

国际商务单证英语

应用语言系 09商务英语专业
授课教师：潘冬梅

Section 3 Letter of Credit (信用证)



- ❖ 1. Learning Objective (学习目标)
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1. Learning Objective (学习目标)



Skill Objective(技能目标):

1. **The exporter**--To **rush** the importer **to** ask for its bank to open the relative L/C **by mail**(催促进口商去向他的银行申请开立L/C);

The importer--To fill out **the application for a letter of credit correctly and skillfully** (准确熟练地填制信用证开证申请书) ;



2. **The importer's bank (issuing bank)**---To issue documentary credit correctly according to terms and conditions of S/C No. and the application (根据销售合同和申请书的条款正确开立信用证);

3. **The exporter**---To examine and correct a letter of credit according to terms and conditions of the S/C No. (按照销售合同的条款审核信用证并修改信用证);

The importer---To fill out the application for amendment correctly and skillfully (准确熟练地填制信用证修改申请书)

2. Operating Tasks(操作任务)



- ❖ After friendly negotiation, **CHINA ELECTRONICS ZHEJIANG COMPANY** (address: 408 WENSAN ROAD, HANGZHOU, CHINA) signed a Sales Contract No. **AC4789** with **NEW YORK TRADING CO., LTD.** (address: P.O.BOX 299934, NEW YORK, USA) on **Sept.17,2012**(contract No. **AC4789**), the terms of which read like this: Shipment to be effected from **Shanghai or Ningbo** to **NEW YORK,USA** by **sea** before **November.30th,2012** with partial shipment and transshipment not allowed. Payment to be made by **irrevocable L/C** payable by **draft at sight** to reach the sellers 30 days before time of shipment and remain valid for negotiation until the 15th day after the date of shipment. **CHINA ELECTRONICS ZHEJIANG COMPANY** rushed **NEW YORK TRADING CO., LTD.** to open the L/C and wrote to them asking for the amendment to the L/C upon examination. Finally, they received the amendment to the L/C and began to get the goods ready for shipment.



❖ 在友好磋商后，中国电子进出口公司浙江分公司于**2012年9月17日**和**NEW YORK TRADING CO., LTD.**签订一外销合同(合同号码为**AC4789**)，合同规定：**2012年11月30日**前装运从中国港口(上海或宁波)海运到纽约，允许分批装运和转船，支付方式为不可撤消的即期信用证，信用证须在装运前一个月到达卖方，装运后**15天**在中国议付有效。中国电子进出口公司浙江分公司催促对方开立信用证，在收到**L/C**后即审核并发函要求修改。最终，他们收到了信用证的修改通知书，开始备货。

Task 1 Rushing the establishment of the L/C (催开信用证)



- ❖ In a L/C practice, the buyer should **instruct** his bank **to** open an L/C within the time stipulated in the contract. But for one reason or another (price fluctuation, importer's trouble in capital flow, etc.), he may fail to have the L/C opened on time. The seller should write to the buyer to urge him for the establishment of the L/C. It is **OCT. 15, 2012** but **CHINA ELECTRONICS ZHEJIANG COMPANY** has not received the L/C yet. So please write the letter to urge **NEW YORK TRADING CO., LTD.** to issue the L/C on behalf of Wangtao, a foreign trade salesman of **CHINA ELECTRONICS ZHEJIANG COMPANY**.



❖ 在信用证业务中，买方在合同中规定的时间期限内指示他的银行开立信用证。但往往出于一种或另一种原因（价格波动，进口商资金流出问题等），进口商不能按时开来信用证。卖方应该写信给买方，催促他开立信用证。到了**10月15日**，中国电子进出口公司浙江分公司仍未收到信用证。因此请代表中国电子进出口公司浙江分公司外贸业务员王涛写信给**NEW YORK TRADING CO., LTD.**，催促其开立信用证。

[信用证项目操作答案](#)

