

LAMPIRAN



مجلس الشريعة الإسلامية
السنن

DEWAN SYARIAH NASIONAL MUI

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FATWA

DEWAN SYARIAH NASIONAL

Nomor: 34/DSN-MUI/IX/2002

Tentang

LETTER OF CREDIT (L/C) IMPOR SYARIAH

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Dewan Syariah Nasional setelah,

- Menimbang :
- bahwa salah satu bentuk jasa perbankan adalah memberikan fasilitas transaksi impor yang dilakukan oleh nasabah, yang dikenal dengan istilah *Letter of Credit (L/C)* Impor;
 - bahwa transaksi L/C Impor yang berlaku selama ini belum sesuai dengan ketentuan syariah;
 - bahwa agar mekanisme transaksi L/C Impor tersebut dilakukan sesuai dengan prinsip-prinsip syari'ah, Dewan Syariah Nasional memandang perlu menetapkan fatwa mengenai hal tersebut untuk dijadikan pedoman.

Mengingat :

1. Firman Allah, QS. An-Nisa [4] : 29 :

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالِكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ...

"Hai orang yang beriman, janganlah kamu memakan harta saudaramu dengan cara yang bathil, kecuali dengan cara perniagaan yang saling rela di antara kalian ..."

2. Firman Allah, QS. Al-Maidah [5]: 1

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ ...

"Hai orang yang beriman, penuhilah akad-akad itu..."

3. Firman Allah, QS Al Kahfi [18]: 19

فَابْعَثُوا أَحَدَكُمْ بِوَرِقِكُمْ هَذِهِ إِلَى الْمَدِينَةِ فَلْيَنْظُرْ أَيُّهَا أَزْكَى طَعَامًا فَلْيَأْتِكُمْ بِرِزْقٍ مِنْهُ وَلْيَتَلَطَّفْ وَلَا يُشْعِرَنَّ بِكُمْ أَحَدًا

(الكهف: ١٩)

"Maka suruhlah salah seorang di antara kamu pergi ke kota dengan membawa uang perakmu ini. Dan hendaklah ia lihat manakah makanan yang lebih baik, maka hendaklah ia membawa makanan yang lebih baik bagimu, dan hendaklah ia berlaku lemah lembut, dan

janganlah sekali-kali menceritakan halmu kepada seseorangpun “.

4. Firman Allah, QS . Yusuf [12]: 55

قَالَ اجْعَلْنِي عَلَى خَزَائِنِ الْأَرْضِ إِنِّي حَفِيظٌ عَلَيْكُمْ.

“ Jadikanlah aku bendaharawan negara (Mesir). Sesungguhnya aku adalah orang yang pandai menjaga lagi berpengalaman “.

5. Firman Allah, QS . Al Baqarah [2]: 283

فَإِنْ أَمِنَ بَعْضُكُم بَعْضًا فَلْيُؤَدِّ الَّذِي أُؤْتِمِنَ أَمَانَتَهُ وَلْيَتَّقِ اللَّهَ رَبَّهُ... (البقرة: ٢٨٣)

“ ... Maka jika sebagian kamu mempercayai sebagian yang lain, hendaklah yang dipercayai itu menunaikan amanatnya dan hendaklah ia bertaqwa kepada Allah Tuhannya...”.

6. Firman Allah, QS. Al Qashash [28]: 26

قَالَتْ احْدَاهُمَا يَا أَبْتِ اسْتَجِرْهُ إِنَّ خَيْرَ مَنِ اسْتَأْجَرْتَ الْقَوِيُّ الْأَمِينُ (القصص: ٢٦)

" Salah seorang dari kedua wanita itu berkata : Hai ayahku ambillah ia sebagai orang yang bekerja (pada kita), karena sesungguhnya orang yang paling baik kamu ambil untuk bekerja (pada kita) adalah orang yang kuat lagi dipercaya “.

7. Firman Allah SWT, QS. Yusuf [12]: 72

قَالُوا نَفَقْدُ صَوَاعَ الْمَلِكِ وَلِمَنْ جَاءَ بِهِ حِمْلُ بَعِيرٍ وَأَنَا بِهِ زَعِيمٌ

“ Penyeru-penyeru itu berseru : Kami kehilangan piala raja, dan barangsiapa yang dapat mengembalikannya, akan memperoleh bahan makanan (seberat) beban unta, dan aku menjamin terhadapnya “.

8. Firman Allah SWT, QS. Al-Baqarah [2]: 275

...وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا... (البقرة: ٢٧٥)

“...Allah menghalalkan jual-beli dan mengharamkan riba...”

9. Firman Allah SWT, QS. Shad [38]: 24

وَإِنَّ كَثِيرًا مِنَ الْخُلَطَاءِ لَيَبْغِي بَعْضُهُمْ عَلَى بَعْضٍ إِلَّا الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ وَقَلِيلٌ مَا هُمْ... (ص: ٢٤)

“...Dan sesungguhnya kebanyakan dari orang-orang

yang bersyarikat itu sebagian dari mereka berbuat zalim kepada yang lain, kecuali orang yang beriman dan mengerjakan amal saleh, dan amat sedikitlah mereka ini ...”.

10. Hadis Nabi SAW riwayat al-Thabrani dari Ibn Abbas:

كَانَ سَيِّدُنَا الْعَبَّاسُ بْنُ عَبْدِ الْمُطَّلِبِ إِذَا دَفَعَ الْمَالَ مُضَارَبَةً اشْتَرَطَ عَلَى صَاحِبِهِ أَنْ لَا يَسْلُكَ بِهِ بَحْرًا وَلَا يَنْزِلَ بِهِ وَادِيًا وَلَا يَشْتَرِي بِهِ دَابَّةً ذَاتَ كَبِدٍ رَطْبَةٍ، فَإِنْ فَعَلَ ذَلِكَ ضَمِنَ. فَبَلَغَ شَرْطُهُ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَأَجَازَهُ (رواه الطبراني في الأوسط)

Abbas bin Abdul Muthallib jika menyerahkan harta sebagai Mudharabah ia mensyaratkan kepada mudharibnya agar tidak mengarungi lautan dan tidak menuruni lembah, serta tidak membeli hewan ternak. Jika persyaratan itu dilanggar, ia (mudharib) harus menanggung risikonya. Ketika persyaratan yang ditetapkan Abbas itu didengar Rasulullah, beliau membolehkannya.

11. Hadis Nabi SAW riwayat Ibnu Majah dari Shuhaib

أَنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ: ثَلَاثٌ فِيهِنَّ الْبُرْكَاءُ : اللَّبْيْعُ إِلَى أَجَلٍ، وَالْمُقَارَضَةُ، وَخَلْطُ الْبُرِّ بِالشَّعِيرِ لِلْبَيْتِ لَا لِلْبَيْعِ (رواه ابن ماجه)

Nabi bersabda: Ada tiga hal yang mengandung berkah: jual beli tidak secara tunai, muqaradhah (mudharabah), dan mencampur gandum halus dengan jewawut (gandum kasar) untuk keperluan rumah tangga, bukan untuk dijual.

12. Hadis Nabi riwayat 'Abd ar-Razzaq dari Abu Hurairah dan Abu Sa'id al-Khudri, Nabi s.a.w. bersabda:

مَنْ اسْتَأْجَرَ أَجِيرًا فَلْيَعْلَمْهُ أَجْرَهُ.

Barang siapa mempekerjakan pekerja, beritahukanlah upahnya.

