



Ms. Yeliz Geriř
ICC Türkiye Milli Komitesi - ICC Turkey
Müdür - Executive Director
Dumlupınar Bulvarı No:252
(Eskişehir Yolu 9. Km)
06530 ANKARA
Turkey

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Subject: Document 470/TA.751

Dear Ms. Geriř,

Thank you for your query regarding UCP 600. Please find below the opinion of the ICC Banking Commission Group of Experts and Officers.

QUOTE

We received the following query from one of our member banks.

Topic : Transhipment vs. Charter Party Bill of Lading

A credit was issued and included the following conditions:

43T – Transhipment

ALLOWED

44E – Port of Loading

VENTSPILS

44F – Port of Discharge

YALOVA, TURKEY

47A – Additional Conditions

* Charter party bill of lading is acceptable.

Transhipment was effected. Two separate sets of charter party bills of lading, evidencing successive shipments on two different vessels by splitting the shipment route stated in the credit into two segments, were presented. The related fields of these two charter party bills of lading are shown for your review:



Charter Party B/L No:1

Vessel	Port of Loading
ANTRACYTH	VENTSPILS / LATVIA
Port of Discharge	
ANTWERP OR ROTTERDAM FOR TRANSHIPMENT ON MT CHEMICAL STAR	

Charter Party B/L No: YAL -01

Vessel	Port of Loading
CHEMICAL STAR	ROTTERDAM
Port of Discharge	
YALOVA, TURKEY	

Two full sets of charter party bills of lading were presented at the same time and each set gave the same details in respect of the consignee, notify party, goods description, weight etc. Both sets also included the phrase “Freight payable as per charter party dated 11.05.2011”.

Although UCP 600 sub-article 20 (c) (i) clearly states that 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, there is no such concept or rule in UCP 600 article 22 for charter party bills of lading. Therefore, we would like to have an official opinion of the ICC Banking Commission as to;

- a) whether these charter party bills of lading are acceptable or not, and
- b) if they are not acceptable, on what grounds can they be refused?

ANALYSIS

UCP 600 article 22 neither contemplates nor prohibits transhipment. It is fair to say that article 22 does not contain rules relating to transhipment due to the rarity of such an event, where charter party bills of lading are involved.

That UCP 600 sub-articles 20 (c) (i) and (ii) contain rules regarding the occurrence of transhipment where a bill of lading is the transport document, does not mean that those same rules are to be applied to a charter party bill of lading.

By specifically allowing for transhipment to occur, the applicant and issuing bank will be aware that two or more vessels may or will be involved in the carriage of the goods to their destination. On this basis, and the absence of specific rules in article 22, it is the

responsibility of the applicant and the issuing bank to ensure that the terms and conditions of the credit indicate precisely how transshipment is to be described or reflected in one or more full sets of charter party bills of lading that may be presented.

In a shipment that is subject to a charter party, it may not be a requirement that one original charter party bill of lading must be presented to facilitate the unloading of the goods from the arriving vessel, and loading on the following vessel, where transshipment is occurring under the same charter party contract. This aspect of charter party transactions is reflected in this query by the fact that two full sets of charter party bills of lading were presented to the bank.

Absent instructions in the credit as to how transshipment is to be evidenced on a charter party bill of lading, the beneficiary will be at liberty to present a single full set of charter party bills of lading that may or may not indicate the details relating to transshipment or, as in this case, two separate full sets of charter party bills of lading that collectively evidence shipment of the goods from the port of loading stated in the credit to the port of discharge stated in the credit.

CONCLUSION

The charter party bills of lading are acceptable.

The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission's Group of Experts and 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.

Neither the ICC nor any of its employees, nor any member of the Banking Commission, including the Chairman, Vice-Chairmen, Technical Adviser or any of the Group of Experts shall be liable to any person for any loss or damage arising out of any act or omission in connection with the rendered opinion(s).

Yours sincerely,



Thierry Senechal
Senior Policy Manager
Banking Commission