommend new General Principle in A19 “Expressions not defined in UCP 600”:</p> <ul style="list-style-type: none"> Include reference to “all documents” in the opening paragraph, and add new sub-paragraph (h): “all documents” – all documents required by the credit except drafts. A draft is an unconditional order in writing and not a document for the purposes of examination of documents under a documentary credit subject to UCP 600. <p>Whilst ISBP 821 paragraph B1 (b) mentions that banks only examine a draft to the extent described in paragraphs B2-B17, this does not directly help when a credit includes a reference to "all documents".</p>
	<p>2 Technical Advisory Briefing No. 2 Subject: Meaning of ‘without delay’ in UCP 600</p> <p>UCP 500 sub-article 14 (d) (i) made reference to a notice of refusal being given “without delay”. This is no longer relevant under UCP 600 which, in sub-article 16 (d), refers to the close of the fifth banking day following the day of presentation. Whilst UCP 600 still refers to “without delay” in articles 8, 9, 10 and 11, none of these references directly relate to the examination of documents. “Without delay” is a recognised term within UCP 600, but is deliberately not defined due to the fact that, as stated in various ICC Opinions, the precise interpretation of this term would depend upon the circumstances of each case. The</p>	<p>CONCLUSION: Recommend new General Principle: “Without delay”:</p> <ul style="list-style-type: none"> Reference in the UCP 600 to “without delay” means that the concerned bank must complete an action as soon as practicable for that activity and with due consideration to any given circumstance(s). <p>Consistency with Briefing Paper No. 2</p>

	incorporation of a specific timeline would require an indication of the consequence (i.e., penalty) for failure to comply, in order for it to have any effect. It is clear that whilst the term without delay does not signify an immediate action, or that an action is to be completed “at once”, it does imply a degree of urgency and attention that the concerned bank should apply.	
3	Technical Advisory Briefing No. 1 Subject: Non-documentary conditions in Documentary Credits subject to UCP 600	<p>CONCLUSION: Recommend new paragraph in General Principle A26 “Non-documentary conditions and conflict of data”</p> <ul style="list-style-type: none"> The applicant and beneficiary should carefully consider the content of any non-documentary conditions. Where a non-documentary condition is incorporated into a documentary credit, banks and the beneficiary should pay attention to UCP 600 sub-articles 14 (d) and 14 (h). <p>Consistency with Briefing Paper No. 1</p>
4	Technical Advisory Briefing No. 9 subject: Direct presentation of documents to an Issuing Bank under a documentary credit subject to UCP 600. When a documentary credit stipulates a nominated bank (which may also be a confirming bank), it is usually expected that presentation of documents will be made to the stated nominated bank. However it has been observed that, on occasion, a presenter may deliver the documents directly to the issuing bank, bypassing the nominated bank.	<p>CONCLUSION: Recommend new General Principle: “Direct presentation of documents”:</p> <ol style="list-style-type: none"> The obligation and undertaking of the issuing bank remain the same whether documents are presented via a nominated bank or directly to the issuing bank. In both scenarios, the issuing bank must honour provided the stipulated documents have been presented and that they constitute a complying presentation. In the interests of good practice it is strongly recommended that, in the event a documentary credit is available with a named nominated bank and documents are presented directly to the issuing bank, the issuing bank should contact the nominated bank to inform them of the direct presentation (so that the nominated bank’s records can be updated) and to enquire of the details of any presentation(s) that have been made for which the issuing bank may be unaware. For the purposes of this General Principle, "direct" presentation includes presentation through a bank other than a nominated bank’. <p>Consistency with Briefing Paper No. 9</p>
5	The notion of “detailed” in front of a document/certification e.g., detailed P/L or detailed weight certificate shall have no meaning and will be disregarded unless otherwise defined in a credit.	<p>CONCLUSION: Add to preamble and new paragraph in General Principle A19: “Expressions not defined in UCP 600”:</p> <ul style="list-style-type: none"> The expressions “shipping documents”, “stale documents acceptable”, “third party documents acceptable”, “third party documents not acceptable”, “exporting country”, “shipping company”, "detailed" and “documents acceptable as presented” should not be used in a credit, as they are not defined in UCP 600. If, nevertheless, they are used, and their meaning is not defined in the credit, they shall have the following meaning under international standard banking practice: “detailed” – when used in the context of qualifying a document, e.g., “detailed Packing List” or “detailed Weight List”, and unless otherwise defines in the credit, it has no meaning and is to be disregarded.
