



NEW RULES FOR DOCUMENTARY CREDITS A STEP FORWARD OR A MISSED OPPORTUNITY?

By Parama Dharmawardene

Consultant - DFCC Vardhana Bank

UCP 600 the latest revision of the Uniform Customs and Practice for Documentary Credits, issued by the International Chamber of Commerce, came into force with effect from 01 July 2007. A leaner set of rules than UCP 500, the new edition contains major changes that letter of credit practitioners will need to know. There are some new provisions, removal of certain existing provisions, modification of some of the existing provisions, re-drafted articles by introducing enhanced clarity and precision of the text aimed at resolving confusion and avoiding different interpretations. This article discusses the new UCP revision, some of the key changes made therein and the issues not addressed or created by the new revision.

1. Background

International trade involves a flow of goods from seller to buyer and at the same time a flow of payment from the buyer to the seller across international borders, in accordance with a contract of sale. The parties in international trade are aware that such payment may be influenced by various issues, such as trust between the commercial parties, their need for finance and, possibly, by governmental trade and exchange control regulations. There are various methods of settling international trade transactions and one of the most common methods of payment, especially in Asia and the Far East, is the Documentary Credit.

The International Chamber of Commerce (ICC) first established in 1919, had as its primary objective facilitating flow of international trade at a time when nationalism and protectionism posed serious threats to the world trading system. It was in that environment that the Uniform Customs and Practice for Documentary Credits (UCP) was first introduced in order to overcome the confusion caused by some countries promoting their own national rules on documentary credit practice.

One of the core tasks of the ICC is to make it easier for companies in different countries to trade with each other, thus contributing to the expansion of international commerce. Since 1933, when the International Chamber of Commerce first published the UCP, the ICC has considered it important to keep the business community abreast of developments and practices that have evolved in this field, and to support efforts to facilitate and standardize international trade practices. The objective, since attained, was to create a set of contractual rules that would establish uniformity in that practice, so that the practitioners would not have to cope with conflicting national regulations.



All embody a basic ICC principle, self-regulation by business. They are devised by experts from the private sector, working in ICC Commissions, who give generously, their time for the benefit of the wider business community. Documentary Credit usage is no exception. The universal acceptance of UCP by practitioners in countries with widely divergent economic and judicial systems is a testament to the rules' success. In a world of fast changing technology and rapidly improving communications periodic revision of ICC rules for trade facilitation is inevitable. It is important that the rules must not only keep pace with new technology, they must also take into account the current legislation, both national and international.

UCP was first published by ICC in 1933. Revised versions were issued in 1951, 1962, 1974, 1983 and 1993. Written virtually to every letter of credit the UCP is accepted worldwide and is the essential ground rules for billions of dollars in international trade transactions every year. They are the most successful private rules for trade ever developed and illustrate the importance ICC attaches to self-regulation.

2. Why use an International Publication?

Adoption of an international publication gives the advantage of using harmonised rules rather than being faced with differing customs having a common understanding of terms, desires, etc. and helps to avoid disputes and, where these arise, leads to much greater predictability in their outcome. Without the international publications, parties might be compelled to resort to the inconvenience and expense of calling expert witnesses as to international usage, with the additional risk of conflicting testimony. With the rules in place, the task of a court is relatively simple. In most cases they are guided accordingly and give effect to the articles/rules as defined.

3. The Revision Process

In 1999 the Task Force report on a possible strategy for future UCP revision considered that it was not yet time for a revision as the number of queries were gradually declining. In 2001 ICC National Committees of several countries believed it was time to establish a time table for a revision of the UCP. In 2002 ICC's Task Force on Documentary Credits recommended that in view of the long lead-time needed to produce a UCP revision, it was time to begin the process and ICC appointed a Drafting Group of nine members to start work on the revision of the current version of the UCP. A Consulting Group was also established with 41 members from 26 countries.

