

ISBP revision – Draft 1 recommendations

Ref	PRELIMINARY CONSIDERATIONS	CHANGE	RATIONALE
1	Sanctions - new Preliminary Consideration (<i>pending Legal Committee review on “non-documentary conditions”</i>)	<i>New Preliminary Consideration:</i> ICC discourages the use of a sanction clause in a credit. <i>Any further wording (or even incorporation) will depend on the content of the Legal Committee review.</i>	Whilst not directly pertinent to document examination, sanctions clauses may have a tangential impact on the examination process. Nevertheless, a final decision will be made upon release of the Legal Committee review.
2	Excessive detail - new Preliminary Consideration	<i>New preliminary consideration:</i> Credits which contain excessive details such as lengthy elements in the description of goods and/or have included terms which only belong in the sale or other 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 stipulated in a credit.	Ensures alignment with the “Guidance Notes for Documentary Credit Formats”. The phrase “ <i>have included terms which only belong in the sale or other contract</i> ” reflects the Guidance Notes and is transparent in intent, i.e., terms relating specifically to the commercial agreement between the buyer and seller and governing the execution of the sale itself.
3	Previously accepted discrepancies – new Preliminary Consideration	<i>New Preliminary Consideration:</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 on any future drawing unless the law of the country applicable to that bank states otherwise.	Alignment with ICC Opinions R332 (TA212), R556 (TA525), and TA936rev. 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.
4	In context with – new Preliminary Consideration	<i>New Preliminary Consideration:</i> 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 content, 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.	Comments have been noted regarding correct interpretation of the text “read in context with” – there appears to be some uncertainty in the market. The wording is consistent with that stated in the “Commentary on UCP 600”.
5	Ambiguity – add to Preliminary Consideration v)	<i>Additional text at end of Preliminary Consideration v):</i> 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.	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.
Ref	GENERAL PRINCIPLES	CHANGE	RATIONALE
1	All documents – new General Principle in A19	<i>Include reference to “all documents” in the opening paragraph of A19, and add new sub-paragraph (h):</i> “all documents” – all documents stipulated 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.	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”.
2	Without delay – new General Principle	<i>New General Principle - Without delay:</i> 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).	Alignment with Technical Advisory Briefing No. 2 - Meaning of “without delay” in UCP 600.
3	Non-documentary conditions - new General Principle in A26	<i>New paragraph at the end of General Principle A26:</i> Issuing banks and applicants should ensure that any term or condition stated in a documentary credit is clearly linked to a stipulated document. Where a non-documentary condition is incorporated into a documentary credit, banks and the beneficiary should pay attention to UCP 600 sub-articles 14 (h) and 14 (d).	Alignment with Technical Advisory Briefing No. 1 - Non-documentary conditions in Documentary Credits subject to UCP 600.
4	Direct presentation - new General Principle	<i>New General Principle - Direct presentation of documents:</i> <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’. 	Alignment with Technical Advisory Briefing No. 9 - Direct presentation of documents to an Issuing Bank under a documentary credit subject to UCP 600.
5	Detailed - new General Principle in A19	<i>Add new sub-paragraph (i):</i> “detailed” – when used in the context of qualifying a document, for example, “detailed Packing List” or “detailed Weight List”, and unless otherwise defined in the credit, it has no meaning and is to be disregarded.	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.
6	Manually – update General Principle A31 (b) and delete “manually”	<i>Update General Principle A31 (b) to read:</i> Copies of documents need not be signed, even when a credit states that all documents are to be manually signed. However, where the credit requires a photocopy or facsimile copy of an	The word “manually” adds nothing to the context. Clarification that where a credit requires a copy of an original document and the original document