6	ISBP paragraph A31 (b): Consider deletion of the word “manually”. This paragraph should also apply to the	CONCLUSION: NCs to decide on inclusion, or not, of the word “manually”. Take note of Opinion 470/TA.842rev3

	situation where the credit demands that “All documents must be signed” without using the word “manually”.	In addition, address the consideration that the paragraph does not apply to the situation where the credit requires a photocopy of an original document and the original document is required to be signed; in such case should the photocopy show that the original document was signed?
	DRAFTS	COMMENT
1	Guidance Paper “Use of Drafts under Documentary Credits” A number of recommendations were directed to the market.	CONCLUSION: Recommend new opening paragraph B1 “Recommendation”: <ul style="list-style-type: none"> • Ordinarily, a UCP 600 documentary credit need not require a draft to be presented together with the stipulated documents. Accordingly: <ol style="list-style-type: none"> a. It is recommended that the habit of requiring a draft for a documentary credit available at sight be curtailed, particularly sight drafts drawn on an issuing bank, confirming bank, or a bank nominated to pay. b. UCP 600 article 2 allows for negotiation to occur under a documentary credit available by negotiation with or without a presentation of a draft. It is recommended that the habit of requiring a sight draft for a documentary credit available by negotiation be reviewed and that negotiating banks be encouraged to rely, not on negotiable instruments’ law, but instead on specific agreements with beneficiaries evidencing negotiation and their respective recourse and other rights and remedies. c. UCP 600 sub-article 12 (b) supports the prepayment of a deferred payment undertaking. As such, it is recommended that banks issue usance documentary credits available by deferred payment as an alternative to availability by acceptance of a draft, unless there is specific commercial, regulatory or legal reason to create a bankers’ acceptance. <p>The ICC cannot mandate market practice; however it can make recommendations. Accordingly, the conclusion from the Guidance Paper should be reflected in the ISBP.</p>
2	ICC Opinion TA939 <i>If a requirement for a draft is repeated in the designated fields in the MT700 (i.e., field 42C (Drafts at...) and field 42a (Drawee) as well as in field 46A (Documents Required) or field 47A (Additional Conditions,) and includes the same tenor and drawee, this will be regarded as a repetition of the details in fields 42C and 42a, and the requirement in field 46A or 47A is to be disregarded.</i>	CONCLUSION: Recommend new paragraph under “Basic Requirement”, B1 c): <ul style="list-style-type: none"> • In the event that a documentary credit is issued using an authenticated SWIFT message, the requirement for a draft, if needed under a documentary credit, should only appear in the designated fields of the SWIFT message. If, however, a requirement for a draft is repeated in more than one designated field and includes the same tenor and drawee, this will be regarded as a repetition of the details and is to be disregarded. <p>Recommended to deter the nonsensical interpretation that two drafts may be required.</p>
3	Paragraph B15 Endorsement of a draft. Despite the protests of the drafting group for ISBP 745 the National Committees voted to have the wording that exists today “A draft is to be endorsed, if necessary.” Who decides? How does this describe a	CONCLUSION: Recommend revised paragraph “Endorsement of a draft” <ul style="list-style-type: none"> • Content and precise wording to be agreed. <p>Early draft versions of ISBP 745 stated, “A draft need not be endorsed.”</p>

	<p>practice when banks are required to examine documents on their face.</p> <p>Although this may be perceived primarily as a legal issue rather than practice, the text “if necessary” is far too vague and needs to be addressed.</p>	<p>Other alternatives include replacing “if necessary” with “unless required by local law” or “unless expressly required by the credit.”</p> <p>Deletion of the paragraph, on the basis it is subject to applicable law, also to be considered. However, it is considered that the only way to correctly address this issue is to state: “A draft need not be endorsed” or “A draft need not be endorsed, unless required by the credit”.</p>
	INVOICES	COMMENT