The Drafting Group carried out a methodical survey of ICC Opinions, the DOCDEX dispute resolution decisions, legal cases (e.g. Original docs; Unjustified refusal; Deferred Payment; Fraud) and considered ICC rules since UCP 500: the Uniform Rules for Bank-to-Bank Reimbursements (URR525), International Standby Practice (ISP98), eUCP for possible incorporation. The Drafting Group met on 15 occasions and over 5000 individual comments were received and reviewed. National Committees in 143 countries were requested to vote on a range of issues the likes of continued reference to various terms e.g. 'Negotiation', 'On its face', 'Reasonable time', Discounting of deferred payment undertakings', Relevance of article 30 of UCP 500 (re: Freight Forwarder



Transport documents), preferred versions for ‘non-documentary conditions’ and degree of review for ‘inconsistency’ or ‘non-conflicting’ as shown in UCP 600. It must be stated that from the 143 National Committees only less than 60 of them actively participated in the revision process.

An independent ‘professional’ review of the wording of the new document was also carried out by a panel of experts, with a legal background, in order to ensure that difficulties if any disputes arise are kept to a minimum.

A review of the opinions by the Banking Commission of the ICC revealed that seven articles in UCP500 accounted for over fifty eight percent of all opinions.

These seven were:

- article 9 Liability of Issuing and Confirming Banks
- article 13 Standard for Examination of Documents
- article 14 Discrepant Documents and Notice
- article 21 Unspecified Issuers or Contents of Documents
- article 23 Marine/Ocean Bill of lading
- article 37 Commercial Invoices
- article 48 Transferable Credit

On the other hand 17 articles had either none, or a mere one or two opinions. Therefore it was necessary to closely examine and revise the aforesaid seven articles. They also had to carry out a review of the remaining 42 Articles in UCP 500 as well. Issues not specifically covered in UCP 500 and topics on which there has been cause for banks, companies, the shipping industry or lawyers to write to the ICC for an Opinion, were also considered.

Document checkers are being required to make judgement calls based upon their own interpretation of the document, rather than the support of a clear guideline as to the correct position.

This was a challenge the Drafting Group had to address.

4. ICC Opinions under UCP 500

The Opinions given by the ICC’s Commission on Banking Techniques and Practice on the seven articles, which had the largest number of request for Opinions, were in respect of the following issues:

Art. 9. Liability of Issuing and Confirming Banks

The imposition of time limits by Issuing Banks for acceptance or rejection of amendments; Amendments that cross with a presentation; Issues relating to difference between payment, acceptance and negotiation; The legal implications concerning pre-payment of deferred payment



undertakings; Retention of Negotiation as a settlement method; Presentation of documents by the beneficiary or his agent direct to Issuing Bank.

Art. 13. Standard for Examination of Documents

Definition of Banking Day; Date for negotiation of documents as opposed to date for presentation of documents; Treatment of documents not called for under the Letter of Credit (LC); Dating of certificates; Language of documents.

Art. 14. Discrepant Documents and Notice

This is the main issue for which the ICC's Banking Commission had been asked to give opinions. Release prior to revision of ICC Policy Paper April 2002 'Discrepant Documents, Waiver and Notice Requirements of a notice of refusal. Single notice of refusal; Liability of an issuing bank after receiving applicant's waiver; Holding documents at disposal

Art. 21. Unspecified Issuers or Contents of Documents

Review of non-transport documents (those not covered by articles 23-29): Dating of documents after the Shipment Date.

Art. 23. Marine/Ocean Bill of Lading

What is deemed to be the Bill of Lading (BL) date?; Port of loading in the LC appearing as the place of receipt on BL and how to make this acceptable under UCP; Issues raised through Position Paper No.4 in relation to carrier name and signing; Emphasise that non-negotiable copies need not be signed, authenticated etc.

Art. 37. Commercial Invoices

Use of a shortened goods description in the Invoice where the credit covers more than one type of goods and only one type shipped; Need for address of applicant or beneficiary to be exactly as per LC and does this include fax, phone, e-mail details?

Art. 48. Transferable Credit

Inclusion of issues covered in ICC Policy Paper October 2002 'Transferable Credits and the UCP 500.'

5. Review of remaining 42 Articles in UCP 500

The Group not only reviewed the remaining 42 articles in UCP 500, they also looked at issues which were not specifically covered in UCP 500. They studied the topics in which there has been cause for banks, companies, the shipping industry or lawyers to write to the ICC for an opinion and areas where it is felt the UCP could be more explicit or encompass additional conditions / criteria. It was observed that document checkers are being required to make judgement calls based upon their own interpretation of the documents. This was not desirable. ICC's aim is to develop the support of a clear guideline as to the correct position to be followed by the document checkers.



