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Dear Prof. Deli,

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

QUOTE

A confirmed credit stated in field 46A, "Documents required":

+ MANUALLY SIGNED AND DULY DATED BENEFICIARY'S COMMERCIAL INVOICE ADDRESSED TO APPLICANT, MARKED L/C NUMBER, EVIDENCING DELIVERY AND PAYMENT TERMS – IN 1 ORIGINAL AND 1 COPY

The credit further stated in field 47A, "Additional conditions":

+ ALL DOCUMENTS TO BE MANUALLY SIGNED

The confirming bank received documents, honored the credit and sent the documents to the issuing bank. The issuing bank refused the documents, raising the following discrepancy: "Commercial invoice presented copy is not manually signed as per L/C terms and conditions field 46A and 47A". Later the issuing bank returned the documents informing the confirming bank that the file was closed.

The confirming bank highlighted that a copy document was not to be considered as a "document" because it has no legal effectiveness; in any event, the original invoice was duly signed. In this regard, the confirming bank made reference to ISBP 681 paragraph 32 that was applicable at the time the documents were presented. ISBP 745 paragraph A31 (b) has similar wording. In line with this, the presentation of a signed document accompanied by unsigned copies is to be considered compliant. Moreover, the confirming bank pointed out that UCP 600 includes provisions concerning the content of original documents and not copy documents. The requirement for documents to be manually signed does not extend to copy documents unless specifically stated.

In their response, the issuing bank made reference to ISBP 681 paragraph 62. In reply, the confirming bank highlighted that the requirement in the credit was duly respected on the original invoice and that the new revision of ISBP (ISBP 745 paragraph C10) provided further clarification that a signature on the copy invoice is not valid unless explicitly required.

We will be grateful if the ICC Banking Commission will give its opinion concerning the validity of the discrepancy as above.

UNQUOTE

ANALYSIS

At the date of presentation of the documents, ISBP 681 was in place; ISBP 745 was published later that year. In either version ISBP offers guidance in the correct application of UCP 600. ISBP 681 paragraph 32 stated: "Copies of documents need not be signed". Additionally, ISBP 681 paragraph 62 stated: "Unless required by the credit, an invoice need not be signed or dated." Both of these principles have been re-emphasised in ISBP 745: paragraph A31 (b) "Copies of documents need not be signed nor dated", paragraph C10 "An invoice need not be signed or dated."

However, whilst it is normal practice that copy documents are not signed, the credit included a condition that all documents were to be manually signed. Based on this condition, all presented documents <u>including copies</u> must be manually signed.

If it was intended that such condition should not apply to copy documents, then this should have been specifically stated in the credit.

CONCLUSION

The discrepancy is valid.

The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission's Technical Advisers 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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Neither the ICC nor any of its employees, nor any member of the Banking Commission, including the Chairman, Vice-Chairmen or Technical Advisers 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,

Emily

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