1	<p>Technical Advisory Briefing No. 7 Subject: Title of Invoice.</p> <p>Frequent observations have been made by practitioners, and on social media, as to the types of invoice that are, or are not, acceptable for presentation under a documentary credit.</p> <p>Unfortunately, a number of misinterpretations have been observed.</p>	<p>CONCLUSION: Recommend new paragraph C1 (c) under “Title of invoice”</p> <ul style="list-style-type: none"> The terms “invoice” and “commercial invoice” are, for the purpose of documentary credits and UCP 600, interchangeable. If a credit requires presentation of simply an “invoice”, UCP 600 article 18 still applies. The crucial characteristic is that the content of an invoice must appear to fulfil the function of the required document. <p>Consistency with Briefing Paper No. 7</p>
2	<p>ISBP 821 paragraph C13 (b) <i>An invoice is not to indicate goods, services or performance not called for in the credit. This applies even when the invoice includes additional quantities of goods, services or performance as required by the credit or samples and advertising material and are stated to be free of charge.</i></p> <p>ICC Opinion TA927rev2</p> <ul style="list-style-type: none"> Withdrawn as requested by ICC China (initiator). Recommended for consideration in any future ISBP updates. <p>The issuing bank refused a presentation stating that “free of charge” goods were not allowed by the credit. The nominated bank considered, as the credit did not stipulate a price for the spare parts, that “free of charge” spare parts were acceptable under the credit.</p>	<p>CONCLUSION: Recommend revised paragraph C13:</p> <ul style="list-style-type: none"> An invoice is not to indicate: <ul style="list-style-type: none"> over-shipment (except as provided in UCP 600 sub-article 30 (b)), or goods, services or performance not called for in the credit. Unless specifically allowed by the credit, any items which are stated to be free of charge are not allowed. This includes additional quantities of goods, services or performance as required by the credit or samples and advertising material. <p>The above provides a workable and transparent approach to the issue.</p>

	<p>It was queried as to whether the discrepancy was valid, and whether an invoice stating goods free of charge was acceptable.</p> <p>No consensus could be obtained on the handling of “free of charge” (FoC) goods.</p>	
3	<p>ISBP 821 paragraph C9 <i>Reference to Incoterms 2010 is outdated.</i></p> <p>Now published as Incoterms 2020.</p>	<p>CONCLUSION: REVISED WORDING</p> <p>When a trade term is stated as part of the goods description in the credit, an invoice is to indicate exactly that trade term, and when the source of the trade term is stated, the same source is to be indicated. For example, a trade term indicated in a credit as “CIF Singapore Incoterms 2010 2020” is not to be indicated on an invoice as “CIF Singapore” or “CIF Singapore Incoterms”. However, when a trade term is stated in the credit as “CIF Singapore” or “CIF Singapore Incoterms”, it may also be indicated on an invoice as “CIF Singapore Incoterms 2010 2020” or any other revision.</p> <p>Ensures current applicability.</p>
	MULTIMODAL TRANSPORT	COMMENT
1	<p>Finetuning ISBP 821 paragraph D7 - It has been observed that some banks apply an incorrect interpretation to ISBP 821 paragraph D7. The wording “a multimodal transport document is to indicate a dated on board notation” may be interpreted (wrongly) to enforce stricter requirements than is outlined in ISBP 821 paragraphs E6 (b), (c) & (d).</p>	<p>CONCLUSION: It should be explored if it is possible to clarify ISBP 821 paragraph D7 so that the practice is more fully aligned with that reflected in ISBP 821 paragraphs E6 (b), (c) & (d).</p>
2	<p>Multimodal transports where the main transport leg is by air.</p> <p>It has been observed that there are documentary credits that, for example require the following transport route:</p> <p><i>44E Port of loading/Airport of Departure: Any airport and/or Seaport in Europe</i></p> <p><i>44F Port of discharge/Airport of destination: Any airport or seaport in Egypt</i></p> <p><i>44B Place of final destination/For transportation onto.../Place of delivery: [company name XXXX] warehouse</i></p>	<p>CONCLUSION: It should be explored if ISBP 821 section D can be expanded to cater for the relevant air transport practice when the main leg of the transport is by air – reference D1 (c)..</p>

	<p>According to ISBP 821 paragraph D1 (c), UCP 600 article 19 is to be applied in the examination of that document, and ISBP 821 section D would determine the applicable practice.</p> <p>If an air waybill is presented, this may cause unexpected issues, as ISBP 821 section C does not reflect the air transport practice that is reflected in ISBP 821 section H.</p> <p>This issue may also have an impact of ISBP 821 paragraph D1 (c).</p>	
3	Draft Opinion TA935 - ISBP 821 paragraph E8 (b) notation evidencing that the port of discharge is that stated under "Place of final destination" or words of similar effect."	CONCLUSION: To be considered for update.