13. Hadis Nabi riwayat Abu Dawud dan Al-Tirmidzi:

أَنَّ الرَّسُولَ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ دَفَعَ دِينَارًا إِلَى حَكِيمِ بْنِ حَزَامٍ لِيَشْتَرِيَ لَهُ بِهِ أُضْحِيَّةً (رواه أبو داود والترمذي)

Nabi s.a.w. menyerahkan satu dinar kepada Hakim bin Hizam untuk membeli hewan qurban.

14. Hadits riwayat Tirmidzi dari 'Amr bin 'Auf al-Muzani,

Nabi s.a.w. bersabda:

الْصُّلْحُ جَائِزٌ بَيْنَ الْمُسْلِمِينَ إِلَّا صُلْحًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا وَالْمُسْلِمُونَ عَلَى شُرُوطِهِمْ إِلَّا شَرْطًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا.

“Perjanjian boleh dilakukan di antara kaum muslimin kecuali perjanjian yang mengharamkan yang halal atau menghalalkan yang haram; dan kaum muslimin terikat dengan syarat-syarat mereka kecuali syarat yang mengharamkan yang halal atau menghalalkan yang haram.”

15. Kaidah Fiqih:

الْأَصْلُ فِي الْمَعَامَلَاتِ الْإِبَاحَةُ إِلَّا أَنْ يَدُلَّ دَلِيلٌ عَلَى تَحْرِيمِهَا.

“Pada dasarnya, segala bentuk mu’amalat boleh dilakukan kecuali ada dalil yang mengharamkannya.”

أَيْنَمَا وَجَدْتَ الْمَصْلَحَةَ فَتَمَّ حُكْمُ اللَّهِ.

“Di mana terdapat kemaslahatan, di sana terdapat hukum Allah.”

الْمَشَقَّةُ تَجْلِبُ التَّيْسِيرَ

“Kesulitan dapat menarik kemudahan.”

الْحَاجَةُ قَدْ تَنْزِلُ مِنْزِلَةَ الضَّرُورَةِ

“Keperluan dapat menduduki posisi darurat.”

الْثَّابِتُ بِالْعُرْفِ كَالثَّابِتِ بِالشَّرْعِ

“Sesuatu yang berlaku berdasarkan adat kebiasaan sama dengan sesuatu yang berlaku berdasarkan syara’ (selama tidak bertentangan dengan syari’at).”

Memperhatikan : 1. Pendapat ulama tentang Wakalah bil-Ujrah

تَصِحُّ الْوَكَالَةُ بِأَجْرٍ وَبِغَيْرِ أَجْرٍ، لِأَنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ كَانَ يَبْعَثُ عُمَّالَهُ لِقَبْضِ الصَّدَقَاتِ وَيَجْعَلُ لَهُمْ عُمُولَةً... وَإِذَا كَانَتِ الْوَكَالَةُ بِأَجْرٍ أَيْ (يَجْعَلُ) فَحُكْمُهَا حَكْمُ الْإِجَارَاتِ.

Ibnu Qudamah dalam *Al-Mughni* (V/85), Asy-Syarkhasi dalam *Takmilah Fathul Qadir* (VI/2), Wahbah Al-Zuhaili dalam *al-Fiqh al-Islami wa Adillatuhu* (V/4058)

2. Pendapat ulama bahwa biaya dan ongkos yang dikeluarkan untuk memperoleh barang diperhitungkan sebagai harga perolehan barang (dimasukkan dalam komponen modal). Wahbah Al-Zuhaili dalam *al-Fiqh al-Islami wa Adillatuhu* (V/3771) berkata:

وَأَمَّا مَا يَلْحَقُ بِرَأْسِ الْمَالِ فَهُوَ كُلُّ نَفَقَةٍ أُنْفِقَتْ عَلَى السَّلْعَةِ وَأَوْجِبَتْ زِيَادَةً فِي الْمَعْقُودِ عَلَيْهِ سِوَاءَ فِي الْعَيْنِ أَوْ فِي الْقِيَمَةِ وَكَانَ ذَلِكَ مُعْتَادًا لِإِلْحَاقِهِ بِرَأْسِ الْمَالِ عِنْدَ التُّجَّارِ... اِعْتِبَارًا لِلْعُرْفِ وَالْعَرَفُ حُجَّةٌ لِمَا وَرَدَ مِنَ الْاَثَرِ: مَا رَأَهُ الْمُسْلِمُونَ حَسَنًا فَهُوَ عِنْدَ اللَّهِ حَسَنٌ.

3. Fatwa-fatwa DSN-MUI mengenai Ijarah, Qardh, Murabahah, Salam/Istishna', Mudharabah, Musyarakah, dan Hawalah
4. Surat Direksi BMI Nomor 150/BMI/FSG/VII/2002 tanggal 11 Juli 2002 perihal permohonan fatwa tentang Skema Transaksi LC Impor dan LC Ekspor.
5. Pendapat peserta Rapat Pleno DSN-MUI tanggal 14 September 2002/ 7 Rajab 1423 H.

MEMUTUSKAN

Menetapkan : **FATWA TENTANG L/C IMPOR SYARIAH**

Pertama : **Ketentuan Umum**

1. *Letter of Credit* (L/C) Impor Syariah adalah surat pernyataan akan membayar kepada Eksportir yang diterbitkan oleh Bank untuk kepentingan Importir dengan pemenuhan persyaratan tertentu sesuai dengan prinsip syariah
2. L/C Impor Syariah dalam pelaksanaannya menggunakan akad-akad: Wakalah bil Ujrah, Qardh, Murabahah, Salam/Istishna', Mudharabah, Musyarakah, dan Hawalah.

Kedua : **Ketentuan Akad**

Akad untuk L/C Impor yang sesuai dengan syariah dapat digunakan beberapa bentuk:

1. Akad Wakalah bil Ujrah dengan ketentuan:
 - a. Importir harus memiliki dana pada bank sebesar harga pembayaran barang yang diimpor;
 - b. Importir dan Bank melakukan akad Wakalah bil Ujrah untuk pengurusan dokumen-dokumen transaksi impor;
 - c. Besar ujrah harus disepakati di awal dan dinyatakan dalam bentuk nominal, bukan dalam bentuk

prosentase.

2. Akad Wakalah bil Ujrah dan Qardh dengan ketentuan:
 - a. Importir tidak memiliki dana cukup pada bank untuk pembayaran harga barang yang diimpor;
 - b. Importir dan Bank melakukan akad Wakalah bil Ujrah untuk pengurusan dokumen-dokumen transaksi impor;
 - c. Besar ujarah harus disepakati di awal dan dinyatakan dalam bentuk nominal, bukan dalam bentuk prosentase;
 - d. Bank memberikan dana talangan (qardh) kepada importir untuk pelunasan pembayaran barang impor.
3. Akad Murabahah dengan ketentuan:
 - a. Bank bertindak selaku pembeli yang mewakilkan kepada importir untuk melakukan transaksi dengan eksportir;
 - b. Pengurusan dokumen dan pembayaran dilakukan oleh bank saat dokumen diterima (*at sight*) dan/atau tangguh sampai dengan jatuh tempo (*usance*);
 - c. Bank menjual barang secara murabahah kepada importir, baik dengan pembayaran tunai maupun cicilan.
 - d. Biaya-biaya yang dikeluarkan oleh bank akan diperhitungkan sebagai harga perolehan barang.
4. Akad Salam/Istishna'dan Murabahah, dengan ketentuan:
 - a. Bank melakukan akad Salam atau Istishna' dengan mewakilkan kepada importir untuk melakukan transaksi tersebut.
 - b. Pengurusan dokumen dan pembayaran dilakukan oleh bank;
 - c. Bank menjual barang secara murabahah kepada importir, baik dengan pembayaran tunai maupun cicilan.
 - d. Biaya-biaya yang dikeluarkan oleh bank akan diperhitungkan sebagai harga perolehan barang.
5. Akad Wakalah bil Ujrah dan Mudharabah, dengan ketentuan:
 - a. Nasabah melakukan akad wakalah bil ujarah kepada bank untuk melakukan pengurusan dokumen dan pembayaran.
 - b. Bank dan importir melakukan akad Mudharabah, dimana bank bertindak selaku shahibul mal menyerahkan modal kepada importir sebesar harga barang yang diimpor
6. Akad Musyarakah dengan ketentuan:

Bank dan importir melakukan akad Musyarakah, dimana keduanya menyertakan modal untuk melakukan kegiatan

impor barang.