6. The Issues

The Drafting Group was of the view that the UCP should not be revised just because it has reached a ten-year cycle of usage. A revision should be made on the basis that a new text will enhance the letter of credit product, enable practitioners to undertake transactions with a set of rules that: The new UCP will be written more clearly (especially to those whose mother tongue is not English); It will encompass current trends and issues and above all, remove the ambiguities that exist today.

7. The Objective

The main objective of the revision is the reduction of unjustified discrepancies by banks, the default position for the majority of standard LC transactions. They also wanted to have transparency and clarity in the new UCP so that it facilitates remedies to reduce queries, and element of interpretation. They also aimed at limiting potential litigation and sought to eradicate poor presentation by beneficiaries by having a clearer understanding of the principles of the UCP. The Group wanted to place the onus on Issuer to be precise in the LC terms

8. The Revision

This revision is the most comprehensive review in the history of UCP. The earlier revisions were all limited to modifying the existing wording and adding new articles to address any new developments pertaining to international trade. In this revision the Drafting Group introduced a logical structure to the rules to enable the practitioners to easily access the appropriate articles. While no draft will satisfy everyone, the Drafting Group gave everyone an opportunity to express their views. All suggestions by the ICC's National Committees were considered, no matter how minor or small. Many UCP 500 articles have been moved or merged with other articles, while others have been deleted. Since decisions are taken by ICC, using a system of voting by the National Committees, some of the desired amendments were not effected due to the lack of a clear majority. Whether this indecisiveness create issues in the future is something left to be seen.

9. UCP 600 – The Structure

The Group wanted the new revision to have a proper structure and the UCP 600 has been therefore structured as follows:

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| Articles 1-5 | : Framework of the UCP 600 |
| Articles 6-10 | : Structure of and obligations under documentary credits |
| Articles 11-18 | : Pre-advice; Nomination; Reimbursement; Standard for examination of documents; Discrepant documents, waiver and notice; Originals; Invoice |
| Articles 19-27 | : Transport documents |



Article 28	: Insurance documents
Articles 29-37	: Extension; Tolerance; Partial shipment; Instalments; Disclaimers; Force Majeure
Articles 38-39	: Transferable Credits; Assignment

10. UCP 500 / UCP 600

The following UCP 500 provisions are not reflected in UCP600: Article 5: Instructions to Issue / Amend Credits, Article 6: (part) Revocable, Article 8: Revocation, Article 12: Incomplete or Unclear Instructions, Article 38: Other Documents, Content of Articles 2, 6, 9, 10, 20, 21, 22, 30, 31, 33, 35, 36, 46, 47 were either moved or merged On the other hand the following new UCP 600 provisions were not reflected in UCP 500: Article 2: Definitions, Article 3: Interpretations, Article 9: Advising of Credits, Amendments, Article 12: Nomination, Article 15: Complying Presentation, Article 17: Original Documents and Copies

Article 1 of UCP 600: Application of UCP is generally unchanged and despite the intention to remove Standby Letters of Credit from UCP 600 reference is still embedded via vague bracketed wording viz. '(including to the extent to which they may be applicable, any Standby Letters of Credit)'. International Standby Practices ISP98 was formulated specifically to meet the requirements of standby letters of credit and has been in operation for a sufficiently long time and is being widely used. Therefore the continued application of UCP to most articles of which are not applicable to standby letters of credit cannot be justified. It would have been better if the opportunity was used to make standby letters of credit subject to ISP 98 and not UCP 600. If it was considered necessary a provision could have been included in UCP 600 stating that in the event of any standby letter of credit stating that it is subject to UCP 600 the provisions of ISP 98 will apply.

11. The Major Changes

UCP 600 Article 2 - Definitions

Definitions were considered important, thereby not leaving room for different interpretations. Therefore a new article was introduced which included definitions for the following: Advising Bank, Applicant, Banking day, Beneficiary, Honour, Issuing Bank, Nominated Bank, Presentation, Presenter, Complying Presentation, Confirming Bank. The definition for Confirmation (UCP 500 article 9b), and that for Negotiation (ICC Position Paper 2) was also stated in this article. The provision of definitions for common LC language means there is no longer a need to search UCP for applicable definitions. The only exceptions are those definitions applicable to Transferable Credits, which are included in Article 39.