	BILL OF LADING	COMMENT
1	Determining the applicable transport article - paragraph D1 (c) is also (perhaps primarily) relevant for a Bill of Lading.	CONCLUSION: Recommended that the equivalent be added to ISBP section E.
2	Cities mentioned as airports - this issue has been addressed in draft Opinion TA937 but is also relevant for bills of lading according to UCP 600 article 20.	CONCLUSION: Recommended to be aligned with ICC Opinion TA937 in respect of airports mentioned (only) as cities.
3	D17 - consider clear clarification that when a credit requires a (multimodal) bill of lading consigned "to order" of a named entity, whether a bill of lading issued "to order" or to order of another entity and then endorsed to the order of that entity stated in the credit is acceptable.	CONCLUSION: To be considered for update, and potential applicability to E13 and G12.
	NON-NEGOTIABLE SEA WAYBILL	COMMENT
1	Determining the applicable transport article - paragraph D1 (c) is also relevant for a non-negotiable Sea Waybill.	CONCLUSION: Recommended that the equivalent be added to ISBP section F.
2	Original NNSWB - many issues relating to the non-negotiable sea waybill are around originality, as it is common practice to only issue sea waybills as PDF documents.	CONCLUSION: It should be explored if paragraph F10 can be expanded to cover more acceptable scenarios without contradicting UCP 600 sub-article 21 (a) (iv).
3	Cities mentioned as airports - this issue has been addressed in draft Opinion TA937 but is also relevant	CONCLUSION: Recommended to be aligned with ICC Opinion TA937 in respect of airports mentioned (only) as cities.

	for non-negotiable sea waybills according to UCP 600 article 21.	
	CHARTER PARTY BILL OF LADING	COMMENT
	NO ISSUES	
	AIR TRANSPORT	COMMENT
1	Cities mentioned as airports - this issue has been addressed in draft Opinion TA937.	CONCLUSION: Recommended to be aligned with ICC Opinion TA937 in respect of airports mentioned (only) as cities. Also consider for other transport documents, e.g., Bills of Lading and Sea Waybills.
	ROAD, RAIL OR INLAND WATERWAY	COMMENT
1	Explore if section J should be split into 3 separate sections. For example, in recent times, virtually no actual practice exists in respect of Inland Waterway transport documents.	CONCLUSION: ISBP 821 section J to be re-appraised.
	INSURANCE	COMMENT
	NO ISSUES	
	CERTIFICATE OF ORIGIN	COMMENT
1	ICC Opinion R816 / TA772 - appeared to be an intention of the issuer of the certificate to refer to the information in the box titled "observations" as an indication of the origin of the goods. However, this box merely referred to the entity that had produced the goods. While the country of the producer may be a criterion in establishing the origin of the goods, it does not necessarily equate to the country of origin.	CONCLUSION: Add new paragraph under "Basic requirement and fulfilling its function".