7. Dalam hal pengiriman barang telah terjadi, sedangkan pembayaran belum dilakukan, akad yang digunakan adalah:

Alternatif 1:

Wakalah bil Ujrah dan Qardh dengan ketentuan:

- Importir tidak memiliki dana cukup pada bank untuk pembayaran harga barang yang diimpor;
- Importir dan Bank melakukan akad Wakalah bil Ujrah untuk pengurusan dokumen-dokumen transaksi impor;
- Besar ujarah harus disepakati di awal dan dinyatakan dalam bentuk nominal, bukan dalam bentuk prosentase;
- Bank memberikan dana talangan (qardh) kepada nasabah untuk pelunasan pembayaran barang impor

Alternatif 2:

Wakalah bil Ujrah dan Hawalah dengan ketentuan:

- Importir tidak memiliki dana cukup pada bank untuk pembayaran harga barang yang diimpor;
- Importir dan Bank melakukan akad Wakalah untuk pengurusan dokumen-dokumen transaksi impor;
- Besar ujarah harus disepakati di awal dan dinyatakan dalam bentuk nominal, bukan dalam bentuk prosentase;
- Hutang kepada eksportir dialihkan oleh importir menjadi hutang kepada Bank dengan meminta bank membayar kepada eksportir senilai barang yang diimpor.

Ketiga


: **Ketentuan Penutup**

Fatwa ini berlaku sejak tanggal ditetapkan dengan ketentuan jika di kemudian hari ternyata terdapat kekeliruan, akan diubah dan disempurnakan sebagaimana mestinya.

Ditetapkan di : Jakarta
 Tanggal : 07 Rajab 1423 H.
 14 September 2002 M.

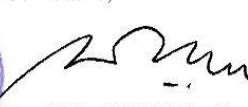
**DEWAN SYARI'AH NASIONAL
 MAJELIS ULAMA INDONESIA**

Ketua,


K.H.M.A. Sahal Mahfudh



Sekretaris,


Prof. Dr. H.M. Din Syamsuddin

UCP 600

UCP 600 are the latest revision of the Uniform Customs and Practice that govern the operation of letters of credit.

UCP 600 comes into effect on 01 July 2007

The 39 articles of UCP 600 are a comprehensive and practical working aid to bankers, lawyers, importers, and exporters, transport executives, educators, and everyone involved in letter of credit transactions worldwide.

ICC Uniform Customs and Practice for Documentary Credits (UCP 600)

Foreword

This revision of the Uniform Customs and Practice for Documentary Credits (commonly called "UCP") is the sixth revision of the rules since they were first promulgated in 1933. It is the fruit of more than three years of work by the International Chamber of Commerce's (ICC) Commission on Banking Technique and Practice.

ICC, which was established in 1919, had as its primary objective facilitating the flow of international trade at a time when nationalism and protectionism posed serious threats to the world trading system. It was in that spirit that the UCP were first introduced – to alleviate the confusion caused by individual countries' promoting their own national rules on letter of credit practice. The objective, since attained, was to create a set of contractual rules that would establish uniformity in that practice, so that practitioners would not have to cope with a plethora of often conflicting national regulations. The universal acceptance of the UCP by practitioners in countries with widely divergent economic and judicial systems is a testament to the rules' success.

It is important to recall that the UCP represent the work of a private international organization, not a governmental body. Since its inception, ICC has insisted on the central role of self-regulation in business practice. These rules, formulated entirely by experts in the private sector, have validated that approach. The UCP remain the most successful set of private rules for trade ever developed.

A range of individuals and groups contributed to the current revision, which is entitled UCP 600. These include the UCP Drafting Group, which sifted through more than 5000 individual comments before arriving at this consensus text; the UCP Consulting Group, consisting of members from more than 25 countries, which served as the advisory body reacting to and proposing changes to the various drafts; the more than 400 members of the ICC Commission on Banking Technique and Practice who made pertinent suggestions for changes in the text; and ICC national committees worldwide which took an active role in consolidating comments from their members. ICC also expresses its gratitude to practitioners in the transport and insurance industries, whose perceptive suggestions honed the final draft.

Guy Sebban
Secretary General
International Chamber of Commerce

Introduction

In May 2003, the International Chamber of Commerce authorized the ICC Commission on Banking Technique and Practice (Banking Commission) to begin a revision of the Uniform Customs and Practice for Documentary Credits, ICC Publication 500.

As with other revisions, the general objective was to address developments in the banking, transport and insurance industries. Additionally, there was a need to look at the language and style used in the UCP to remove wording that could lead to inconsistent application and interpretation.

When work on the revision started, a number of global surveys indicated that, because of discrepancies, approximately 70% of documents presented under letters of credit were being rejected on first presentation. This obviously had, and continues to have, a negative effect on the letter of credit being seen as a means of payment and, if unchecked, could have serious implications for maintaining or increasing its market share as a recognized means of settlement in international trade. The introduction by banks of a discrepancy fee has highlighted the importance of this issue, especially when the underlying discrepancies have been found to be dubious or unsound. Whilst the number of cases involving litigation has not grown during the lifetime of UCP 500, the introduction of the ICC's Documentary Credit Dispute Resolution Expertise Rules (DOCDEX) in October 1997 (subsequently revised in March 2002) has resulted in more than 60 cases being decided.

To address these and other concerns, the Banking Commission established a Drafting Group to revise UCP 500. It was also decided to create a second group, known as the Consulting Group, to review and advise on early drafts submitted by the Drafting Group. The Consulting Group, made up of over 40 individuals from 26 countries, consisted of banking and transport industry experts. Aibly co-chaired by John Turnbull, Deputy General Manager, Sumitomo Mitsui Banking Corporation Europe Ltd, London and Carlo Di Ninni, Adviser, Italian Bankers Association, Rome, the Consulting Group provided valuable input to the Drafting Group prior to release of draft texts to ICC national committees.

The Drafting Group began the review process by analyzing the content of the official Opinions issued by the Banking Commission under UCP 500. Some 500 Opinions were reviewed to assess whether the issues involved warranted a change in, an addition to or a deletion of any UCP article. In addition, consideration was given to the content of the four Position Papers issued by the Commission in September 1994, the two Decisions issued by the Commission (concerning the introduction of the euro and the determination of what constituted an original document under UCP 500 sub-article 20(b) and the decisions issued in DOCDEX cases.

During the revision process, notice was taken of the considerable work that had been completed in creating the International Standard Banking Practice for the Examination of Documents under Documentary Credits (ISBP), ICC Publication 645. This publication has evolved into a necessary companion to the UCP for determining compliance of documents with the terms of letters of credit. It is the expectation of the Drafting Group and the Banking Commission that the application of the principles contained in the ISBP, including subsequent revisions thereof, will continue during the time UCP 600 is in force. At the time UCP 600 is implemented, there will be an updated version of the ISBP to bring its contents in line with the substance and style of the new rules.

