

UCP 600 – Overview of Article 29

UCP 600 Article 29

Extension of Expiry Date or Last Day for Presentation

- No material change from UCP 500
- Covered in Article 29 (a)
- Covered in Article 29 (c)
- Covered in Article 29 (b) – to appear on schedule

UCP 500 Article 44

- a. If the expiry date of the Credit and/or the last day of the period of time for presentation of documents stipulated by the Credit or applicable by virtue of Article 43 falls on a day on which the bank to which presentation has to be made is closed for reasons other than those referred to in Article 17, the stipulated expiry date and/or the last day of the period of time after the date of shipment for presentation of documents, as the case may be, shall be extended to the first following day on which such bank is open.
- b. The latest date for shipment shall not be extended by reason of the extension of the expiry date and/or the period of time after the date of shipment for presentation of documents in accordance with sub-Article (a) above. If no such latest date for shipment is stipulated in the Credit or amendments thereto, banks will not accept transport documents indicating a date of shipment later than the expiry date stipulated in the Credit or amendments thereto.
- c. The bank to which presentation is made on such first following business day must provide a statement that the documents were presented within the time limits extended in accordance with sub-Article 44(a) of the Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500.



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UCP 600 – Overview of Article 31

UCP 600 Article 31

Partial Drawings or Shipments

- Article 1 exclude or modify
- Clarification given in Article 31 (b) that in the case of multiple presentations on same mode, latest date = date of shipment
- New rule where more than one mode used
- Covered in Article 31 (c)

UCP 500 Article 40

- a. Partial drawings and/or shipments are allowed, unless the Credit stipulates otherwise.
- b. Transport documents which appear on their face to indicate that shipment has been made on the same means of conveyance and for the same journey, provided they indicate the same destination, will not be regarded as covering partial shipments, even if the transport documents indicate different dates of shipment and/or different ports of loading, places of taking in charge, or despatch.
- c. Shipments made by post or by courier will not be regarded as partial shipments if the post receipts or certificates of posting or courier's receipts or dispatch notes appear to have been stamped, signed or otherwise authenticated in the place from which the Credit stipulates the goods are to be dispatched, and on the same date.



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UCP 600 – Overview of Article 30

UCP 600 Article 30

Tolerance in Credit Amount, Quantity and Unit Prices

- Deletion of "circa"
- Article 1 exclude or modify
- Article 1 exclude or modify
- Principle applies whether partial shipments allowed or not

UCP 500 Article 39

- a. The words "about", "approximately", "circa" or similar expressions 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 difference not to exceed 10% more or 10% less than the amount or the quantity or the unit price to which they refer.
- b. Unless a Credit stipulates that the quantity of the goods specified must not be exceeded or reduced, a tolerance of 5% more or 5% less will be permissible, always provided that the amount of the drawings does not exceed the amount of the Credit. This tolerance does not apply when the Credit stipulates the quantity in terms of a stated number of packing units or individual items.
- c. Unless a Credit which prohibits partial shipments stipulates otherwise, or unless sub-Article (b) above is applicable, a tolerance of 5% less in the amount of the drawing will be permissible, provided that if the Credit stipulates the quantity of the goods, such quantity of goods is shipped in full, and if the Credit stipulates a unit price, such price is not reduced. This provision does not apply when expressions referred to in sub-Article (a) above are used in the Credit.



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UCP 600 – Overview of Article 32

UCP 600 Article 32

Instalment Drawings or Shipments

- Article 1 exclude or modify
- Article 3 Interpretations – singular/plural
- No change from UCP 500

UCP 500 Article 41

If drawings and/or shipments by instalments within given periods are stipulated in the Credit and any instalment is not drawn and/or shipped within the period allowed for that instalment, the Credit ceases to be available for that and any subsequent instalments, unless otherwise stipulated in the Credit.



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UCP 600 – Overview of Article 33

UCP 600 Article 33

Hours of Presentation

- Article 3 Interpretations – singular/plural
- No change from UCP 500

UCP 500 Article 45

Banks are under no obligation to accept presentation of documents outside their banking hours.



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UCP 600 – Overview of Article 35

UCP 600 Article 35

Disclaimer on Transmission and Translation

- The two sentences that make up UCP 500 Article 16 have been split
- New addition to this rule covering loss of documents in transit – see slide 92

UCP 500 Article 16

Banks assume no liability or responsibility for the consequences arising out of delay and/or loss in transit of any message(s), letter(s) or document(s), or for delay, mutilation or other error(s) arising in the transmission of any telecommunication. Banks assume no liability or responsibility for errors in translation and/or interpretation of technical terms, and reserve the right to transmit Credit terms without translating them.