- ❖ From: **CHINA ELECTRONICS ZHEJIANG COMPANY**
- ❖ To: **NEW YORK TRADING CO., LTD.**
- ❖ Attn: **John Smith**
- ❖ Date: OCT.15, 2012
- ❖ Page: 1/1
- ❖ Dear Sir,
- ❖ Re: L/C under S/C No.: **AC4789**
- ❖ Referring to **1000 PCS** of **“FOREVER” BRAND BICYCLES** ART NO. **N117 MODEL MB28** under S/C No.: AC4789 , the date of shipment is approaching while we have not received the relative L/C yet.
- ❖ The goods have been ready for shipment for quite some time. We hope you will have the L/C opened as soon as possible to enable us to execute the contract smoothly. If we receive the L/C before **OCTOBER 30TH**, we may make shipment before **NOVEMBER.30TH,2012**.
- ❖ In order to avoid subsequent amendment, please see to it that the L/C stipulations should be in strict conformity with the S/C terms.
- ❖ We look forward to your favorable reply.
- ❖ Yours faithfully,
- ❖ **Wang Tao**



Task 2 Applying for establishment of the L/C (申请信用证开立)



- ❖ After having received the letter from CHINA ELECTRONICS ZHEJIANG COMPANY, **NEW YORK TRADING CO., LTD.** applies to his bank named **BALAHLI BANK OF USA** for the establishment of the L/C on **OCT.15,2012**. Now you are John Smith, the foreign salesman of **NEW YORK TRADING CO., LTD.** and required to fill out the irrevocable documentary credit application according the following contract signed by both CHINA ELECTRONICS ZHEJIANG COMPANY and **NEW YORK TRADING CO., LTD.** on behalf of him. 售货确认书



❖ 在收到中国电子进出口公司浙江分公司的催证函后，**NEW YORK TRADING CO., LTD.**于2012年10月15日向BALAHLI BANK OF USA申请信用证的开立。请代表**NEW YORK TRADING CO., LTD.**公司外贸业务员John Smith根据中国电子进出口公司浙江分公司和**NEW YORK TRADING CO., LTD.**之间签订的下列合同填写不可撤销跟单信用证申请书。
(信用证要求随附下列单据：

- 1) 一式3份商业发票;
- 2) 一式5份装箱单;
- 3) 全套已装船清洁提单，凭空白指示，空白背书提单上注明“运费预付”并通知开证申请人;
- 4) 保险单一式2份;
- 5) 由当地的商会或CCPIT开出的原产地证一式2份;
- 6) 在装船后48个小时内卖方发给买方的邮件或传真的复印件(副本)。

Task 3 The establishment of the L/C (信用证开立)



- ❖ After having filled out the application, **John Smith** delivers it to the bank, **BALAHLI BANK OF USA**. Then the bank staff will open **an irrevocable documentary credit** according to the application presented by **NEW YORK TRADING CO., LTD.** Now you are a bank staff of **BALAHLI BANK OF USA** and required to do the task--- to issue the credit on behalf of him. John Smith在填好信用证开证申请书后将其递交给**BALAHLI BANK OF USA**.银行工作人员将按**NEW YORK TRADING CO., LTD.**呈交的申请书记上的内容开立这份不可撤销跟单信用证。请代表该银行职员做此项工作任务---开立不可撤销跟单信用证。

Task 4 Examining the L/C with the S/C (审核信用证)



- ❖ Upon receipt of the L/C, the exporter should pay special attention to checking the credit to see if all the terms and conditions in the credit **are in strict conformity with** S/C stipulations and if not, amendments should be made well in advance of shipment of the goods. Otherwise the exporter may run the risk of his draft being **dishonored** by the bank. The following is the L/C opened by BALAHLI BANK OF KUWAIT, please check it and find some discrepancies, then write a letter to ask the importer to apply to his bank for making some amendments.