The four Position Papers issued in September 1994 were issued subject to their application under UCP 500; therefore, they will not be applicable under UCP 600. The essence of the Decision covering the determination of an original document has been incorporated into the text of UCP 600. The outcome of the DOCDEX cases were invariably based on existing ICC Banking Commission Opinions and therefore contained no specific issues that required addressing in these rules.

One of the structural changes to the UCP is the introduction of articles covering definitions (article 2) and interpretations (article 3). In providing definitions of roles played by banks and the meaning of specific terms and events, UCP 600 avoids the necessity of repetitive text to explain their interpretation and application. Similarly, the article covering interpretations aims to take the ambiguity out of vague or unclear language that appears in letters of credit and to provide a definitive elucidation of other characteristics of the UCP or the credit.

During the course of the last three years, ICC national committees were canvassed on a range of issues to determine their preferences on alternative texts submitted by the Drafting Group. The results of this exercise and the considerable input from national committees on individual items in the text is reflected in the content of UCP 600. The Drafting Group considered, not only the current practice relative to the documentary credit, but also tried to envisage the future evolution of that practice.

This revision of the UCP represents the culmination of over three years of extensive analysis, review, debate and compromise amongst the various members of the Drafting Group, the members of the Banking Commission and the respective ICC national committees. Valuable comment has also been received from the ICC Commission on Transport and Logistics, the Commission on Commercial Law and Practice and the Committee on Insurance.

It is not appropriate for this publication to provide an explanation as to why an article has been worded in such a way or what is intended by its incorporation into the rules. For those interested in understanding the rationale and interpretation of the articles of UCP 600, this information will be found in the Commentary to the rules, ICC Publication 601, which represents the Drafting Group's views.

On behalf of the Drafting Group I would like to extend our deep appreciation to the members of the Consulting Group, ICC national committees and members of the Banking Commission for their professional comments and their constructive participation in this process.

Special thanks are due to the members of the Drafting Group and their institutions, who are listed below in alphabetical order.

Nicole Keller - Vice President, Service International Products, Dresdner Bank AG, Frankfurt, Germany;
Representative to the ICC Commission on Banking Technique and Practice;

Laurence Kooy – Legal Adviser, BNP Paribas, Paris, France; Representative to the ICC Commission on Banking Technique and Practice.

Katja Lehr – Business Manager, Trade Services Standards, SWIFT, La Hulpe, Belgium, then Vice President, Membership Representation, International Financial Services Association, New Jersey, USA; Representative to the ICC Commission on Banking Technique and Practice;

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Dan Taylor – President and CEO, International Financial Services Association., New Jersey USA; Vice Chairman, ICC Commission on Banking Technique and Practice;

Alexander Zelenov – Director, Vnesheconombank, Moscow, Russia; Vice Chairman, ICC Commission on Banking Technique and Practice;

Ron Katz – Policy Manager, ICC Commission on Banking Technique and Practice, International Chamber of Commerce, Paris, France.

The undersigned had the pleasure of chairing the Drafting Group.

It was through the generous giving of their knowledge, time and energy that this revision was accomplished so successfully. As Chair of the Drafting Group, I would like to extend to them and to their institutions my gratitude for their contribution, for a job well done and for their friendship. I would also like to extend my sincere thanks to the management of ABN AMRO Bank N.V., for their understanding, patience and support during the course of this revision process.

Gary Collyer
Corporate Director,
ABN AMRO Bank N.V., London, England
and Technical Adviser to the ICC Commission on Banking Technique and Practice
November 2006

UCP 600 - Article 1

Application of UCP

The Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication no. 600 ("UCP") are rules that apply to any documentary credit ("credit") (including, to the extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules. They are binding on all parties thereto unless expressly modified or excluded by the credit.

UCP 600 - Article 2

Definitions

For the purpose of these rules:

Advising bank means the bank that advises the credit at the request of the issuing bank.

Applicant means the party on whose request the credit is issued.

Banking day means a day on which a bank is regularly open at the place at which an act subject to these rules is to be performed.

Beneficiary means the party in whose favour a credit is issued.

Complying presentation means a presentation that is in accordance with the terms and conditions of the credit, the applicable provisions of these rules and international standard banking practice.

Confirmation means a definite undertaking of the confirming bank, in addition to that of the issuing bank, to honour or negotiate a complying presentation.

Confirming bank means the bank that adds its confirmation to a credit upon the issuing bank's authorization or request.

Credit means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation.

Honour means:

a. to pay at sight if the credit is available by sight payment.

b. to incur a deferred payment undertaking and pay at maturity if the credit is available by deferred payment.

c. to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

Issuing bank means the bank that issues a credit at the request of an applicant or on its own behalf.

Negotiation means the purchase by the nominated bank of drafts (drawn on a bank other than the nominated bank) and/or documents under a complying presentation, by advancing or agreeing to advance funds to the beneficiary on or before the banking day on which reimbursement is due to the nominated bank.

Nominated Bank means the bank with which the credit is available or any bank in the case of a credit available with any bank.

Presentation means either the delivery of documents under a credit to the issuing bank or nominated bank or the documents so delivered.

Presenter means a beneficiary, bank or other party that makes a presentation.

UCP 600 - Article 3

Interpretations

For the purpose of these rules:

Where applicable, words in the singular include the plural and in the plural include the singular.

A credit is irrevocable even if there is no indication to that effect.

A document may be signed by handwriting, facsimile signature, perforated signature, stamp, symbol or any other mechanical or electronic method of authentication.

A requirement for a document to be legalized, visaed, certified or similar will be satisfied by any signature, mark, stamp or label on the document which appears to satisfy that requirement.

Branches of a bank in different countries are considered to be separate banks.

Terms such as "first class", "well known", "qualified", "independent", "official", "competent" or "local" used to describe the issuer of a document allow any issuer except the beneficiary to issue that document.

Unless required to be used in a document, words such as "prompt", "immediately" or "as soon as possible" will be disregarded.

The expression "on or about" or similar will be interpreted as a stipulation that an event is to occur during a period of five calendar days before until five calendar days after the specified date, both start and end dates included.

The words "to", "until", "till", "from" and "between" when used to determine a period of shipment include the date or dates mentioned, and the words "before" and "after" exclude the date mentioned.

The words "from" and "after" when used to determine a maturity date exclude the date mentioned.

The terms "first half" and "second half" of a month shall be construed respectively as the 1st to the 15th and the 16th to the last day of the month, all dates inclusive.

The terms "beginning", "middle" and "end" of a month shall be construed respectively as the 1st to the 10th, the 11th to the 20th and the 21st to the last day of the month, all dates inclusive.

UCP 600 - Article 4

Credits v. Contracts

a. A credit by its nature is a separate transaction from the sale or other contract on which it may be based. Banks are in no way concerned with or bound by such contract, even if any reference whatsoever to it is included in the credit. Consequently, the undertaking of a bank to honour, to negotiate or to fulfil any other obligation under the credit is not subject to claims or defences by the applicant resulting from its relationships with the issuing bank or the beneficiary.

A beneficiary can in no case avail itself of the contractual relationships existing between banks or between the applicant and the issuing bank.

b. An issuing bank should discourage any attempt by the applicant to include, as an integral part of the credit, copies of the underlying contract, proforma invoice and the like.

UCP 600 - Article 5

Documents v. Goods, Services or Performance

Banks deal with documents and not with goods, services or performance to which the documents may relate.

UCP 600 - Article 6

Availability, Expiry Date and Place for Presentation

- a. A credit must state the bank with which it is available or whether it is available with any bank. A credit available with a nominated bank is also available with the issuing bank.
- b. A credit must state whether it is available by sight payment, deferred payment, acceptance or negotiation.
- c. A credit must not be issued available by a draft drawn on the applicant.
- d.
 - i. A credit must state an expiry date for presentation. An expiry date stated for honour or negotiation will be deemed to be an expiry date for presentation.
 - ii. The place of the bank with which the credit is available is the place for presentation. The place for presentation under a credit available with any bank is that of any bank. A place for presentation other than that of the issuing bank is in addition to the place of the issuing bank.
- e. Except as provided in sub-article 29 (a), a presentation by or on behalf of the beneficiary must be made on or before the expiry date.

