**ICC Global Banking Commission**

**Technical advisors team**

**ISBP 821 – Education Project**

**ISSUE**

It is acknowledged that there is definite demand for the ISBP publication to be made more easily accessible to the market; whilst most documentary credit practitioners have access to UCP, this is often not the case for ISBP. One key approach is to focus on reasonable pricing and effective circulation.

As stated in [“*Technical Advisory Briefing No. 3 Subject: Reducing discrepancy rates under Documentary Credits*”](https://library.iccwbo.org/content/tfb/BRIEFINGS/20220627_TA_Briefing_No3_reducing_discrepancy_rates.pdf), it is apparent that significant attention should be paid to the distribution of, and guidance in, the content of ISBP. The question of online access, digital availability, pricing, regular updates in line with Opinions, etc., must also be addressed. Furthermore, virtual and in-person learning events are considered to be of paramount importance. ISBP is a practical supplement to UCP 600, and a holistic approach to training should be adopted. Given that ISBP is structured around the examination of documents, an activity primarily conducted within banks, the main focus is on banking institutions.

However, it is important to also acknowledge the valuable role that ISBP provides for other parties, thereby helping to significantly reduce the rate of discrepancies on first presentation:

applicants, e.g., by consulting ISBP text to ensure that the correct and appropriate wording is inserted into their LC application forms to avoid any issues of ambiguity;

beneficiaries, e.g., in understanding the type of data that must, may, or need not, be incorporated into the documents they create or have others create on their behalf for a presentation under a credit;

logistics and insurance companies, e.g., in the creation of transport and insurance documents under a credit and the benefit they can derive from the content of ISBP to aid that process.

It is anticipated that the main benefit for the above parties will naturally flow from enhanced performance by the banks. Ultimately, the documentary credit market demands consistency in the examination of documents and in the training of practitioners. Such methodology will improve processing and save costs for all involved.

**MANDATE**

This is not an issue that can be addressed by the proposed ISBP 821 revision. As agreed by the ICC Banking Commission Steering group, a separate project has now been established to examine these issues.

Chair: Dave Meynell

Vice-Chair: Pavel Andrle

Working Group: TA Briefing Team

“Sounding Board”: ICC National Committees

ICC Liaison: Tomasch Kubiak

**EXISTING DOCUMENTARY CREDIT GUIDANCE**

Need to ensure that practitioners are fully aware of current support material, including:

Banking Commission “*Guidance Notes for Documentary Credit Formats*”[[1]](#footnote-2) with guidance in respect of the optimal approach required in order to achieve a straightforward, uncomplicated, documentary credit format.

Technical Advisory Briefing Papers that have been issued on key issues.

Numerous ICC Academy Guidance Papers for documentary credits which are available for download free of charge.

Additionally, for those with access to the ICC Digital Library:

[ICC Opinions](https://library.iccwbo.org/tfb/tfb-iccopinions.htm)

[Guidance Papers](https://library.iccwbo.org/tfb.htm?)

[Digital Commercialisation Briefings](https://library.iccwbo.org/tfb/tfb-commercialisation-briefings.htm)

[DOCDEX Decisions](https://library.iccwbo.org/tfb/tfb-docdex.htm)

**RECOMMENDED ACTION POINT: Banking Commission to initiate a global PR campaign in order to increase visibility and public knowledge.**

**AFFORDABILITY AND ACCESS**

There exists a strong need to consider cost-effective distribution methods in order to ensure ISBP materials are more affordable for users in many markets. This is a crucial issue and may involve subsidising costs, offering discounts, or exploring alternative distribution channels. It has also been highlighted that courier charges incurred in postage can be very high.

One possibility is to offer both UCP and ISBP publications at a single combined reduced price rather than individual pricing for each publication. A further consideration could be a price differential for ICC members and non-members. Nevertheless, it must be kept in mind that, to an extent, certain National Committees rely on publications as a revenue stream.