UCP600 Article 3 - Interpretations

New interpretations were introduced such as the following: Singular, Irrevocable. The following interpretations, which were found in various clauses in UCP 500 have all been brought under this article. Therefore: Signed (UCP 500 sub-Article 20 b) m Legalised (UCP 500 sub-



Article 20 d), Branches (UCP 500 Article 2), First Class (UCP 500 sub-Article 20 a), Prompt (UCP 500 sub-Article 46 b, On or about (UCP 500 sub-Article 46 c: now 'calendar' days), To, until (UCP 500 sub-Article 47 a), 'From, after' (UCP 500 sub-Article 47b), First half, second half (UCP 500 sub-Article 47c), Beginning, middle, end (UCP 500 sub-Article 47d)

"On Their Face"

Reference to 'On its Face' has been *deleted in all places* except for in Article 14 "Standard for Examination of Documents" so as to maintain the position that is recognised by courts of the information, page, etc., that the document checker is expected to review. It does not mean, the front as opposed to the back of a document. The term means the *review of a document in line with international standard banking practice and the features of the document itself.*

Article 14a: Standard for Examination of Documents

A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank must examine a presentation to determine, on the basis of the documents alone, whether or not the documents appear on their face to constitute a complying presentation

Article 14b: Standard for Examination of Documents Reasonable time

Banks shall have a maximum of *five banking days* ('reasonable time not to exceed seven banking days' under UCP 500) following the day of presentation to determine if a presentation is complying. Reasonable time has been a concept not specifically defined within UCP other than the establishment of an outside limit, and not automatically the seven banking day outside limit provided by the UCP 500. There was general agreement to remove the words "reasonable time" from UCP 600 and include a maximum number of days.

However, in article 15 of UCP 600 an issuing or confirming bank when they determine that the presentation is complying, is required to *honour*. Therefore there is a doubt as to whether five banking days is the maximum, since the time taken to determine whether a presentation is complying may be much less than five banking days. This once again brings back the issue of whether there is a definite period for examination of documents.

Another issue is that the negotiating bank, confirming bank and the issuing bank all have a maximum five banking days to examine documents. This means a period of ten or fifteen days will elapse purely for the examination of documents by banks which appears to be far too long. Although some National Committees proposed a more reasonable time of three banking days as a maximum, the majority vote was for five banking days. This is detrimental to developing the Letter of Credit product which the ICC is advocating.

Article 2: Concept of Honour

A new term 'honour' has been introduced in UCP 600 which means:

- to pay at sight if the credit is available by sight payment.
- to incur a deferred payment undertaking and pay at maturity if the credit is



available by deferred payment.

- to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

All types were placed under one concept: to simplify the rules and avoid repetition throughout UCP, for Bank's obligation under an LC. The basic concept of LC is an instrument of payment – honour is the all-encompassing term for giving of value.

Article 2: Definition of Negotiation

Negotiation continues to be a contentious issue. What does negotiation mean – *different interpretations* exist all over the world. General agreement on the meaning has not been forthcoming. How can it be defined? It has been said that a number of banks fail to understand the meaning of the term 'negotiation' in connection with the availability of a documentary credit, which was clarified by ICC Position Paper No. 2. The term 'negotiation' is defined in UCP 500 as 'the giving of value by the bank authorised to negotiate'. the phrase 'giving of value' ... may be interpreted as either 'making immediate payment' or 'undertaking an obligation to make payment'. In my opinion the meaning of negotiation has been very clearly defined. It's just that some of the bigger banks and some of the developed countries are reluctant to advance funds against complying documents and claim reimbursement. Their practice is to pay the beneficiary on receipt of proceeds under their reimbursement claim. In article 2 'Definitions' of UCP 600 it is now defined as follows:

"Negotiation means the *purchase* by the nominated bank of drafts (drawn on a bank other than the nominated bank) and/or documents under a complying presentation, *by advancing or agreeing to advance funds to the beneficiary*, on or before the banking day on which reimbursement is due to the nominated bank".

This may cause new problems as a new term 'purchase' has been introduced in UCP 600 for which no definition has been provided and it is very unlikely that the banks, which are disregarding the meaning of negotiation, will change their practice. Instead they may try to give different interpretations to it.

Article 6: Availability, Expiry Date and Place for Presentation

This article re-organises article 42 of UCP 500 and re-affirms that a credit is also available with the issuing bank. This will put an end to issuing banks refusing to accept documents submitted by the beneficiary direct and forcing presenters to present documents to the nominated bank.