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UCP 600 – Overview of Article 34

UCP 600 Article 34

Disclaimer on Effectiveness of Documents

- Article 3 Interpretations – singular/plural
- Addition of “services or performance” to bring in line with Article 5

UCP 500 Article 15

Banks assume no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document(s), or for the general and/or particular conditions stipulated in the document(s) or superimposed thereon; nor do they assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods represented by any document(s), or for the good faith or acts and/or omissions, solvency, performance or standing of the consignors, the carriers, the forwarders, the consignees or the insurers of the goods, or any other person whomsoever.



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UCP 600 – Overview of Article 35

UCP 600 Article 35

Disclaimer on Transmission and Translation

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.



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UCP 600 – Overview of Article 36

UCP 600 Article 36

Force Majeure

- Addition of “Acts of Terrorism” as a force majeure event.
- “Unless specifically authorised” has been deleted
- ICC NC’s were offered this version or one allowing 5 days after bank re-opened. This version was chosen

UCP 500 Article 17

Banks assume no liability or responsibility for the consequences arising out of the interruption of their business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond their control, or by any strikes or lockouts. Unless specifically authorised, banks will not, upon resumption of their business, pay, incur a deferred payment undertaking, accept Draft(s) or negotiate under Credits which expired during such interruption of their business.



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

- (c) now forms the basis for Article 38 (a) as this is the principle rule
- Definitions have been given for Transferable Credit, Transferring Bank and Transferred Credit – see slide 96

UCP 500 Article 48

- a. A transferable Credit is a Credit under which the Beneficiary (First Beneficiary) may request the bank authorised to pay, incur a deferred payment undertaking, accept or negotiate (the “Transferring Bank”), or in the case of a freely negotiable Credit, the bank specifically authorised in the Credit as a Transferring Bank, to make the Credit available in whole or in part to one or more other Beneficiary(ies) (Second Beneficiary(ies)).
- b. A Credit can be transferred only if it is expressly designated as “transferable” by the Issuing Bank. Terms such as “divisible”, “fractionable”, “assignable”, and “transmissible” do not render the Credit transferable. If such terms are used they shall be disregarded.
- c. The Transferring Bank shall be under no obligation to effect such transfer except to the extent and in the manner expressly consented to by such bank.



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UCP 600 – Overview of Article 37

UCP 600 Article 37

Disclaimer for Acts of an Instructed Party

- “Banks” has been defined as the Issuing Bank or Advising Bank
- In UCP 500 Article 18 (c), the word “party” has been replaced with “bank” and “beneficiary” respectively
- New rule covering issuance of LCs with request for charges to be collected in advance

UCP 500 Article 18

- a. Banks utilizing the services of another bank or other banks for the purpose of giving effect to the instructions of the Applicant do so for the account and at the risk of such Applicant.
- b. Banks assume no liability or responsibility should the instructions they transmit not be carried out, even if they have themselves taken the initiative in the choice of such other bank(s).
- c.
 - i. A party instructing another party to perform services is liable for any charges, including commissions, fees, costs or expenses incurred by the instructed party in connection with its instructions.
 - ii. Where a Credit stipulates that such charges are for the account of a party other than the instructing party, and charges cannot be collected, the instructing party remains ultimately liable for the payment thereof.
- d. The Applicant shall be bound by and liable to indemnify the banks against all obligations and responsibilities imposed by foreign laws and usages.



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

Article 38 (b):

- 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”).
- Transferring bank means a nominated bank that transfers the credit or, in a credit available with any bank, a bank that is specifically authorized by the issuing bank to transfer and that transfers the credit. An issuing bank may be a transferring bank.
- Transferred credit means a credit that has been made available by the transferring bank to a second beneficiary.



