

eUCP - Supplement to UCP 500 for Electronic Presentation (eUCP) Version 1.0

At its meeting on 24 May 2000 in Paris, the Task Force on the Future of the Commission on Banking Technique and Practice ("Banking Commission") set as one of its goals a greater focus on electronic trade. Further discussion identified a need to develop a bridge between the current UCP 500 and the processing of the electronic equivalent of paper-based credits. While the UCP have been extremely successful over their 60-year history in providing self-regulation for the letter of credit industry, the need was apparent to update the rules to accommodate technological changes.

With the current evolution from paper to electronic credits, it was determined that the market was looking to the ICC to provide guidance in this transition. In response, the Banking Commission established a Working Group consisting of experts in the UCP, electronic trade, legal issues and related industries, such as transport, to prepare the appropriate rules as a "supplement" to the UCP. The result of 18 months of intense effort by the Working Group is the new Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation or "eUCP".

CHECK LIST

- 1** - The letter of credit conditions meet the terms of the contract of sale.
- 2** - The type of letter of credit is as agreed. Do not use revocable credits.
- 3** - Your (the exporter's) information, such as name and address, is indicated correctly.
- 4** - There are no conditions that have not been agreed or that cannot be complied with.
- 5** - The documents stipulated in the letter of credit can be obtained.
- 6** - The description of the goods and their price meet the contract terms.
- 7** - The value of letter of credit is correct.
- 8** - There are no additional charges previously not agreed upon.
- 9** - The bank charges are for the account of the party stipulated in the contract of sale.
- 10** - The shipment and validity dates allow sufficient time for processing the order, loading, obtaining documents and presenting them to the bank.
- 11** - The points of loading and unloading or the places of delivery and receipt of the goods are indicated correctly.

- 12 - The agreed mode of transport is to be used and other conditions regarding transport are as agreed.
- 13 - The Incoterm agreed is specified correctly.
- 14 - It must be indicated whether part-shipments and transshipment are allowed. If there is no indication, it is assumed that they are allowed.
- 15 - If the goods are to be shipped on deck, the credit must state "Shipment on deck allowed".
- 16 - The insurance meets the contract requirements.
- 17 - It must be stated whether the letter of credit is payable at sight or at a future date.
- 18 - The letter of credit must be acceptable in the exporter's country.

CHECK LIST BILL OF LADING

- 1 - Is the number of originals indicated correctly?
- 2 - Is the "On Board" date within the limits stated in the letter of credit?
- 3 - If the letter of credit requires a bill of lading consigned to order and blank endorsed, make sure that all originals are properly endorsed and presented.
- 4 - If a "Received for Shipment" bill of lading has been turned into an "On Board" bill of lading by adding a notation to it, make sure that the "On Board" notation is dated.
- 5 - The bill of lading must not show that the goods are loaded "on deck" unless the letter of credit clearly specifies it is allowed.
- 6 - If the bill of lading is marked "intended" with respect to the ports of loading and/or discharge and the vessel whereas the letter of credit requires an "On Board" bill of lading, then make sure the bill of lading complies with the agreed specifications, including the "On Board" notation confirming the intended vessel, port of loading and port of discharge.
- 7 - Is the bill of lading clean, that is, it does not contain a clause which expressly declares a defective condition of the goods or the packaging?
- 8 - If the bill of lading is subject to a charter party, is it authorised by the letter of credit?

CHECK LIST INVOICE

- 1** - Does the invoice state the importer's name and address correctly and according to the letter of credit conditions?
- 2** - Are the description of goods, prices and delivery conditions indicated correctly and in compliance with the letter of credit?
- 3** - The invoice amount must not exceed the amount stated in the letter of credit.
- 4** - Are other costs included in addition to those specified in the letter of credit?
- 5** - If it is required that the invoice indicate the costs in detail (insurance and freight), do these costs correspond to those stated in the transport and insurance documents?
- 6** - Do the invoices need to be signed and stamped?
- 7** - Do the invoices need to be certified or legalised?
- 8** - Are the invoices marked as "Original" if required by the letter of credit?
- 9** - Make sure the invoice does not have "proforma" or "provisional" in the title.
- 10** - Make sure that the description of the goods is accurate as per letter of credit stipulations.
- 11** - Check that all other information on the invoice, such as marking, numbers, transport information, etc., is indicated in compliance with the other documents.
- 12** - Check that the currency in the invoice and in the letter of credit is the same.
- 13** - Does the value on the invoice correspond to that on the draft?