Article 12: Nomination - Discount of Deferred Payment Undertaking

Nomination of a bank includes *authorising a bank to prepay or purchase* and is included in Article 7. Issuing Bank Undertaking and Article 8. Confirming Bank Undertaking. UCP 600 Article 12- Nomination states 'By nominating a bank to accept a draft or incur a deferred payment undertaking, an issuing bank authorizes that nominated bank to prepay or purchase a draft accepted or a deferred payment undertaking incurred by that nominated bank'. This reverses the position in



the highly controversial verdict given in Banco Santander / Banque Paribas case. The problems are: whether all the issues have been incorporated, whether there is any conflict with local laws of some countries and who should be responsible for fraud?

Article 13: Bank-to-Bank Reimbursement Arrangements

This article refers to ICC rules for Bank-to Bank Reimbursement. However an opportunity to make the ICC rules which also have been in existence for quite some time and very widely used to be applicable for all Documentary Credits issued subject to UCP 600. It is surprising that ICC does not want to popularise these rules that have been developed with their involvement.

Article 14d: Standard for Examination of Documents

Data in a document, when read in context with the *credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with*, data in that document, any other stipulated document or the credit.

Article 14j: Standard for Examination of Documents

When the addresses of the beneficiary and the applicant appear in any stipulated document, they *need not be the same as those stated in the credit or in any other stipulated document*, but must be within the *same country* as the respective addresses mentioned in the credit. Contact details (telefax, telephone, email and the like) stated as part of the address of the beneficiary and/or the applicant *will be disregarded*. The exception is when address of applicant is to appear as part of consignee or notify party details on a transport document.

Article 16: Discrepant Documents, Waiver and Notice

A significant change that has been introduced is the additional possibility for holding documents until receipt and acceptance of applicant's waiver without further authorisation of the presenter. Since, a fairly high percentage of documents which are found to be discrepant, are accepted by the applicant, this provision is welcome and provides a more pragmatic solution to a long standing problem..

Articles 19-25: Transport Articles

UCP 500 Article 30 - Transport Documents issued by Freight Forwarders has been removed since a freight forwarder signing as agent of a carrier or as carrier is covered in UCP 600 Article 20 and the content of the other transport articles. It should be noted that UCP has never excluded transport documents because the issuer was a forwarding agent.

Also, reference to carrying vessel propelled by sail only has now been deleted.

Some Carriers in recent times have started on a new practice of making statements on their BL's similar to "Carrier may release the cargo to the consignee without the need to obtain an original BL". Therefore, some National Committees expressed a requirement for wording to the effect that would prevent carriers from attempting to manipulate and desired a definition of a "Title Document". However, it was decided that UCP is not the right forum / document to



define a document of title as local conventions and laws also apply. **Disclaimers in bills of lading are also applicable.**

Article 28: Insurance Document and Coverage

Previously UCP 500 Article 34 Insurance Documents; Article 35- Types of Insurance Cover; Article 36- All Risks Insurance Cover must be issued and signed by an insurance company, an underwriter or their agents or their **proxies**. Cover notes will not be accepted (previously cover notes issued by brokers only were not acceptable)

The insurance document must indicate that risks are covered at least between the place of taking in charge or shipment, as stated in the credit and the place of discharge or final destination as stated in the credit. Amount of insurance coverage must be at least 110% of the CIF or CIP value of the goods. An important change in the new rules is the provision contained in the article permitting insurance document to contain reference to any exclusion clauses. This can be dangerous if the exclusions have an adverse impact on the usual risks covered by the insurance document for an international trade transaction.

Article 35: Disclaimer on Transmission and Translation

In this article it is stated that if a nominated bank determines that a presentation is complying and forwards the documents to the issuing or confirming bank whether or not the nominated bank has honoured or negotiated, an issuing bank or confirming bank must honour or negotiate or reimburse that nominated bank even *when the documents have been lost in transit between the nominated bank and the issuing bank or confirming bank or between the confirming and the issuing bank*. However, no specific provision has been made emphasizing the liability of the Applicant in such instances to pay the issuing bank, nor for the loss of documents between the issuing bank and the applicant.

