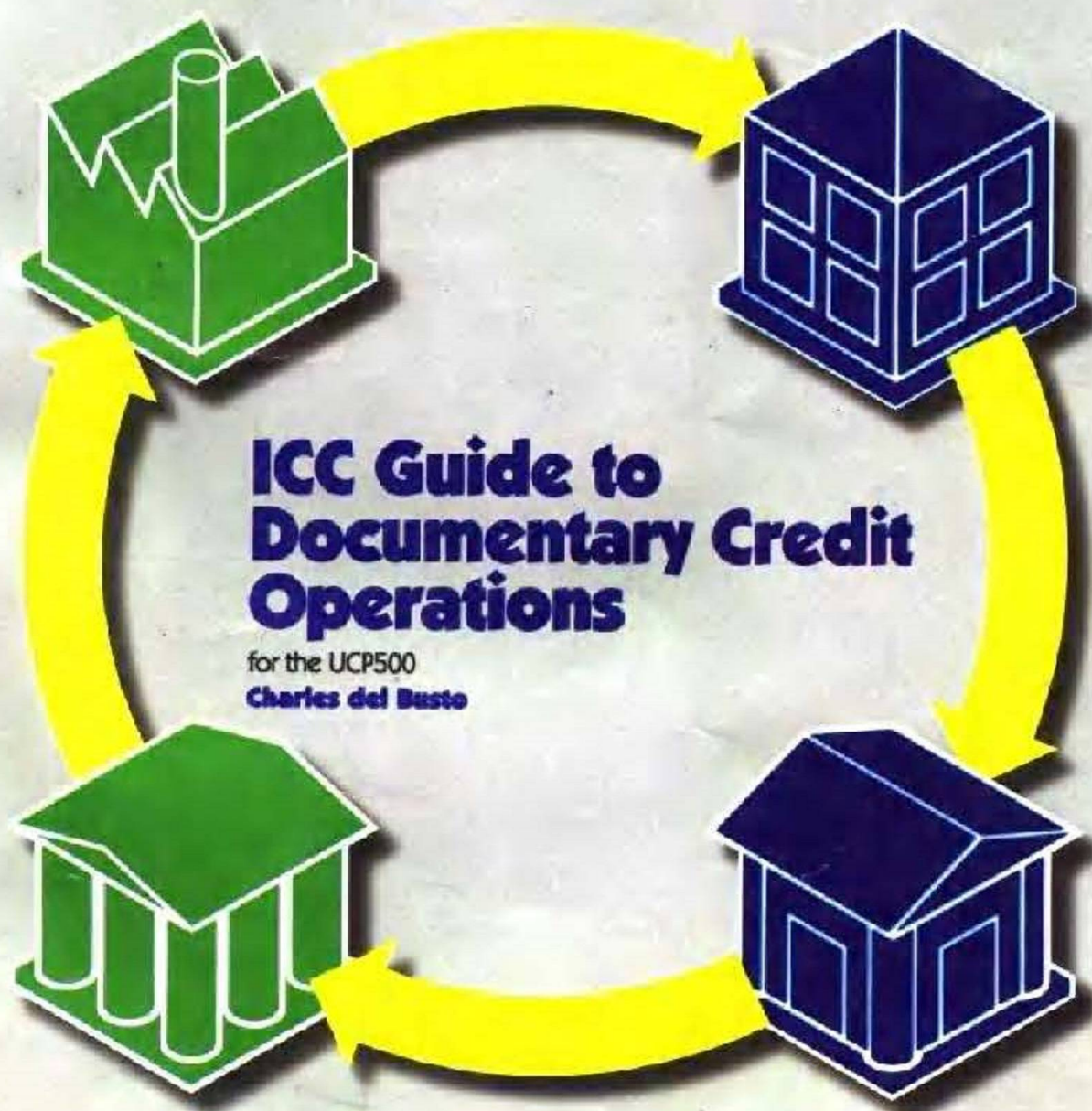


# 国际商会

## 跟单信用证操作指南

国际商会第 515 号出版物

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国际商会中国国家委员会



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ICC Guide to Documentary Credit  
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中国 国际 商 会  
国际商会中国国家委员会 编译

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# **ICC Guide to Documentary Credit Operations**

for the UCP 500

**Charles del Busto**



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## *FOREWORD*

The New ICC Guide to Documentary Credits, ICC Publication No. 515, is a revision of the ICC Guide to Documentary Credits, ICC Publication No. 415. This new guide reflects the changes introduced by the 1993 revision of the UCP 500 and the new ICC Publication No. 516, Standard Documentary Credit Forms (1993 revision).