UCP 600 - Article 7

Issuing Bank Undertaking

- a. Provided that the stipulated documents are presented to the nominated bank or to the issuing bank and that they constitute a complying presentation, the issuing bank must honour if the credit is available by:
 - i. sight payment, deferred payment or acceptance with the issuing bank;
 - ii. sight payment with a nominated bank and that nominated bank does not pay;
 - iii. deferred payment with a nominated bank and that nominated bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
 - iv. acceptance with a nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
 - v. negotiation with a nominated bank and that nominated bank does not negotiate.
- b. An issuing bank is irrevocably bound to honour as of the time it issues the credit.
- c. An issuing bank undertakes to reimburse a nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the issuing bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not the nominated bank prepaid or purchased before maturity. An issuing bank's undertaking to reimburse a nominated bank is independent of the issuing bank's undertaking to the beneficiary.

UCP 600 - Article 8

Confirming Bank Undertaking

- a. Provided that the stipulated documents are presented to the confirming bank or to any other nominated bank and that they constitute a complying presentation, the confirming bank must:
 - i. honour, if the credit is available by
 - a. sight payment, deferred payment or acceptance with the confirming bank;

- b. sight payment with another nominated bank and that nominated bank does not pay;
 - c. deferred payment with another nominated bank and that nominated bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
 - d. acceptance with another nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
 - e. negotiation with another nominated bank and that nominated bank does not negotiate.
- ii. negotiate, without recourse, if the credit is available by negotiation with the confirming bank.
- b. A confirming bank is irrevocably bound to honour or negotiate as of the time it adds its confirmation to the credit.
 - c. A confirming bank undertakes to reimburse another nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the confirming bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not another nominated bank prepaid or purchased before maturity. A confirming bank's undertaking to reimburse another nominated bank is independent of the confirming bank's undertaking to the beneficiary.
 - d. If a bank is authorized or requested by the issuing bank to confirm a credit but is not prepared to do so, it must inform the issuing bank without delay and may advise the credit without confirmation.

UCP 600 - Article 9

Advising of Credits and Amendments

- a. A credit and any amendment may be advised to a beneficiary through an advising bank. An advising bank that is not a confirming bank advises the credit and any amendment without any undertaking to honour or negotiate.
- b. By advising the credit or amendment, the advising bank signifies that it has satisfied itself as to the apparent authenticity of the credit or amendment and that the advice accurately reflects the terms and conditions of the credit or amendment received.
- c. An advising bank may utilize the services of another bank ("second advising bank") to advise the credit and any amendment to the beneficiary. By advising the credit or amendment, the second advising bank signifies that it has satisfied itself as to the apparent authenticity of the advice it has received and that the advice accurately reflects the terms and conditions of the credit or amendment received.
- d. A bank utilizing the services of an advising bank or second advising bank to advise a credit must use the same bank to advise any amendment thereto.
- e. If a bank is requested to advise a credit or amendment but elects not to do so, it must so inform, without delay, the bank from which the credit, amendment or advice has been received.
- f. If a bank is requested to advise a credit or amendment but cannot satisfy itself as to the apparent authenticity of the credit, the amendment or the advice, it must so inform, without delay, the bank from which the instructions appear to have been received. If the advising bank or second advising bank elects nonetheless to advise the credit or amendment, it must inform the beneficiary or second advising bank that it has not been able to satisfy itself as to the apparent authenticity of the credit, the amendment or the advice.

UCP 600 - Article 10

Amendments

- a. Except as otherwise provided by article 38, a credit can neither be amended nor cancelled without the agreement of the issuing bank, the confirming bank, if any, and the beneficiary.

b. An issuing bank is irrevocably bound by an amendment as of the time it issues the amendment. A confirming bank may extend its confirmation to an amendment and will be irrevocably bound as of the time it advises the amendment. A confirming bank may, however, choose to advise an amendment without extending its confirmation and, if so, it must inform the issuing bank without delay and inform the beneficiary in its advice.

c. The terms and conditions of the original credit (or a credit incorporating previously accepted amendments) will remain in force for the beneficiary until the beneficiary communicates its acceptance of the amendment to the bank that advised such amendment. The beneficiary should give notification of acceptance or rejection of an amendment. If the beneficiary fails to give such notification, a presentation that complies with the credit and to any not yet accepted amendment will be deemed to be notification of acceptance by the beneficiary of such amendment. As of that moment the credit will be amended.

d. A bank that advises an amendment should inform the bank from which it received the amendment of any notification of acceptance or rejection.

e. Partial acceptance of an amendment is not allowed and will be deemed to be notification of rejection of the amendment.

f. A provision in an amendment to the effect that the amendment shall enter into force unless rejected by the beneficiary within a certain time shall be disregarded.

UCP 600 - Article 11

Teletransmitted and Pre-Advised Credits and Amendments

a. An authenticated teletransmission of a credit or amendment will be deemed to be the operative credit or amendment, and any subsequent mail confirmation shall be disregarded.

If a teletransmission states "full details to follow" (or words of similar effect), or states that the mail confirmation is to be the operative credit or amendment, then the teletransmission will not be deemed to be the operative credit or amendment. The issuing bank must then issue the operative credit or amendment without delay in terms not inconsistent with the teletransmission.

b. A preliminary advice of the issuance of a credit or amendment ("pre-advice") shall only be sent if the issuing bank is prepared to issue the operative credit or amendment. An issuing bank that sends a pre-advice is irrevocably committed to issue the operative credit or amendment, without delay, in terms not inconsistent with the pre-advice.

UCP 600 - Article 12

Nomination

a. Unless a nominated bank is the confirming bank, an authorization to honour or negotiate does not impose any obligation on that nominated bank to honour or negotiate, except when expressly agreed to by that nominated bank and so communicated to the beneficiary.

b. By nominating a bank to accept a draft or incur a deferred payment undertaking, an issuing bank authorizes that nominated bank to prepay or purchase a draft accepted or a deferred payment undertaking incurred by that nominated bank.

c. Receipt or examination and forwarding of documents by a nominated bank that is not a confirming bank does not make that nominated bank liable to honour or negotiate, nor does it constitute honour or negotiation.

UCP 600 - Article 13

Bank-to-Bank Reimbursement Arrangements

a. If a credit states that reimbursement is to be obtained by a nominated bank ("claiming bank") claiming on another party ("reimbursing bank"), the credit must state if the reimbursement is subject to the ICC rules for bank-to-bank reimbursements in effect on the date of issuance of the credit.

b. If a credit does not state that reimbursement is subject to the ICC rules for bank-to-bank reimbursements, the following apply:

i. An issuing bank must provide a reimbursing bank with a reimbursement authorization that conforms with the availability stated in the credit. The reimbursement authorization should not be subject to an expiry date.

ii. A claiming bank shall not be required to supply a reimbursing bank with a certificate of compliance with the terms and conditions of the credit.

iii. An issuing bank will be responsible for any loss of interest, together with any expenses incurred, if reimbursement is not provided on first demand by a reimbursing bank in accordance with the terms and conditions of the credit.

iv. A reimbursing bank's charges are for the account of the issuing bank. However, if the charges are for the account of the beneficiary, it is the responsibility of an issuing bank to so indicate in the credit and in the reimbursement authorization. If a reimbursing bank's charges are for the account of the beneficiary, they shall be deducted from the amount due to a claiming bank when reimbursement is made. If no reimbursement is made, the reimbursing bank's charges remain the obligation of the issuing bank.

c. An issuing bank is not relieved of any of its obligations to provide reimbursement if reimbursement is not made by a reimbursing bank on first demand.