Article 38: Transferable Credits

This article has been re-worded for clarity. This is the only article other than article 2 Definitions, which have a definition incorporated. That the issuing bank can be a transferring bank and documents must be presented to the transferring bank are new introductions to this article designed to clarify ICC's position.

12. Issues Not Addressed or Newly Created

Non-banks have been issuing Credits for a number of years and this practice is growing. At the commencement of the revision process it was proposed that the new revision should provide for it using 'Parties' instead of 'Banks', 'Issuer' instead of 'issuing bank', and so on as UCP 500 had no interpretation of bank. During the drafting it was proposed that '*The term bank includes but is not limited to entities traditionally known as a bank or other financial institution.*' However, subsequently this interpretation was removed. *This has not resolved the problem that the Banking Commission will be faced with when a request for an opinion is submitted on such a case after adoption/implementation of the new rules.*



13. Application of UCP 600

With effect from 01 July 2007 banks in Sri Lanka commenced issuing their documentary credits subject to UCP 600 and therefore the commercial parties will also have to conform to the requirements of the new rules.

All Documentary Credits issued and outstanding prior to this date has been issued subject to the earlier revision UCP 500, which will continue to apply even after 01 July 2007. Banks and commercial parties can if they so desire amend the Credit to make it subject to UCP 600 (which must be accepted by the beneficiary). However the better option will be to let those credits remain subject to UCP 500 and in about four months from now a majority of such Credits would have been utilized or expired. By examining the few Credits that remain outstanding, a decision can be taken as to whether they should amend them or let them continue to be subject to UCP 500 until expiry.

Changes were necessary in the SWIFT message formats to accommodate the changes and therefore SWIFT was involved in UCP 600 Drafting Group in order to ensure that the necessary changes are made on time. New mandatory field 40A Applicable Rules with list of codes was introduced align with UCP 600. Under UCP 500 SWIFT rules stipulated that any Credit sent via SWIFT was considered subject to UCP 500. However, for UCP 600 without providing a new option for UCP 600, a change was made by introducing a new field which was introduced to make the Credit subject to 'latest version' without changing the SWIFT rules, as was the case under UCP 500. Nevertheless, we need to refer back to the SWIFT rules to find out the interpretation of this phrase and it states that the latest version is the version of UCP operative on the day the Credit is issued.

14. Position Papers and ICC Opinions

A number of Opinions had been issued by ICC's Commission on Banking Technique and Practice, on matters referred to them by the National Committees. Furthermore, four Position Papers were also issued by ICC to clarify the provisions in UCP 500. It must be noted that the Opinions expressed were based on specific situations and therefore they will no longer be valid under UCP 600. Similarly the Position Papers will also not be valid under UCP 600.

15. Conclusion

The ICC during the drafting of a new revision decides on each issue put forward by taking a vote from the National Committees. Any proposals to be adopted required a clear majority and if not such proposal was not accepted. Therefore many issues which some National Committees were keen to be included in the new revision had to be excluded. This was evidenced by the fact that there were suggestions for nineteen new articles, however, the number of countries voting for these suggestions did not give rise to an overall majority that would justify such an inclusion. The suggestions included the following:



Transfer by Operation of Law
Participations / Syndications
Corrections / Alterations
Language of Documents
Jurisdiction
Inoperative LCs
Forwarder Type Documents (FCR etc.)
Endorsements
Linkage
Recourse
Good Faith
Revolving Credits

Since most of the messaging relating to Documentary Credits is routed via SWIFT, it was also involved in the drafting and was able to make the necessary modifications in order to accommodate the requirements under the new revision.

International Standard Banking Practice and the eUCP which were documents published by the ICC to clarify the practices under UCP 500 has also been revised to reflect the new requirements under the UCP 600. Please note that the Position Paper issued by the ICC will no longer be applicable under UCP 600. The Opinions issued by ICC's Banking Commission will not be reviewed for applicability to UCP 600 as they have been issued on the basis of facts of particular situations

The local regulations and practices in Sri Lanka will also make life difficult for the Banks in the country. In the Documentary Credits they issue they will not only have to incorporate clauses to meet the regulatory requirements, they will also have to exclude the application of certain articles or sub-articles to conform to the regulations or practices.

The challenge ahead for all practitioners is to use the UCP 600 to work towards creating greater value for the Documentary Credit product, and thereby facilitate global trade making the Credit a preferred payment instrument.