		original document and the original document is required to be signed, the copy should show that the original document was signed.	is required to be signed, the copy should show that the original document was signed. Also updated to reflect that a copy will always be a photocopy or facsimile copy. Scanned or re-printed copies are equivalent to a photocopy.
Ref	DRAFTS	CHANGE	RATIONALE
1	Use of drafts – new paragraph	<i>New opening paragraph – Recommendation:</i> Ordinarily, a UCP 600 documentary credit need not require a draft to be presented together with the stipulated documents. Accordingly: 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.	Alignment with the Guidance Paper "Use of Drafts under Documentary Credits". Whilst the ICC cannot mandate market practice, it can make recommendations. Accordingly, the conclusion from the Guidance Paper should be reflected in the ISBP.
2	Requirement for draft – new paragraph	<i>New paragraph B1 c) under "Basic Requirement":</i> 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 treated as a repetition of the details and is to be disregarded.	Alignment with ICC Opinion TA939rev.
3	Endorsement of draft – revise paragraph B15	<i>Update paragraph B15 to read:</i> A draft need not be endorsed, if necessary unless required by the credit.	The existing wording "if necessary" is far too vague and is to be deleted. The emphasis should be on whether or not endorsement is required by the credit.
Ref	INVOICES	CHANGE	RATIONALE
1	Title of invoice – new paragraph	<i>New paragraph C1 c) under "Title of an invoice":</i> 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	Alignment with Technical Advisory Briefing No. 7 - Title of Invoice.

		article 18 still applies. The crucial characteristic is that the content of an invoice must appear to fulfil the function of the required document.	
2	Free of charge – revise paragraph C13	<p><i>Update paragraph C13 to read:</i></p> <p>An invoice is not to indicate:</p> <ul style="list-style-type: none"> a. over-shipment (except as provided in UCP 600 sub-article 30 (b)), or b. goods, services or performance not called for in the credit. <p>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>	This clearly addresses the issue which was raised by withdrawn ICC Opinion TA927rev2, and provides a workable and transparent approach to the issue.
3	Incoterms – update paragraph C9	<p><i>Update paragraph C9 to read:</i></p> <p>When a trade term is stated as part of the goods description in the credit, an invoice is to indicate 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 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 2020” or any other revision.</p>	Alignment with Incoterms 2020.
Ref.	MULTIMODAL TRANSPORT	CHANGE	RATIONALE
1	Update paragraph D7 to ensure alignment with paragraphs E6 (b), (c) & (d)	<p><i>Update paragraph D7 to read:</i></p> <p>When a credit requires shipment to commence from a port, i.e., when the first leg of the journey, as required by the credit, is by sea, a multimodal transport document is to indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit and paragraphs E6) (a-d) and (h) apply.</p>	Greater emphasis that paragraphs E6 (a-d) and (h) provide the parameters.
2	Main transport leg by air – revise section D	<p><i>National Committee comment:</i></p> <p>Multimodal transports where the main transport leg is by air - 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>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 D does not reflect the air transport practice that is reflected in ISBP 821 section H.</p>	<p>Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required?</p> <p>Suggestion:</p> <p>Add a paragraph to section D covering the issue (i.e., when an AWB is presented and to be examined subject to article 19) – and making references to the relevant paragraphs from section H. If this is the case, what are the <u>exact</u> text updates required, if any?</p> <p>Or, should it be stated that if the credit requires air transport document for the air transport mode option, the indication of a place of final destination / place of delivery in the credit shall be disregarded and a transport document subject to UCP 600 article 23 is deemed to be required.</p>