UCP 600 - Article 14

Standard for Examination of Documents

a. A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank must examine a presentation to determine, on the basis of the documents alone, whether or not the documents appear on their face to constitute a complying presentation.

b. A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank shall each have a maximum of five banking days following the day of presentation to determine if a presentation is complying. This period is not curtailed or otherwise affected by the occurrence on or after the date of presentation of any expiry date or last day for presentation.

c. A presentation including one or more original transport documents subject to articles 19, 20, 21, 22, 23, 24 or 25 must be made by or on behalf of the beneficiary not later than 21 calendar days after the date of shipment as described in these rules, but in any event not later than the expiry date of the credit.

d. 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.

e. In documents other than the commercial invoice, the description of the goods, services or performance, if stated, may be in general terms not conflicting with their description in the credit.

f. If a credit requires presentation of a document other than a transport document, insurance document or commercial invoice, without stipulating by whom the document is to be issued or its data content, banks will accept the document as presented if its content appears to fulfil the function of the required document and otherwise complies with sub-article 14 (d).

g. A document presented but not required by the credit will be disregarded and may be returned to the presenter.

h. If a credit contains a condition without stipulating the document to indicate compliance with the condition, banks will deem such condition as not stated and will disregard it.

i. A document may be dated prior to the issuance date of the credit, but must not be dated later than its date of presentation.

j. When the addresses of the beneficiary and the applicant appear in any stipulated document, they need not be the same as those stated in the credit or in any other stipulated document, but must be within the same country as the respective addresses mentioned in the credit. Contact details (telefax, telephone, email

and the like) stated as part of the beneficiary's and the applicant's address will be disregarded. However, when the address and contact details of the applicant appear as part of the consignee or notify party details on a transport document subject to articles 19, 20, 21, 22, 23, 24 or 25, they must be as stated in the credit.

k. The shipper or consignor of the goods indicated on any document need not be the beneficiary of the credit.

l. A transport document may be issued by any party other than a carrier, owner, master or charterer provided that the transport document meets the requirements of articles 19, 20, 21, 22, 23 or 24 of these rules.

UCP 600 - Article 15

Complying Presentation

a. When an issuing bank determines that a presentation is complying, it must honour.

b. When a confirming bank determines that a presentation is complying, it must honour or negotiate and forward the documents to the issuing bank.

c. When a nominated bank determines that a presentation is complying and honours or negotiates, it must forward the documents to the confirming bank or issuing bank.

UCP 600 - Article 16

Discrepant Documents, Waiver and Notice

a. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank determines that a presentation does not comply, it may refuse to honour or negotiate.

b. When an issuing bank determines that a presentation does not comply, it may in its sole judgement approach the applicant for a waiver of the discrepancies. This does not, however, extend the period mentioned in sub-article 14 (b).

c. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank decides to refuse to honour or negotiate, it must give a single notice to that effect to the presenter.

The notice must state:

i. that the bank is refusing to honour or negotiate; and

ii. each discrepancy in respect of which the bank refuses to honour or negotiate; and

iii.

a) that the bank is holding the documents pending further instructions from the presenter; or

b) that the issuing bank is holding the documents until it receives a waiver from the applicant and agrees to accept it, or receives further instructions from the presenter prior to agreeing to accept a waiver; or

c) that the bank is returning the documents; or

d) that the bank is acting in accordance with instructions previously received from the presenter.

d. The notice required in sub-article 16 (c) must be given by telecommunication or, if that is not possible, by other expeditious means no later than the close of the fifth banking day following the day of presentation.

e. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may, after providing notice required by sub-article 16 (c) (iii) (a) or (b), return the documents to the presenter at any time.

f. If an issuing bank or a confirming bank fails to act in accordance with the provisions of this article, it shall be precluded from claiming that the documents do not constitute a complying presentation.

g. When an issuing bank refuses to honour or a confirming bank refuses to honour or negotiate and has given notice to that effect in accordance with this article, it shall then be entitled to claim a refund, with interest, of any reimbursement made.

UCP 600 - Article 17

Original Documents and Copies

- a. At least one original of each document stipulated in the credit must be presented.
- b. A bank shall treat as an original any document bearing an apparently original signature, mark, stamp, or label of the issuer of the document, unless the document itself indicates that it is not an original.
- c. Unless a document indicates otherwise, a bank will also accept a document as original if it:
 - i. appears to be written, typed, perforated or stamped by the document issuer's hand; or
 - ii. appears to be on the document issuer's original stationery; or
 - iii. states that it is original, unless the statement appears not to apply to the document presented.
- d. If a credit requires presentation of copies of documents, presentation of either originals or copies is permitted.
- e. If a credit requires presentation of multiple documents by using terms such as "in duplicate", "in two fold" or "in two copies", this will be satisfied by the presentation of at least one original and the remaining number in copies, except when the document itself indicates otherwise.

UCP 600 - Article 18

Commercial Invoice

- a. A commercial invoice:
 - i. must appear to have been issued by the beneficiary (except as provided in article 38);
 - ii. must be made out in the name of the applicant (except as provided in sub-article 38 (g));
 - iii. must be made out in the same currency as the credit; and
 - iv. need not be signed.
- b. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may accept a commercial invoice issued for an amount in excess of the amount permitted by the credit, and its decision will be binding upon all parties, provided the bank in question has not honoured or negotiated for an amount in excess of that permitted by the credit.
- c. The description of the goods, services or performance in a commercial invoice must correspond with that appearing in the credit.

UCP 600 - Article 19

Transport Document Covering at Least Two Different Modes of Transport

- a. A transport document covering at least two different modes of transport (multimodal or combined transport document), however named, must appear to:
 - i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been dispatched, taken in charge or shipped on board at the place stated in the credit, by:

- pre-printed wording, or
- a stamp or notation indicating the date on which the goods have been dispatched, taken in charge or shipped on board.

The date of issuance of the transport document will be deemed to be the date of dispatch, taking in charge or shipped on board, and the date of shipment. However, if the transport document indicates, by stamp or notation, a date of dispatch, taking in charge or shipped on board, this date will be deemed to be the date of shipment.

iii. indicate the place of dispatch, taking in charge or shipment and the place of final destination stated in the credit, even if:

a. the transport document states, in addition, a different place of dispatch, taking in charge or shipment or place of final destination,

or

b. the transport document contains the indication "intended" or similar qualification in relation to the vessel, port of loading or port of discharge.

iv. be the sole original transport document or, if issued in more than one original, be the full set as indicated on the transport document.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back transport document). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transhipment means unloading from one means of conveyance and reloading to another means of conveyance (whether or not in different modes of transport) during the carriage from the place of dispatch, taking in charge or shipment to the place of final destination stated in the credit.

c.

i. A transport document may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same transport document.

ii. A transport document indicating that transhipment will or may take place is acceptable, even if the credit prohibits transhipment.

UCP 600 - Article 20

Bill of Lading

a. A bill of lading, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the bill of lading will be deemed to be the date of shipment unless the bill of lading contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

If the bill of lading contains the indication "intended vessel" or similar qualification in relation to the name of the vessel, an on board notation indicating the date of shipment and the name of the actual vessel is required.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit.