Simple, lower-priced, online access needs to be tackled thereby avoiding the costly requirement for publishing in a paper format. Options could include an online platform, ICC website, or access digitally through cloud storage. A key issue in this respect is to ensure that National Committees still have access to information concerning the identity of those downloading, thereby allowing follow-up for further dialogue. It also needs to be taken into consideration that a number of practitioners are currently experiencing access problems with electronic versions, and this must be rectified when reviewing distribution methods.

There is also a necessity to recognise the prevalence of mobile devices. Consideration to be given to ISBP materials being accessible through mobile-friendly platforms or apps to reach a broader audience. Obviously, access via such methods needs to be focussed, in order to take account of firewalls, cybersecurity, budget, etc.

**RECOMMENDED ACTION POINT: Banking Commission to draft a proposed approach with the focus of establishing a dialogue with ICC Publishing.**

**TRAINING PROGRAMS**

Initiate training programs and workshops, both virtual and in-person, by ICC National Committees and individual members of the ICC Banking Commission. This will help in educating banks in respect of the significance of adhering to ISBP and should be approached commercially with a fee-based approach. It is essential to initiate a consistent global methodology. It should also be considered that not all National Committees have the requisite internal knowledge – training sessions could also be extended in this direction.

This process can also be enhanced by working in collaboration with local business associations, chambers of commerce, or industry groups.

Develop customised training materials that address the specific needs and challenges faced by businesses in key markets. Tailor the content to resonate with local practices and contexts and work with local experts thereby enhancing visibility and acceptance in the local market. Ensure a set of template presentations / handouts that trainers can utilise. The idea of ISBP is to create standardisation: allowing trainers to express differing views and explanations can undo all the hard work put into a publication such as ISBP.

Collaboration with local institutions: partner with regional banks or regulatory bodies to promote and distribute ISBP. Can include joint training sessions, workshops, and awareness campaigns to educate users about the importance of ISBP in international trade.

There is also potential for the ICC Academy to be involved.

**RECOMMENDED ACTION POINT: Develop as an outcome of the proposed ISBP revision. Consistency in content and approach is essential.**

**ISBP CONTENT**

Incorporate Case Studies and examples either in ISBP or as a potential separate publication: practical case studies and examples to illustrate the application of ISBP principles. Provide real-world scenarios that can help users understand the nuances of document examination – this would provide enormous benefit in understanding the issues covered by the various sections of ISBP. Potentially, these could be included within training materials.

Among further deliberations could be a searchable index, both paper and digital formats, in order to facilitate ease of use.

Consider more user-friendly format, perhaps with flowcharts or visual aids to enhance comprehension. Ensure that the language used is accessible to a wide audience, including those with varying levels of experience in trade finance. In this respect, liaison with ICC partner Coastline Solutions is to be considered.

On a separate supporting issue, it might be optimal to have an on-line facility in place, whereby new Opinion references can be referred to and when they are approved.

**RECOMMENDED ACTION POINT: To be addressed during the ISBP revision process.**

**POST-REVISION**

Run targeted awareness campaigns through various media conduits, including social media, to reach a diverse audience and highlight the benefits of implementing ISBP practices.

Whilst a more long-term objective, consider engaging with Governmental bodies and Central Banks to assimilate ISBP reference and/or content into relevant regulations or guidelines. This could enhance the official recognition and adoption of ISBP within the country's trade practices – “top-down” approach by implementing best practices.

Foster a sense of community engagement by establishing forums or discussion groups. Users can share experiences, ask questions, and learn from each other regarding the application of ISBP – LinkedIn?

Translate ISBP materials into local languages thereby facilating better understanding and adoption of the practices by a broader audience.

Establish a periodic review and revision process to keep ISBP aligned with ICC Opinions and changes in international trade practices and ensure that ISBP is regularly updated to address evolving challenges and opportunities - three-yearly as a guide, but primarily on an “as-required” basis.

**RECOMMENDED ACTION POINT: To be discussed.**

1. [Set of Guidance Papers on Recommended Principles and Usages around UCP 600 - ICC - International Chamber of Commerce (iccwbo.org)](https://iccwbo.org/news-publications/policies-reports/set-of-guidance-papers-on-recommended-principles-and-usages-around-ucp-600/) [↑](#footnote-ref-2)