International trade involves a flow of goods from seller to buyer in accordance with a contract of sale. Similarly, after the goods have been supplied there must be a flow of payment from the buyer to the seller. Usually, the parties in international trade are aware that such payment may be influenced by various issues, such as trust between the commercial parties, their need for finance and, possibly, by governmental trade and exchange control regulations.

While there are various methods of settling international trade transactions, one of the most common methods of payment is the Documentary Credit. Since 1933, when the International Chamber of Commerce first published *The Uniform Customs and Practice for Documentary Credits*, the ICC has considered it important to keep the business community abreast of developments and practices that have evolved in this field, and to support efforts to facilitate and standardise international trade practices. Accordingly, the ICC offers this publication as an educational tool, and trusts that the commercial parties, bankers and business students worldwide will benefit from these pages.



Charles del Busto  
Chairman  
ICC Commission on Banking Technique and Practice  
January 1, 1994

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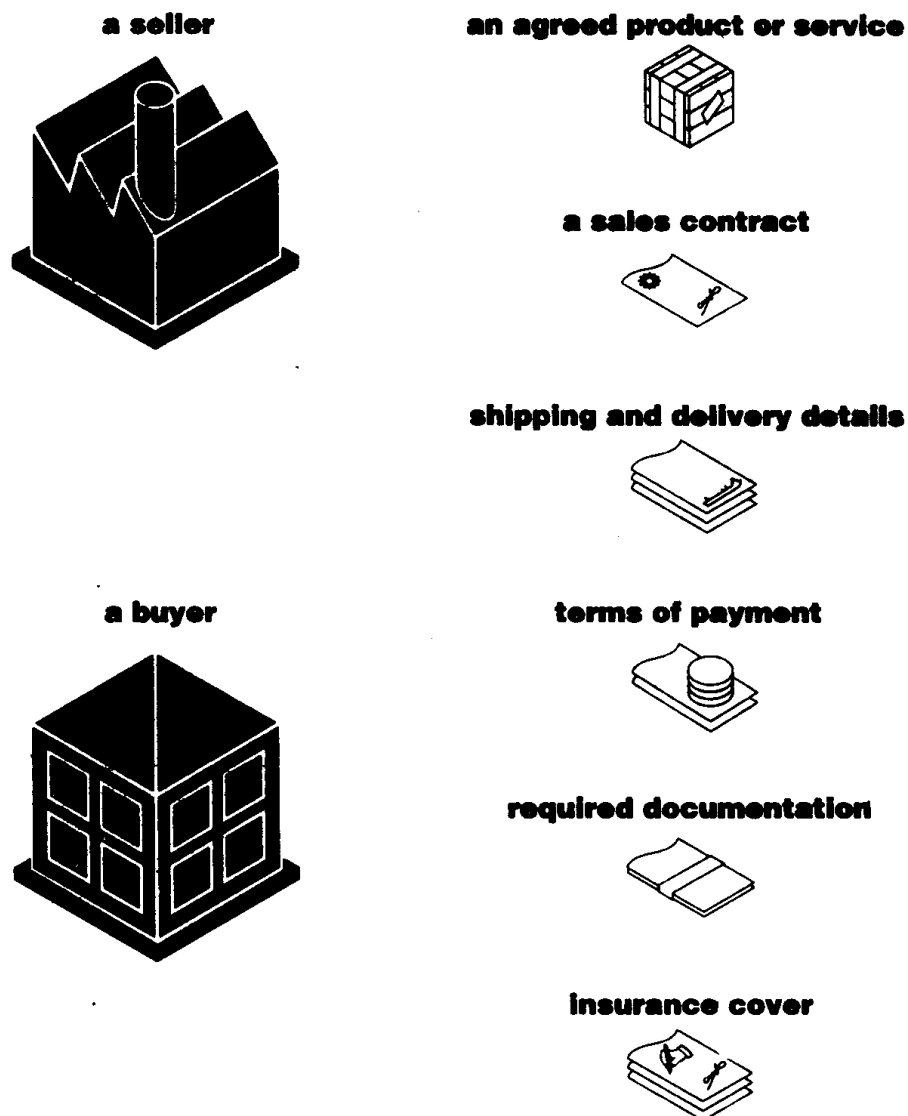