	PACKING LIST	COMMENT
1	<p>Add a general statement relative to: Any indication relative to the goods packaging/packing will fulfill the function of a packing list. For example, when a LC calls for goods to be packed in sacks/bags and the P/L notes the number of pallets versus the number of bags, this does not represent a conflict. Additionally, having a statement that goods are shipped “in bulk” is sufficient.</p> <p>Any review to include the question of containerisation, and consider circumstances wherein a credit is silent regarding the way goods are to be packed.</p>	<p>CONCLUSION: Add new paragraph under “Content of a packing list”.</p> <p>Consider adding 'or "loose" or "loose in container" or the like'.</p>
	WEIGHT LIST	COMMENT
	NO ISSUES	
	BENEFICIARY’S CERTIFICATE	COMMENT
	NO ISSUES	
	CERTIFICATES	COMMENT
	NO ISSUES	
	GENERAL ISSUES	COMMENT
1	<p>Pressure on document examiners to find “discrepancies”.</p> <p>It is acknowledged that this problem exists, which emphasises the critical need for the ISBP publication to be easily accessible. Whilst most LC practitioners have a copy of UCP 600, this is not the case for the ISBP.</p> <p>The ISBP needs to be more widely available to the market; in order for this to happen, attention must be focused on affordable pricing.</p>	<p>PRIORITY CONCLUSION: As stated in “Technical Advisory Briefing No. 3 Subject: Reducing discrepancy rates under Documentary Credits”, it is apparent that significant attention should be paid to the distribution of, and guidance in the content of, the ISBP.</p> <p>The question of online access, digital availability, pricing, regular updates in line with Opinions, etc., must be addressed.</p> <p><i>A new dialogue on this issue must be established between the ICC Banking Commission, ICC Paris Secretariat, and ICC Publishing.</i></p> <p>Workshops, seminars and webinars should be considered on the subject of the ISBP by ICC National Committees and by individual members of the ICC Banking Commission.</p>

	Online ICC training sessions/webinars also need to be considered.	HOWEVER, THIS IS NOT AN ISSUE TO BE ADDRESSED BY AN ISBP REVISION – IT IS STRONGLY RECOMMENDED THAT THE ICC BANKING COMMISSION STEERCO ESTABLISH A SEPARATE PROJECT TO COVER THESE ISSUES – TO BE REFERRED TO STEERCO
	DIGITAL ISSUES	COMMENT
1	<p><i>Format of electronic documents</i> eUCP sub-article e7 (c), by placing the risk of failure to specify a format on the issuing bank, follows from eUCP article e5 which provides that an eUCP credit 'must indicate the format of each electronic record'. Article e5 assumes that the issuing bank will designate a format that a bank is able to access. Sub-article e7 (c) so provides, indicating that the failure to indicate a format, or indication of a format that cannot be accessed is not a basis for refusal of the electronic record. This sub-article underlines the importance of giving due consideration in advance to the format to be required in the credit.</p> <p>Reference is made in eUCP to terms that also appear in UCP 600, but have a different meaning when applied to an electronic record presented under an eUCP credit.</p> <p>Definitions in UCP 600 continue to be applicable for eUCP.</p> <p>The eUCP is technology neutral and does not specify the use of any particular format. The format is to be stated in the eUCP credit in a manner that is comprehensible to the presenter.</p>	<p>CONCLUSION: A separate approach for “digital” in, or separate to, ISBP needs to be considered in respect of the below two issues:</p> <ul style="list-style-type: none"> • Where not defined or modified in the current version of eUCP, definitions given in UCP 600 will continue to apply. • In respect of a credit subject to the current version of eUCP, the applicant and beneficiary should also ensure that any eUCP credit (or amendment thereof) indicate the required format of each electronic record. If the format of an electronic record is not indicated, it may be presented in any format.
2	<p><i>Electronic Documents</i> Under the eUCP Version 2.1, an electronic record means data created, generated, sent, communicated, received or stored by electronic means, including where appropriate, all information logically associated with or otherwise linked together so as to become part</p>	<p>CONCLUSION: A separate approach for “digital” in, or separate to, ISBP needs to be considered in respect of the below two issues:</p> <ul style="list-style-type: none"> • Should the involved parties consider it to be of benefit to allow for emailed presentations and file attachments, the ideal solution is for any relevant credits to be issued subject to the current version of eUCP. The UCP 600, although being invaluable in a paper world, provides limited protection when applied to emailed presentations. Usage of the eUCP extends the mitigation of risk from a paper environment to one that is electronic, whilst

	<p>of the record, whether generated contemporaneously or not, that is (a) capable of being authenticated as to the apparent identity of a sender and the apparent source of the data contained in it, and as to whether it has remained complete and unaltered, and (b) capable of being examined for compliance with the terms and conditions of the eUCP credit.</p> <p>As mentioned under article e1, the intent of the eUCP rules is that they function by reference to UCP 600, and do not stand as a set of self-contained rules, such as ISP98 or URDG 758. Sub-article e2 (a) provides that there is no need to expressly incorporate UCP 600 within an eUCP credit. Such credits are automatically also subject to UCP 600.</p> <p>As used throughout UCP 600, the term ‘document’ suggests format in a paper medium. Unless specifically allowed under the terms and conditions of a UCP 600 credit, it is expected that all presentations under such a credit be in a paper format.