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Policy and Business Practices

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Unit 1201 Bank Centre
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4 January 2012

Subject: Document 470/TA.758

Dear Mr. Lam,

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 are writing to ask for an ICC official opinion as to whether a discrepancy quoted by an LC issuing bank is valid or not.

Documents required by the LC included:

- Bills of lading
- Packing List

The presented bills of lading show "SHIPPED ON BOARD DATE: 14 SEP 2011". The presented packing list shows "SHIPPING DATE 13.09.2011".

The LC issuing bank raised the discrepancy "packing list showing inconsistent shipping date with bills of lading".

We do not agree based on the following reasons:

(1) The on board date and the shipping date may refer to 2 different things and should not be compared for consistency or conflict. These 2 dates are independent and have their own meaning.

(2) The LC did not require the packing list to show SHIPPING DATE at all. It was therefore additional information.

ANALYSIS

As pointed out in the query, the packing list need not have quoted a SHIPPING DATE at all because of the absence of such a requirement in the credit. It is noted that the nominated bank considered the indication of a SHIPPING DATE to be 'additional information', but neither the UCP nor ISBP refer to such description of data. It is a requirement of UCP 600 sub-article 14 (d) that any data mentioned in a document, even if such data is not required by the credit, must not be in conflict with any data shown in that document, any other stipulated documents or the credit.

Reference in a packing list to "shipping date" does not necessarily relate to the date of loading on board of the goods on a named vessel at the port of loading as stated on the bill of lading. It can be in respect of the date of shipment (shipping) from the premises of the exporter, or the date of taking in charge by the carrier at the place of receipt. For these reasons, reference to shipping date in the packing list is not seen as a conflict of data.

Although UCP 600 sub-article 14 (d) is the equivalent, in part, of UCP 500 sub-article 13 (a) and article 21, the reference in sub-article 14 (d) to conflict instead of inconsistent was made to highlight the need for banks to be more definitive in their determination of non-compliance due to discrepancies in data between documents. In the context of the refusal message, it is clear that the issuing bank is highlighting a difference in dates between the documents and the use of the word 'inconsistent' instead of 'conflict' would not in itself be a reason to invalidate the discrepancy.

CONCLUSION

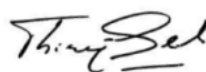
The discrepancy is not valid.

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
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Banking Commission