# I. *General Introduction*

# 1. International Trade Considerations

While this publication is devoted mainly to Documentary Credits, it is important for the various parties engaged in international trade to have a general understanding of some of the basic political, legal and economic issues that make up the framework within which such trade takes place. For this reason, the first part of the book is devoted to a discussion of those basic issues, which should also help the reader appreciate the benefits of the Documentary Credit when compared to other means of payment used in trade transactions.

Prior to that discussion, one must acknowledge a general principle, namely, that in every international trade transaction there must be:



## 2. A List of Political, Legal and Economic Issues to be Considered in International Trade

**Before entering into an international trade transaction, the parties should take account of the political, legal and economic framework within which their transaction will be taking place. This means they should consider the following:**

*Political / governmental policies and their potential impact on the transaction*

**These include:**

- restrictive governmental policies,
- exchange controls,
- tariffs and quota restrictions,
- expropriation,
- export/import licensing,
- trade embargoes,
- anti-dumping legislation,
- pre-shipment inspection/price comparisons,
- resale price restrictions,
- health requirements,
- policies on hazardous goods, and
- taxation.

*Currency policies of the importing and exporting countries: the risks associated with them and the parties' ability to comply with them*

**These include:**

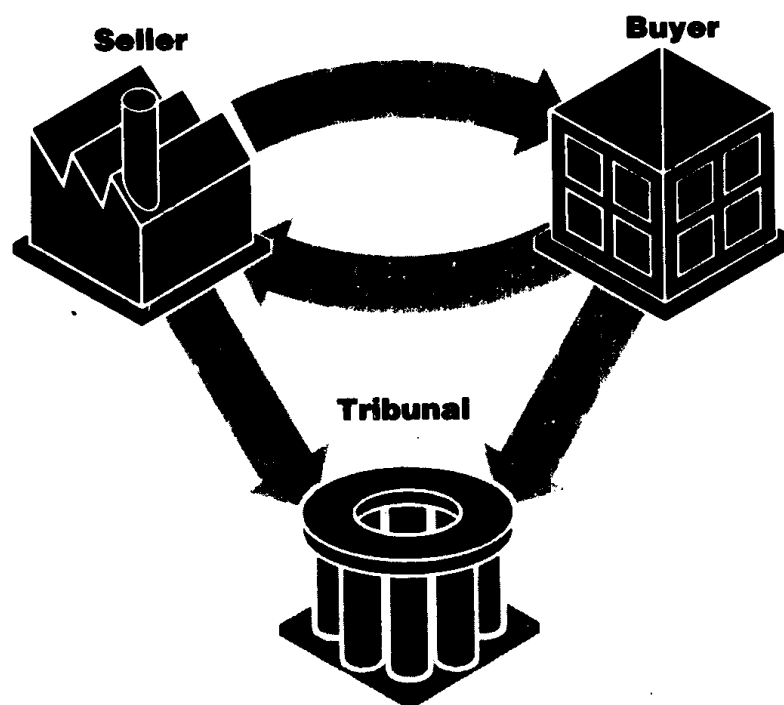
- foreign exchange policies and procedures,
- licensing,
- scarcity of convertible currency,
- fluctuation or volatility of exchange rates, and
- covering and hedging of foreign exchange exposure.

*Fraud possibilities in the transaction or in documents*

Payment against documents for imports en route cannot give protection against the risk of fraud when dealing with a seller who is not known, or concerning whom reports are not wholly satisfactory.

"Know who" can be even more important than "know how".

Furthermore, goods should not be shipped or a service provided merely against a "paper promise to pay" which has not been thoroughly examined, authenticated or verified.