</p> <p>Under eUCP Version 2.1 sub-article e3 (a) (ii), the term ‘document’ shall include an electronic record.</p>	<p>explicitly and unambiguously supporting the usage of electronic file attachments and scanned images, as well as electronic records.</p> <ul style="list-style-type: none"> • Credits that require presentation of electronic documents should be issued subject to the current version of eUCP with the wording of the credit stating the required format of the electronic document, with an additional condition that if the electronic document is presented in a paper format, any caveats/notations that are added to the paper document, e.g., “print without legal value”, are acceptable. If any exceptions are required, these must be stated separately in the credit. <p>Based upon Digital Commercialisation Briefing Paper No. 1.</p> <p>The mode of presentation to the nominated bank, confirming bank, if any, or the issuing bank, by or on behalf of the beneficiary, of electronic records alone or in combination with paper documents, is outside the scope of the eUCP. Nevertheless, it is a practice that requires a clarifying reference.</p> <p>Question whether an email and/or attachment needs to be authenticated.</p> <p>Refer also suggested new General Principle below: “Email presentations and file attachments”</p>
<p>3</p>	<p>Digital Commercialisation Briefing Paper No. 1 Subject: Risk of email presentations and file attachments under Documentary Credits subject to UCP 600</p>	<p>CONCLUSION: A separate approach for “digital” in, or separate to, ISBP needs to be considered in respect of the below issue:</p> <ul style="list-style-type: none"> • The presentation of documents under documentary credits via email should be avoided. However, if such practice is to proceed then, at the minimum, careful note should be taken of the following: <ol style="list-style-type: none"> a. Format of the emails and file attachments to be agreed up-front by all parties to the transaction. b. Availability and maintenance of an appropriate data processing system. c. Updated operational risk management policy. d. Dedicated email addresses and resources. <p>As highlighted in the Briefing Paper, the trade finance industry has seen an increase in the number of documentary credits allowing for email presentations.</p> <p>The delivery of documents by, or on behalf of, a beneficiary is outside the scope of the UCP 600. Nevertheless, it is a practice that requires a clarifying reference. Consideration to be given for addition of examples in bullet (a), e.g. "pdf", "doc(x)"; "xls"; "bat", etc.</p>

4	Presentation of paper document only.	<p>CONCLUSION: Consider clear statement in either Preliminary Considerations or General principles that whenever the credit is subject to UCP 600, as opposed to eUCP, presentation of paper documents is required.</p> <p>Unless expressly allowed by the credit, receipt of the documents by e-mail, e.g., as attachments, or provision of a link to an external source from which the documents may be retrieved or generated and printed does not meet the requirement for presentation of paper documents.</p>
NATIONAL COMMITTEE CONSIDERATION		COMMENT
1	Encourage the use of the MMTD - when drafting UCP 600, the “Transport Document Covering at Least Two Different Modes of Transport” was placed as the first of the transport documents – to encourage the usage of this (more flexible) transport document. Based on industry information, and the queries raised to the ICC, it still appears as if the traditional “port-to-port” bill of lading is the dominant transport document required under documentary credits.	<p>CONCLUSION: It should be explored if it is feasible – within an updated ISBP – to encourage and increase the usage of the “Transport Document Covering at Least Two Different Modes of Transport”.</p>
2	On board notations - ICC Guidance Paper, “Recommendations in respect of the requirements for an on board notation”.	<p>CONCLUSION: Consider if Sections D, E, F & G should be updated to reflect the practices in respect of on board notations (and any other relevant issues) and include a relevant reference to the Guidance Paper.</p>
3	Numbering of a transport document - it has been observed that some banks refuse presentations on the basis that the page with the actual shipping information is numbered as “page 2”. Rationale is that page 2 is generally the page with the terms and conditions and considered as “page 1”. The refusal then (wrongly) states that “page 1 is missing”.	<p>CONCLUSION: Suggested that a paragraph in each applicable section of ISBP address this issue. May only be an issue for CPBL’s.</p>
4	Add a general statement that a bank’s neglecting to immediately add an endorsement to a document such as an insurance policy, transport document, etc., payable to, or consigned to it, may delay but cannot cause non-payment/non-reimbursement under a complying presentation.	<p>CONCLUSION: Whilst not strictly an issue to be covered by the existing scope of ISBP 821 (i.e., examination of documents), this should be addressed in some format. However, this is an issuing bank / applicant issue. Also to consider whether any update should cover endorsements of transport documents and, maybe, insurance document (in more detail). If so, for transport documents, it should include what is becoming quite common - a CPBL that shows the shipper as ABC and the consignee field as “To order” with no endorsement. Effectively, making it a bearer document. The document is then endorsed by DEF in favour of LMN. This would comply, certainly in law.</p>

	In such cases, a bank will have the opportunity to add endorsement, even if the correction occurs after an expiration date.	