3	Port of discharge – revise paragraph E8 (b)	<i>Alignment with ICC Opinion TA935rev2</i> Does the content of this Opinion necessitate an update to paragraph E8 (b) or is the paragraph already in alignment?	Feedback is sought on this issue – is update actually needed, or does paragraph E8 (b) already align with TA935rev2? Initial feedback, although not unanimous, indicates that no update required. If update is required, which specific changes are necessary?
Ref.	BILL OF LADING	CHANGE	RATIONALE
1	Paragraph D1 (c) also applicable for Bills of Lading	<i>Determining the applicable transport article</i> Paragraph D1 (c) is also (perhaps primarily) relevant for a Bill of Lading?	Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required? Refer MMTD ref 2 above.
2	Cities mentioned as airports – applicability for Bills of Lading?	<i>Alignment with ICC Opinion TA937</i> ISBP paragraph H11 (Airports of departure and destination) - When a credit indicates a geographical area or range of airports of departure or destination (for example, “Any Chinese Airport” or “Shanghai, Beijing, Guangzhou airport”), an air transport document is to indicate the actual airport of departure or destination, which is to be within that geographical area or range of airports. An air transport document need not indicate the geographical area.	Feedback is sought on this issue – is it relevant or not? If so, which exact updates are required?
3	Applicability of paragraph D17	<i>Expansion of existing text</i> Consider 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.	Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required? If changes required, are they also relevant to paragraphs E13 and G12?
Ref.	NON-NEGOTIABLE SEA WAYBILL	CHANGE	RATIONALE
1	Paragraph D1 (c) also applicable for NNSWB	<i>Determining the applicable transport article</i> Paragraph D1 (c) is also relevant for NNSWB?	Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required?
2	Original NNSWB	<i>National Committee comment:</i> 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. Expand paragraph F10 to cover more acceptable scenarios without contradicting UCP 600 sub-article 21 (a) (iv).	Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required? Suggestion: To be added in order to reflect transport practice. Perhaps with a definition / application similar to / in in with sub-article 24 (b) (iii).

			The <u>majority</u> counter viewpoint is that this is irrelevant in that UCP 600 credits require paper documents. There are principles of originality, which are to be followed. If the document, however issued or transmitted to the shipper, fulfils these principles, it is an original, if not, it is not an original. There is no need to add anything more to that, this principle is valid for ALL documents.
3	Cities mentioned as airports – applicability for NNSWB?	<i>Refer Bill of Lading Ref. 2 above</i> Alignment with ICC Opinion TA937	Feedback is sought on this issue – is it relevant or not? If so, which specific changes are required?
Ref.	AIR TRANSPORT	CHANGE	RATIONALE
1	Cities mentioned as airports – applicability for Air Transport	<i>Refer Bill of Lading Ref. 2 above</i> Alignment with ICC Opinion TA937 in respect of airports mentioned (only) as cities.	Feedback is sought on this issue – is paragraph H11 already sufficiently aligned? If not, which specific changes are required?
Ref.	ROAD, RAIL OR INLAND WATERWAY	CHANGE	RATIONALE
1	Update to three sections, i.e. differentiate between road, rail and inland waterway	<i>Should section J be split?</i> For example, in recent times, virtually no actual practice exists in respect of Inland Waterway transport documents.	Feedback is sought on this issue – is this worthwhile or not? If so, which specific changes are required?
Ref.	CERTIFICATE OF ORIGIN	CHANGE	RATIONALE
1	New paragraph under “Basic requirement and fulfilling its function”	<i>National Committee comment:</i> 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.	Feedback is sought on this issue – is it relevant or not? Market practice appears to indicate this is not a problem. If relevant, which specific changes are required?
Ref.	PACKING LIST	CHANGE	RATIONALE
1	Add new paragraph under “Content of a packing list”	<i>National Committee comment:</i> Add a general statement mentioning that any indication relative to the goods packaging/packing will fulfil the function of a packing list. For example, when a credit calls for	Feedback is sought on these issues – are they relevant or not?