Task 5 Amending the L/C (修改信用证)



- ❖ Upon examination, the seller should contact the buyer asking for the amendment to the L/C without delay. After receiving the letter asking for amendment to L/C, the importer should apply to his bank for the amendment. So you are John Smith and required to fill out the application for amendment according the discrepancies the exporter had found on the L/C and mentioned in the letter on behalf of him. Then John Smith presents the application to the issuing bank. The issuing bank will amend the L/C according to the application. John Smith经过信用证审核后，卖方应该联系买方要求其立即修改信用证。在收到要求信用证修改函后，进口商（买方）应该向开证行提出修改申请。因此请代表John Smith按出口商在信中所提到的信用证审核出的不符点填写信用证修改申请书并交给开证行。开证行据此进行修改。

3. Operating Sample (操作示范)



1. 催开L/C信函
开证申请书
2. L/C
3. L/C修改函
L/C修改申请书

Knowledge Objective(知识目标):



- ❖ To make clear some concepts about L/C (通过本项目的教学使学生理解L/C的), such as
 - ❖ **the definition** 定义
 - ❖ **characteristics** 主要特征
 - ❖ **parties** 当事人
 - ❖ **the content of L/C (especially SWIFT L/C)** 主要内容
 - ❖ **the classification of L/C**种类, etc;
- ❖ To master the circulation of L/C; 掌握信用证的业务流程;
- ❖ To master some skills about the examination of L/C and know some points of writing the letter of amendment to L/C.
- ❖ 掌握信用证审核要点, 修改信用证信函的写信要点.

Section one

Q1: What is a documentary credit?



ICC Uniform Customs and Practice for Documentary Credit Revision 2007(UCP600) describes the letter of credit as “credit means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation. 国际商会跟单信用证统一惯例2007年修订版(UCP600)信用证被描述为“信用证意指一项约定,无论其如何命名或描述,该约定不可撤销并因此构成开证行对于相符提示予以兑付的确定承诺. P52,NOTE3



❖ In simple term, bank acts as **an intermediary** to **collect payment** from the buyer in exchange for the transfer of documents that enable the holder to take possession of the goods. 简单说, 银行充当中间媒介从买方那里收取货款, 作为交换, 将使持票人拥有货物所有权的单据转交给买方.

❖ **付款赎单**



- ❖ L/C provides a high level of protection and security to both buyers and sellers engaged in international trade. 信用证对国际贸易中买卖双方都提供了很高的安全保障.
- ❖ The seller is assured that payment will be made by a party independent of the buyer so long as the terms and conditions of the credit are met. 只要符合信用证条款规定, 卖方就一定能从独立于买方的另一方当事人(银行)获得付款.
- ❖ The buyer is assured that payment will be released to the seller only after the bank has received the title documents called for in the credit. 只有在银行收到信用证所要求提交的物权单据后, 买方才把款项支付给卖方, 买方得到保障.



- ❖ However, it only assures payment to the beneficiary provided the terms and conditions of the credit are fulfilled. It doesn't guarantee that the goods purchased will be those invoiced or shipped. 但是,如果信用证条款都满足的话,信用证就能保证付款给受益人.它不保证所购买的货物就是发票上的或所发运的货物.
- ❖ It is stipulated in UCP600 Article 5 that "Banks deal with documents and not with goods, services or performance to which the documents may relate".
- ❖ 在<UCP600>的第5条规定"银行处理的是单据,而不是单据所涉及的货物、服务或其它行为。"

Q2: What are Characteristics of L/C?



- 1) L/C is bank credit instead of commercial credit 信用证付款是一种**银行信用**而不是商业信用
- 2) L/C is a self-sufficient instrument 信用证是独立于合同以外的自足文件

A credit by its nature is a separate transaction from the sale or other contract on which it may be based. Banks are in no way concerned with or bound by such contract, even if any reference whatsoever to it is included in the credit. 就性质而言，信用证与可能作为其依据的销售合同或其它合同，是相互独立的交易。即使信用证中提及该合同，银行亦与该合同完全无关，且不受其约束。

- 3) L/C is a typical sale of documents 信用证是一项典型**单据的买卖(纯单据业务)**

Q3: What are the parties involved in a L/C?