If the bill of lading does not indicate the port of loading stated in the credit as the port of loading, or if it contains the indication "intended" or similar qualification in relation to the port of loading, an on board notation indicating the port of loading as stated in the credit, the date of shipment and the name of the vessel is required. This provision applies even when loading on board or shipment on a named vessel is indicated by pre-printed wording on the bill of lading.

iv. be the sole original bill of lading or, if issued in more than one original, be the full set as indicated on the bill of lading.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back bill of lading). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transshipment means unloading from one vessel and reloading to another vessel during the carriage from the port of loading to the port of discharge stated in the credit.

c.

i. A bill of lading may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same bill of lading.

ii. A bill of lading indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment, if the goods have been shipped in a container, trailer or LASH barge as evidenced by the bill of lading.

d. Clauses in a bill of lading stating that the carrier reserves the right to tranship will be disregarded.

UCP 600 - Article 21

Non-Negotiable Sea Waybill

a. A non-negotiable sea waybill, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the non-negotiable sea waybill will be deemed to be the date of shipment unless the non-negotiable sea waybill contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

If the non-negotiable sea waybill contains the indication "intended vessel" or similar qualification in relation to the name of the vessel, an on board notation indicating the date of shipment and the name of the actual vessel is required.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit.

If the non-negotiable sea waybill does not indicate the port of loading stated in the credit as the port of loading, or if it contains the indication "intended" or similar qualification in relation to the port of loading, an on board notation indicating the port of loading as stated in the credit, the date of shipment and the name of the vessel is required. This provision applies even when loading on board or shipment on a named vessel is indicated by pre-printed wording on the non-negotiable sea waybill.

iv. be the sole original non-negotiable sea waybill or, if issued in more than one original, be the full set as indicated on the non-negotiable sea waybill.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back non-negotiable sea waybill). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transshipment means unloading from one vessel and reloading to another vessel during the carriage from the port of loading to the port of discharge stated in the credit.

c.

i. A non-negotiable sea waybill may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same non-negotiable sea waybill.

ii. A non-negotiable sea waybill indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment, if the goods have been shipped in a container, trailer or LASH barge as evidenced by the non-negotiable sea waybill.

d. Clauses in a non-negotiable sea waybill stating that the carrier reserves the right to tranship will be disregarded.

UCP 600 - Article 22

Charter Party Bill of Lading

a. A bill of lading, however named, containing an indication that it is subject to a charter party (charter party bill of lading), must appear to:

i. be signed by:

- the master or a named agent for or on behalf of the master, or
- the owner or a named agent for or on behalf of the owner, or
- the charterer or a named agent for or on behalf of the charterer.

Any signature by the master, owner, charterer or agent must be identified as that of the master, owner, charterer or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the master, owner or charterer.

An agent signing for or on behalf of the owner or charterer must indicate the name of the owner or charterer.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the charter party bill of lading will be deemed to be the date of shipment unless the charter party bill of lading contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit. The port of discharge may also be shown as a range of ports or a geographical area, as stated in the credit.

iv. be the sole original charter party bill of lading or, if issued in more than one original, be the full set as indicated on the charter party bill of lading.

b. A bank will not examine charter party contracts, even if they are required to be presented by the terms of the credit.

UCP 600 - Article 23

Air Transport Document

a. An air transport document, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier, or
- a named agent for or on behalf of the carrier.

Any signature by the carrier or agent must be identified as that of the carrier or agent.

Any signature by an agent must indicate that the agent has signed for or on behalf of the carrier.

ii. indicate that the goods have been accepted for carriage.

iii. indicate the date of issuance. This date will be deemed to be the date of shipment unless the air transport document contains a specific notation of the actual date of shipment, in which case the date stated in the notation will be deemed to be the date of shipment.

Any other information appearing on the air transport document relative to the flight number and date will not be considered in determining the date of shipment.

- iv. indicate the airport of departure and the airport of destination stated in the credit.
 - v. be the original for consignor or shipper, even if the credit stipulates a full set of originals.
 - vi. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage. Contents of terms and conditions of carriage will not be examined.
- b. For the purpose of this article, transshipment means unloading from one aircraft and reloading to another aircraft during the carriage from the airport of departure to the airport of destination stated in the credit.
- c.
- i. An air transport document may indicate that the goods will or may be transhipped, provided that the entire carriage is covered by one and the same air transport document.
 - ii. An air transport document indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment.

UCP 600 - Article 24

Road, Rail or Inland Waterway Transport Documents

a. A road, rail or inland waterway transport document, however named, must appear to:

i. indicate the name of the carrier and:

- be signed by the carrier or a named agent for or on behalf of the carrier, or

- indicate receipt of the goods by signature, stamp or notation by the carrier or a named agent for or on behalf of the carrier.

Any signature, stamp or notation of receipt of the goods by the carrier or agent must be identified as that of the carrier or agent.

Any signature, stamp or notation of receipt of the goods by the agent must indicate that the agent has signed or acted for or on behalf of the carrier.

If a rail transport document does not identify the carrier, any signature or stamp of the railway company will be accepted as evidence of the document being signed by the carrier.

ii. indicate the date of shipment or the date the goods have been received for shipment, dispatch or carriage at the place stated in the credit. Unless the transport document contains a dated reception stamp, an indication of the date of receipt or a date of shipment, the date of issuance of the transport document will be deemed to be the date of shipment.

iii. indicate the place of shipment and the place of destination stated in the credit.

b.

i. A road transport document must appear to be the original for consignor or shipper or bear no marking indicating for whom the document has been prepared.

ii. A rail transport document marked "duplicate" will be accepted as an original.

iii. A rail or inland waterway transport document will be accepted as an original whether marked as an original or not.

c. In the absence of an indication on the transport document as to the number of originals issued, the number presented will be deemed to constitute a full set.

d. For the purpose of this article, transhipment means unloading from one means of conveyance and reloading to another means of conveyance, within the same mode of transport, during the carriage from the place of shipment, dispatch or carriage to the place of destination stated in the credit.

e.

i. A road, rail or inland waterway transport document may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same transport document.

ii. A road, rail or inland waterway transport document indicating that transhipment will or may take place is acceptable, even if the credit prohibits transhipment.

UCP 600 - Article 25

Courier Receipt, Post Receipt or Certificate of Posting

a. A courier receipt, however named, evidencing receipt of goods for transport, must appear to:

i. indicate the name of the courier service and be stamped or signed by the named courier service at the place from which the credit states the goods are to be shipped; and

ii. indicate a date of pick-up or of receipt or wording to this effect. This date will be deemed to be the date of shipment.

b. A requirement that courier charges are to be paid or prepaid may be satisfied by a transport document issued by a courier service evidencing that courier charges are for the account of a party other than the consignee.

c. A post receipt or certificate of posting, however named, evidencing receipt of goods for transport, must appear to be stamped or signed and dated at the place from which the credit states the goods are to be shipped. This date will be deemed to be the date of shipment.

UCP 600 - Article 26

On Deck", "Shipper's Load and Count", "Said by Shipper to Contain" and Charges Additional to Freight

a. A transport document must not indicate that the goods are or will be loaded on deck. A clause on a transport document stating that the goods may be loaded on deck is acceptable.

b. A transport document bearing a clause such as "shipper's load and count" and "said by shipper to contain" is acceptable.

c. A transport document may bear a reference, by stamp or otherwise, to charges additional to the freight.

UCP 600 - Article 27

Clean Transport Document

A bank will only accept a clean transport document. A clean transport document is one bearing no clause or notation expressly declaring a defective condition of the goods or their packaging. The word "clean" need not appear on a transport document, even if a credit has a requirement for that transport document to be "clean on board".

UCP 600 - Article 28

Insurance Document and Coverage

a. An insurance document, such as an insurance policy, an insurance certificate or a declaration under an open cover, must appear to be issued and signed by an insurance company, an underwriter or their agents or their proxies.