		goods to be packed in sacks/bags and the packing list 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. Consider adding 'or "loose" or "loose in container" or the like'. Any review to include the question of containerisation, and consider circumstances wherein a credit is silent regarding the way goods are to be packed.	If so, which specific changes are required?
Ref.	DIGITAL ISSUES	CHANGE	RATIONALE
1	Format	<i>Digital issues not to be included in the revision.</i> Unlike ICC rules such as UCP/eUCP, the ISBP should be reactive not proactive.	No current market practice exists for eUCP processes, therefore digital should not be included in ISBP at this stage.
2	Electronic documents	<i>Digital issues not to be included in the revision.</i> Unlike ICC rules such as UCP/eUCP, the ISBP should be reactive not proactive.	No current market practice exists for eUCP processes, therefore digital should not be included in ISBP at this stage.
3	Email and attachments	<i>Digital issues not to be included in the revision.</i> Unlike ICC rules such as UCP/eUCP, the ISBP should be reactive not proactive.	No current market practice exists for eUCP processes, therefore digital should not be included in ISBP at this stage.
4	Presentation of paper	<i>Digital issues not to be included in the revision.</i> Unlike ICC rules such as UCP/eUCP, the ISBP should be reactive not proactive.	No current market practice exists for eUCP processes, therefore digital should not be included in ISBP at this stage.
Ref.	NATIONAL COMMITTEE CONSIDERATION	CHANGE	RATIONALE
1	Encourage and increase the usage of Multimodal Transport Documents	<i>National Committee comment:</i> 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.	Feedback is sought on this issue – is it relevant or is it a marketing / adoption / training issue? If to be included in ISBP, which specific changes are required? Strongly recommended that this is not an ISBP issue, but one of education.
2	On board notations - ICC Guidance Paper, “Recommendations in respect of the requirements for an on-board notation”.	<i>National Committee comment:</i> 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.	Feedback is sought on this issue – is it relevant or not? Is this really an ISBP issue or should it be addressed elsewhere? ISBP would not be the optimal location. Initial <i>majority</i> agreement that this is not relevant. If relevant, which specific changes are required?
3	Numbering of a transport document	<i>National Committee comment:</i>	Feedback is sought on this issue – is it relevant or not?

		<p>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”. Reasoning 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> <p>Suggested that a paragraph in each applicable section of ISBP address this issue.</p>	<p>Market practice indicates that this should not be necessary.</p> <p>If relevant, which specific changes are required?</p>
4	<p>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>	<p><i>National Committee comment:</i></p> <p>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.</p> <p>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>	<p>Feedback is sought on this issue – is it relevant or not? Is this actually an ISBP issue?</p> <p>Initial <i>majority</i> feedback is that this is not relevant.</p> <p>If relevant, which specific changes are required?</p>
5	<p>Presentation indicating “Extend or Pay”: ICC Opinion R869 / TA841rev2 does not provide sufficient guidance on this topic.</p>	<p><i>National Committee comment:</i></p> <p>Suggest inclusion in ISBP and alignment to the ISDGP. This was deliberated upon in the ISBP 745 Opinions review in 2023 and, at that stage, considered not to be an ISBP issue under the current scope.</p> <p>A presentation, which includes a reference to extending a credit or paying the presentation, 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>	<p>Feedback is sought on this issue – is it relevant or not?</p> <p>Strongly recommended not to include; it is more a Standby issue.</p> <p>If relevant, which specific changes are required?</p>
6	<p>Add a clause similar to paragraph 143 (additional implications added by a bank) in the ISDGP.</p>	<p><i>National Committee comment:</i></p> <p>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 could be considered for inclusion in ISBP.</p>	<p>No ICC Opinion for UCP 600 and/or ISBP has ever been raised on this topic. Feedback is sought – is it relevant or not?</p> <p>Strongly recommended not to include; it is more a Standby issue.</p> <p>If relevant, which specific changes are required?</p>

7	Covering letter statements	<p><i>National Committee comment:</i></p> <p>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>Under the current mandate, this is not within scope. Feedback is sought on this issue – is it relevant or not?</p> <p>Strongly recommended not to include as it goes beyond ISBP principles.</p> <p>Or, would it make more sense to cover this in a future Technical Advisory Briefing together with issue 8 below – document mailing?</p> <p>If so, which specific changes are required?</p>
8	Document mailing	<p><i>National Committee comment:</i></p> <p>There are a number of opinions on this topic. Potential to add guidance, e.g., “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 all remaining originals if any, and copies of the documents required by the credit.” [reference ICC Opinion R415/TA501]; “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].</p>	<p>Although the presentation of documents is not strictly within the current scope of ISBP 821, it should be deliberated if such inclusion is warranted.</p> <p>If this type of issue is to be added, it may better be included in a section at the very end, recognising that it is an event after the examination is concluded.</p> <p>Or, would it make more sense to cover this in a future Technical Advisory Briefing – refer above, issue 7 – covering letter statements?</p> <p>Feedback is sought on this issue – is it relevant or not?</p> <p>If relevant, which specific changes are required?</p>