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Policy and Business Practices

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**Subject: Document 470/TA.735**

Dear Mr. Lee,

Thank you for your query regarding UCP 600. Please find below the opinion of the officers of the Banking Commission.

**QUOTE**

Subject: Requirements in LC versus presented shipping documents.

We would like to have an ICC opinion in respect of the following case which was raised at a letter of credit seminar.

Facts

1. LC shows following information:

44A: South Korea
44E: Any port in Korea
44F: Peru Callao Port
44B: Lima

Required transport document: Clean on board ocean B/L

2. Presented transport document was an ocean B/L containing following information:

| | | |
|---|---|---|
| Place of Receipt | : | Blank |
| Port of Loading | : | Ulsan, Korea |
| Port of Discharge | : | Peru Callao Port |
| Final Destination | : | Lima |

Analysis

1. It seems that the LC meant multimodal transport document. This is because Lima (non-port place) was shown as the final destination. The LC, however, required ocean B/L as the transport document.

2. Presented transport document was an ocean B/L covering shipment through to Lima (non-port place).

Questions:

1. Under the LC terms, what transport document would be presented, multimodal transport document or ocean bill of lading?
2. Which article of UCP 600 shall be applied in the examination of the B/L, article 19 or article 20?
3. If the required transport document in the LC were a multimodal transport document, would the presented ocean B/L containing the above information be acceptable?

The above subject is controversial among bankers in our country, and therefore your guidance will be highly appreciated.

**ANALYSIS**

Given the routing for the shipment as shown in fields 44A, E, F and B, the credit should have requested the presentation of a multimodal or combined transport document (which is designed for use when there are at least two modes of transport involved) and not a bill of lading (which is designed for use in port to port shipments).

Although the beneficiary presented a document titled 'Ocean Bill of Lading" it covered shipment from a South Korean port (Ulsan) to Lima (an inland place). The transport document must be examined under the article that is applicable to the conditions stated in the credit i.e., article 19. As shipment was effected from a South Korean port, the absence of any data in the field titled 'place of receipt' would not be a reason for refusal.

**CONCLUSION**

In response to the questions posed:

1. A document, however named, would be acceptable that met the conditions stated in the credit.
2. Article 19 would apply, given the content of field 44 of the MT700.
3. Yes, under the doctrine of a document 'however named', as referred to in each of the transport articles (19-25) of UCP 600.

**The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission's officers based on the facts under "QUOTE" above. They do not necessarily reflect the opinion of the ICC Banking Commission until the Banking Commission renders its approval or disapproval of these opinion(s) at the next scheduled meeting.**

**The reply given is not to be construed as being other than solely for the benefit of guidance and there should be no legal imputation associated with the reply offered.**

**If this query relates to a matter currently under consideration by the courts, the ICC Banking Commission will refrain from considering it for adoption as an opinion.**

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Yours sincerely,

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