*Jurisdictional and other legal issues that should be considered*

**Dispute settlement**

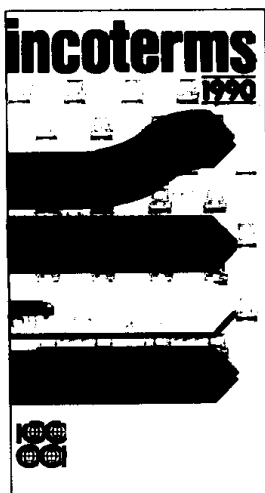
- locale of contract's enforcement,
- availability of legal representation, and
- legal policies towards foreign corporations.

**Legal requirements**

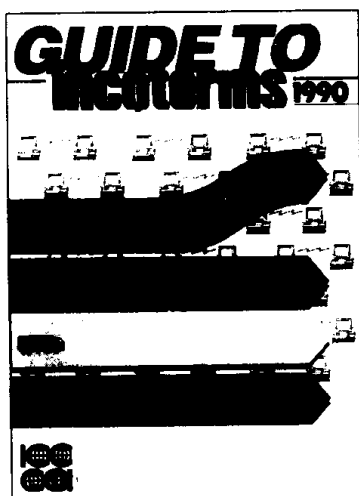
- as to the quality of the goods or services to be performed,
- as to the specification of the goods or services,
- as to the labelling,
- as to the packaging/marketing of the goods, and
- as to retention of title to the goods.

**Intellectual property rights**

- registry of trade marks, patents or copyrights, both domestic and international.



ICC Publication N° 460



ICC Publication N° 461

## *Trade terms or shipping terms in international trade*

Trade terms are one of the key elements of international contracts of sale. They identify for the parties what to do with respect to their individual responsibilities.

Shipping goods from one country to another under a commercial transaction has its risks. If upon formalising a contract of sale, the buyer and the seller specifically incorporate one of the trade terms used in international commerce, they may be assured that they have **defined their** respective responsibilities in a simple and secure manner. **This should** eliminate any possibility of misinterpretation and any corresponding disputes.

In the 1920s, the International Chamber of Commerce conducted a study on the interpretation of the more important trade terms. **This study** demonstrated that the terms were understood differently in **different countries**. Therefore, the outcome of a dispute between the seller and buyer **often** depended on the place where the dispute would be resolved and the **applicable law**. This, of course, involved judicial risks for the seller or the buyer which could create serious disputes and adversely affect future business between them.

For this reason, the International Chamber of Commerce considered it important to develop rules for the interpretation of trade terms which the parties to the contract of sale could agree to apply - INCOTERMS - for international commercial terms. These rules were first published in 1936.

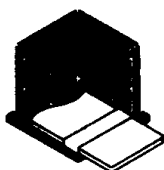
The principal trade terms normally utilised in international trade are the INCOTERMS 1990. They are normally applicable:

- by reference in the contract of sale,
- as an international custom of the trade, and
- by assuming that the parties have intended to apply them (so-called implication).

### 3. Documentary Requirements

#### *Commercial and financial documentary requirements*

The parties to the international trade transaction must address the following documentary issues:



#### **Buyer**

what document(s) does the buyer need?



#### **Seller**

what document(s) will he be able to supply?

#### **Country of export**

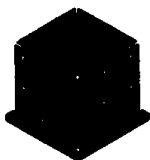
what documents are required under the regulations of the exporting country?  
and

#### **Country of import**

what documents are required under the regulations of the importing country?



## 4. Main Objectives of the Parties to a Transaction



*The buyer's objectives are:*

### **Contract fulfilment**

- To receive the correct quantity and quality of the goods purchased or services required,
- To receive, in a timely manner and at the correct place, the goods purchased or the services required, and
- Assurance that he does not have to pay the seller until he is certain that the seller has fulfilled his obligations correctly.

### **Credit**

- A managed cash flow, with the possibility of obtaining bank finance, and/or
- To defer payment as long as possible.

### **Convenience**

- The convenience of using an intervening third party in whom both the buyer and the seller have confidence - such as a bank with its Documentary Credit expertise - when payment is to be made.



*The seller's objectives are:*

### **Contract fulfilment**

- Assurance that he will be paid in full within the agreed time limit, and
- To deliver the contracted goods or services as quickly as possible.

### **Prompt payment**

- Prompt payment on completion of his contractual obligation, so as to improve the liquidity of his business, and
- To receive payment of the correct amount and in the correct currency.

### **Convenience**

- The convenience of receiving payment at his own bank or through a bank in his own country.