Ms. Susanne Klockseth
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Dear Susanne,

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

QUOTE

We, as nominated bank, advised a documentary credit subject to UCP600, covering shipment of hardwood pulp, and which included, among others, the following extracted requirements in field 46A (Documents Required):

7) Packing list in three originals and three copies
….
10) The material should be securely packed in seaworthy export packing to avoid any damage in transit. Among other particulars, the packing list should indicate the dimensions of the bale and weight of the container to which the packing list is pertained

A subsequent amendment stated:
Field 46A. 10 to be read as 'The material should be securely packed in seaworthy export packing to avoid any damage in transit. Among other particulars, the packing list should indicate the dimensions of the bale to which the packing list is pertained.' Instead of existing.

A packing list was presented and contained the following information:
"Dimensions of the bale (294000 bales): 8.814.487 CBM".

The bank officer checking the documents interpreted "dimension" as a requirement to show a linear measurement such as length, height and width, and decided that the packing list was discrepant due to the lack of such measurement details. However, it was argued by the beneficiary that dimension is a measureable extent of any kind, dimensions = size, and that by showing total volume the requirement of showing the dimension is fulfilled.

Question 1: In your opinion, does the CBM measurement, i.e., the volume, satisfy the requirement of showing dimension?

Question 2: Is the requirement to show dimension of "the bale", in this context, satisfied by the packing list stating a total volume (or other total measurement as the case may be) of all bales, or is it to be interpreted as a requirement to identify the dimension of each individual bale?

UNQUOTE

ANALYSIS

A credit was issued with the condition that the packing list should indicate the dimensions of the bale to which the packing list related.

The presented packing list contained the following information: “Dimensions of the bale (294000 bales): 8.814.487 CBM”.

The nominated bank determined that the information contained in the packing list did not meet the credit requirement, an assertion that was refuted by the beneficiary

Whilst it should not be for a bank examiner to decide exactly what should constitute a relevant dimension for any particular commodity, it is a worthwhile exercise to appraise the presented information in more detail.

Leaving aside the subject of the commodity itself, the perception of a non-expert to a requirement for the inclusion of a dimension is that such information should provide a measurable range, which could be one or all of many options including length, width, breadth, depth, height, area, volume, capacity, radius, or any other measurable objective.

The packing list stated the dimension of the bales in CBM measurement. The acronym CBM refers to ‘cubic meter’. Failing any specific reference as to what is meant by ‘dimensions of the bale’, CBM measurement meets the requirement for indication of such dimension.

If specific type(s) of dimensions are to be shown on a stipulated document, such as a packing list, the credit should indicate the type(s) of dimensions rather than simply referring to ‘dimensions’ and also whether such dimensions are to refer to an individual bale or all the bales.

CONCLUSION

1) Yes, stating dimensions in CBM meets the requirements of the credit.
2) Without specific wording in the credit, a reference to dimensions could apply to each individual bale or all the bales.

The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission based on the facts under “QUOTE” above.

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 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,

Olivier Paul
Director, Finance for Development