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

- Covered in Article 38 (e).
No longer a requirement for “irrevocable” instructions regarding amendments
- Covered in Article 38 (f)
- Covered in Article 38 (c)

UCP 500 Article 48

- d. At the time of making a request for transfer and prior to transfer of the Credit, the First Beneficiary must irrevocably instruct the Transferring Bank whether or not he retains the right to refuse to allow the Transferring Bank to advise amendments to the Second Beneficiary(ies). If the Transferring Bank consents to the transfer under these conditions, it must, at the time of transfer, advise the Second Beneficiary(ies) of the First Beneficiary's instructions regarding amendments.
- e. If a Credit is transferred to more than one Second Beneficiary(ies), refusal of an amendment by one or more Second Beneficiary(ies) does not invalidate the acceptance(s) by the other Second Beneficiary(ies) with respect to whom the Credit will be amended accordingly. With respect to the Second Beneficiary(ies) who rejected the amendment, the Credit will remain unamended.
- f. Transferring Bank charges in respect of transfers including commissions, fees, costs or expenses are payable by the First Beneficiary, unless otherwise agreed. If the Transferring Bank agrees to transfer the Credit it shall be under no obligation to effect the transfer until such charges are paid.



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

- Covered in Article 38 (g)
- New wording in (g) such requirement must be reflected in the transferred credit
- Covered in Article 38 (h)

UCP 500 Article 48

- The percentage for which insurance cover must be effected may be increased in such a way as to provide the amount of cover stipulated in the original Credit, or these Articles.
- In addition, the name of the First Beneficiary can be substituted for that of the Applicant, but if the name of the Applicant is specifically required by the original Credit to appear in any document(s) other than the invoice, such requirement must be fulfilled.
- i. The First Beneficiary has the right to substitute his own invoice(s) (and Draft(s)) for those of the Second Beneficiary(ies), for amounts not in excess of the original amount stipulated in the Credit and for the original unit prices if stipulated in the Credit, and upon such substitution of invoice(s) (and Draft(s)) the First Beneficiary can draw under the Credit for the difference, if any, between his invoice(s) and the Second Beneficiary's(ies) invoice(s).



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

- Article 1 exclude or modify
- Covered in Article 38 (d)
- Covered in Article 38 (g) –
on the terms and conditions specified
“including confirmation”

UCP 500 Article 48

- g. Unless otherwise stated in the Credit, a transferable Credit can be transferred once only. Consequently, the Credit cannot be transferred at the request of the Second Beneficiary to any subsequent Third Beneficiary. For the purpose of this Article, a retransfer to the First Beneficiary does not constitute a prohibited transfer.
Fractions of a transferable Credit (not exceeding in the aggregate the amount of the Credit) can be transferred separately, provided partial shipments/drawings are not prohibited, and the aggregate of such transfers will be considered as constituting only one transfer of the Credit.
- h. The Credit can be transferred only on the terms and conditions specified in the original Credit, with the exception of:
 - the amount of the Credit,
 - any unit price stated therein,
 - the expiry date,
 - the last date for presentation of documents in accordance with Article 43,
 - the period for shipment,
 - any or all of which may be reduced or curtailed.



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UCP 600 – Overview of Article 38

UCP 600 Article 38

Transferable Credits

- Revised text to reflect that in the event of discrepancies in substituted documents, 1st beneficiary must replace on demand or 2nd beneficiary documents used.
- Article 1 exclude or modify
- New (k) documents must be sent to the transferring bank

UCP 500 Article 48

- When a Credit has been transferred and the First Beneficiary is to supply his own invoice(s) (and Draft(s)) in exchange for the Second Beneficiary's(ies) invoice(s) (and Draft(s)) but fails to do so on first demand, the Transferring Bank has the right to deliver to the Issuing Bank the documents received under the transferred Credit, including the Second Beneficiary's(ies) invoice(s) (and Draft(s)) without further responsibility to the First Beneficiary.
- j. The First Beneficiary may request that payment or negotiation be effected to the Second Beneficiary(ies) at the place to which the Credit has been transferred up to and including the expiry date of the Credit, unless the original Credit expressly states that it may not be made available for payment or negotiation at a place other than that stipulated in the Credit. This is without prejudice to the First Beneficiary's right to substitute subsequently his own invoice(s) (and Draft(s)) for those of the Second Beneficiary(ies) and to claim any difference due to him.



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UCP 600 – Overview of Article 39

UCP 600 Article 39 Assignment of Proceeds

No change from UCP 500

UCP 500 Article 49

The fact that a Credit is not stated to be transferable shall not affect the Beneficiary's right to assign any proceeds to which he may be, or may become, entitled under such Credit, in accordance with the provisions of the applicable law. This Article relates only to the assignment of proceeds and not to the assignment of the right to perform under the Credit itself.



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UCP 600 – An Overview

Thank You

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