Any signature by an agent or proxy must indicate whether the agent or proxy has signed for or on behalf of the insurance company or underwriter.

b. When the insurance document indicates that it has been issued in more than one original, all originals must be presented.

c. Cover notes will not be accepted.

d. An insurance policy is acceptable in lieu of an insurance certificate or a declaration under an open cover.

e. The date of the insurance document must be no later than the date of shipment, unless it appears from the insurance document that the cover is effective from a date not later than the date of shipment.

f.

i. The insurance document must indicate the amount of insurance coverage and be in the same currency as the credit.

ii. A requirement in the credit for insurance coverage to be for a percentage of the value of the goods, of the invoice value or similar is deemed to be the minimum amount of coverage required.

If there is no indication in the credit of the insurance coverage required, the amount of insurance coverage must be at least 110% of the CIF or CIP value of the goods.

When the CIF or CIP value cannot be determined from the documents, the amount of insurance coverage must be calculated on the basis of the amount for which honour or negotiation is requested or the gross value of the goods as shown on the invoice, whichever is greater.

iii. The insurance document must indicate that risks are covered at least between the place of taking in charge or shipment and the place of discharge or final destination as stated in the credit.

g. A credit should state the type of insurance required and, if any, the additional risks to be covered. An insurance document will be accepted without regard to any risks that are not covered if the credit uses imprecise terms such as "usual risks" or "customary risks".

h. When a credit requires insurance against "all risks" and an insurance document is presented containing any "all risks" notation or clause, whether or not bearing the heading "all risks", the insurance document will be accepted without regard to any risks stated to be excluded.

i. An insurance document may contain reference to any exclusion clause.

j. An insurance document may indicate that the cover is subject to a franchise or excess (deductible).

UCP 600 - Article 29

a. If the expiry date of a credit or the last day for presentation falls on a day when the bank to which presentation is to be made is closed for reasons other than those referred to in article 36, the expiry date or the last day for presentation, as the case may be, will be extended to the first following banking day.

b. If presentation is made on the first following banking day, a nominated bank must provide the issuing bank or confirming bank with a statement on its covering schedule that the presentation was made within the time limits extended in accordance with sub-article 29 (a).

c. The latest date for shipment will not be extended as a result of sub-article 29 (a).

UCP 600 - Article 30

Tolerance in Credit Amount, Quantity and Unit Prices

a. The words "about" or "approximately" used in connection with the amount of the credit or the quantity or the unit price stated in the credit are to be construed as allowing a tolerance not to exceed 10% more or 10% less than the amount, the quantity or the unit price to which they refer.

b. A tolerance not to exceed 5% more or 5% less than the quantity of the goods is allowed, provided the credit does not state the quantity in terms of a stipulated number of packing units or individual items and the total amount of the drawings does not exceed the amount of the credit.

c. Even when partial shipments are not allowed, a tolerance not to exceed 5% less than the amount of the credit is allowed, provided that the quantity of the goods, if stated in the credit, is shipped in full and a unit price, if stated in the credit, is not reduced or that sub-article 30 (b) is not applicable. This tolerance does not apply when the credit stipulates a specific tolerance or uses the expressions referred to in sub-article 30 (a).

UCP 600 - Article 31

Partial Drawings or Shipments

a. Partial drawings or shipments are allowed.

b. A presentation consisting of more than one set of transport documents evidencing shipment commencing on the same means of conveyance and for the same journey, provided they indicate the same destination, will not be regarded as covering a partial shipment, even if they indicate different dates of shipment or different ports of loading, places of taking in charge or dispatch. If the presentation consists of more than one set of transport documents, the latest date of shipment as evidenced on any of the sets of transport documents will be regarded as the date of shipment.

A presentation consisting of one or more sets of transport documents evidencing shipment on more than one means of conveyance within the same mode of transport will be regarded as covering a partial shipment, even if the means of conveyance leave on the same day for the same destination.

c. A presentation consisting of more than one courier receipt, post receipt or certificate of posting will not be regarded as a partial shipment if the courier receipts, post receipts or certificates of posting appear to have been stamped or signed by the same courier or postal service at the same place and date and for the same destination.

UCP 600 - Article 32

Instalment Drawings or Shipments

If a drawing or shipment by instalments within given periods is stipulated in the credit and any instalment is not drawn or shipped within the period allowed for that instalment, the credit ceases to be available for that and any subsequent instalment.

UCP 600 - Article 33

Hours of Presentation

A bank has no obligation to accept a presentation outside of its banking hours.

UCP 600 - Article 34

Disclaimer on Effectiveness of Documents

A bank assumes no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document, or for the general or particular conditions stipulated in a document or superimposed thereon; nor does it assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance represented by any document, or for the good faith or acts or omissions, solvency, performance or standing of the consignor, the carrier, the forwarder, the consignee or the insurer of the goods or any other person.

UCP 600 - Article 35

Disclaimer on Transmission and Translation

A bank assumes no liability or responsibility for the consequences arising out of delay, loss in transit, mutilation or other errors arising in the transmission of any messages or delivery of letters or documents, when such messages, letters or documents are transmitted or sent according to the requirements stated in the credit, or when the bank may have taken the initiative in the choice of the delivery service in the absence of such instructions in the credit.

If a nominated bank determines that a presentation is complying and forwards the documents to the issuing bank or confirming bank, whether or not the nominated bank has honoured or negotiated, an issuing bank or confirming bank must honour or negotiate, or reimburse that nominated bank, even when the documents have been lost in transit between the nominated bank and the issuing bank or confirming bank, or between the confirming bank and the issuing bank.

A bank assumes no liability or responsibility for errors in translation or interpretation of technical terms and may transmit credit terms without translating them.

UCP 600 - Article 36

Force Majeure

A bank assumes no liability or responsibility for the consequences arising out of the interruption of its business by Acts of God, riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts or any other causes beyond its control.

A bank will not, upon resumption of its business, honour or negotiate under a credit that expired during such interruption of its business.

UCP 600 - Article 37

Disclaimer for Acts of an Instructed Party

a. A bank utilizing the services of another bank for the purpose of giving effect to the instructions of the applicant does so for the account and at the risk of the applicant.

b. An issuing bank or advising bank assumes no liability or responsibility should the instructions it transmits to another bank not be carried out, even if it has taken the initiative in the choice of that other bank.

c. A bank instructing another bank to perform services is liable for any commissions, fees, costs or expenses ("charges") incurred by that bank in connection with its instructions.

If a credit states that charges are for the account of the beneficiary and charges cannot be collected or deducted from proceeds, the issuing bank remains liable for payment of charges.

A credit or amendment should not stipulate that the advising to a beneficiary is conditional upon the receipt by the advising bank or second advising bank of its charges.

d. The applicant shall be bound by and liable to indemnify a bank against all obligations and responsibilities imposed by foreign laws and usages.

UCP 600 - Article 38

Transferable Credits

a. A bank is under no obligation to transfer a credit except to the extent and in the manner expressly consented to by that bank.

b. For the purpose of this article:

Transferable credit means a credit that specifically states it is "transferable". A transferable credit may be made available in whole or in part to another beneficiary ("second beneficiary") at the request of the beneficiary ("first beneficiary").

k. Presentation of documents by or on behalf of a second beneficiary must be made to the transferring bank.

UCP 600 - Article 39

Assignment of Proceeds

The fact that a credit is not stated to be transferable shall not affect the right of the beneficiary to assign any proceeds to which it may be or may become entitled under the credit, in accordance with the provisions of applicable law. This article relates only to the assignment of proceeds and not to the assignment of the right to perform under the credit.