5	<p>Presentation indicating “Extend or Pay”: ICC Opinion R869 / TA841rev2 does not provide sufficient guidance on this topic.</p> <p>Suggest inclusion in ISBP and alignment to the ISDGP. This was deliberated upon in the ISBP 745 Opinions review in 2023 and considered not to be an ISBP issue under the current scope. It can be considered by National Committees if approval is given by the SteerCo in April to proceed with a revision.</p>	<p>CONCLUSION: Whilst a presentation which includes a reference to extending a credit or paying the presentation, it should include the expected new expiry date/period. As such, it must be examined for compliance with the terms/conditions of the credit and, if non-compliant, refused in accordance with UCP 600 Article 16; or, if compliant, and the confirming bank and/or issuing bank agree to an extension, such decision must be completed within the maximum days allowed for the examination of a presentation.</p> <p>Consider that this is primarily a standby credit issue which may not be relevant for UCP and ISBP, as it rarely occurs under standby credits subject to UCP. Incorporation in ISBP may lead to misunderstandings whether and to what extent it would apply to "commercial" credits.</p>
6	<p>Add a clause similar to paragraph 143 (additional implications added by a bank) in the ISDGP.</p> <p>No ICC Opinion for UCP 600 and/or ISBP has ever been raised on this issue.</p>	<p>CONCLUSION: Whilst this is a very rare event under a documentary credit subject to UCP 600 and is more suited to ISP98 and Standby Credits, the option should be considered for inclusion in ISBP.</p>
7	<p>Covering Letter Statements - a presenting bank’s covering schedule date is not to be considered as the presentation/receipt date of the presenting bank. In the majority of cases, it is presumed that the presentation is received prior to the covering schedule date. When a covering schedule is dated after the latest permitted date of presentation and/or expiry date, any statement certifying that the terms and conditions have been complied or that documents were presented within validity, etc., will be sufficient evidence of presentation that the presentation occurred within the expiry date and/or last date for presentation.</p> <p><u>Under the current scope, this is not within the remit.</u></p>	<p>CONCLUSION: Consider adding guidance similar to: “When a covering schedule indicates that documents sent on ‘collection’ or ‘approval’ basis, the presentation is still governed by UCP 600. [reference ICC Opinion R537/TA77] However, in instances where the cover letter indicates that the presentation is subject to URC 522, the issuing bank must process the presentation in accordance with URC 522.</p>
8	<p>Document mailing – there are a number of opinions on this topic. Potential to add guidance, e.g.:</p> <ul style="list-style-type: none"> - When silent, documents should be sent in one lot. Less than a full presentation is a discrepancy. - Credits requiring two mailings: the nominated/presenting bank should send the first lot consisting of at least one original of all of the required documents (including any sole original). The second lot will consist of 	<p>CONCLUSION: Although the presentation of documents is not strictly within the current scope of ISBP 821, to be deliberated if such inclusion is warranted.</p> <p>If this type of issue is to be added, it may better be included be in a section at the very end, recognising that it is an event after the examination is concluded.</p>

	<p>all remaining originals if any, and copies of the documents required by the Credit. [reference ICC Opinion R415/TA501]</p> <ul style="list-style-type: none"> - When the beneficiary is forwarding documents directly to the issuing bank, the issuing bank must receive the full presentation (both lots) within the last date of presentation and/or expiry date of the Credit [reference ICC Opinion R787 / TA785rev]. 	