There are four parties to a credit

Applicant(开证申请人)—who is usually **the importer** and on whose request the credit is issued. When a sales contract stipulates that **the settlement** is under **L/C**, the importer will **fill in and sign a L/C application form** by which he is making a request to his bank to issue **a letter of credit** in favor of **the exporter**. 信用证的申请人一般是买方(进口商)。他按照买卖合同中以信用证付款方式支付的条款向银行提出申请,银行将按照申请人的指示,开立信用证。

Issuing bank(开证行)



which issues a credit at the request of an applicant or on its own behalf. It holds itself responsible for the payment of the goods. (the importer's bank)

开证行是应开证申请人的要求向受益人开立自身承担付款义务的信用证的银行.通常是进口商所在地银行.



The issuing bank **assumes** the full responsibility of payment undertaking upon itself.

开证行承担付款的全部责任

In the event of default on the part of the importer, the issuing bank itself will make payments to the exporter.
如果进口方(开证申请人)倒闭,无力付款或违约,开证行向出口商有不可推卸的付款责任.

- ❖ L/C is a payment method based on banker's credit.
- ❖ The issuing bank is supposed to be a first-class bank.

Advising bank(通知行)



which is **authorized by** the issuing bank to transfer the letter of credit to the exporter. 通知行是受开证行委托将信用证内容通知给受益人的银行。

It is in the exporter's country and usually the correspondent bank or its head office/ branch or subsidiary of the issuing bank.

It is only responsible for **the authenticity** of the L/C. It is to advise the credit to the beneficiary. (the exporter's bank) 它是开证行在受益人所在地的分行或代理行。

Beneficiary(受益人)



who is usually the exporter and is entitled to use the letter of credit for payment of the goods because the credit is issued in his favor. 信用证的受益人就是卖方(出口商),即信用证上指定的有权使用信用证并享有其权益的人.

He should check the terms and conditions in the credit against the sales contract. Once the exporter accepts the credit, he should arrange production and shipment accordingly and make sure that the documents he supplies would be in strict compliance with the L/C stipulations. 他应该仔细核查信用证规定和合同条款是否一致.一旦受益人在接受了信用证,就应按信用证的条款组织生产和装运货物并提交严格符合信用证所规定的单据给指定银行或开证行,保兑行.

◆ The Negotiating Bank



which purchases (negotiate /buy) 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. It can either or not be designated in the L/C. The negotiating bank and advising bank can be the same bank, as is to be decided by the L/C. 议付行是(受益人请求的)对信用证项下出口商合理提交的汇票和(或)单据承担议付或贴现(购买)义务,同意将款项提前垫付给受益人的银行.可由开证行在信用证里指定的或不指定.通常由信用证来决定通知行和议付行是否是同一家银行.

Paying bank (付款行)



which is designated by the L/C to pay the draft and/or reimburse(偿付) the negotiating bank or nominated bank advancing or agreeing to advance funds to the beneficiary.

付款行是信用证指定对同意预先将款项垫付给受益人的议付行或指定行进行汇票支付或偿付。

In most cases, it is the issuing bank. It must also be some other banks, as when the currency used in the L/C is that of a third country, the paying bank can be a bank of that country. 大多数情况,付款行就是开证行,也可以是其他银行,当信用证使用第三国货币时,付款行就可以是第三国银行。

The Confirming Bank(保兑行)



which adds its confirmation to a credit upon the issuing bank's authorization or request.

When an advising bank or a transmitting bank has been authorized or requested by the issuing bank to add its own confirmation and it is prepared to do so, it will state so on its advice to the beneficiary and then become a confirming bank. 当开证行授权或要求通知行或转递行对开证银行开出的信用证加具保兑时,接受开证行的这项委托和要求,对此信用证的付款责任以本行的名义实行保付的银行.

◆ Reimbursing Bank

Reimbursing bank is nominated by the issuing bank to honor the claim from the negotiating bank, the paying bank or the accepting bank on behalf of the issuing bank. When **claiming a reimbursement**, the negotiating bank, paying bank or the accepting bank who claims reimbursement, after making payments to the exporter becomes the claiming bank. 偿付行是由开证行指定的,为开证行偿还(清偿)议付行,付款行或承兑行垫款的银行.当进行索偿时,进行索偿的议付行,付款行或承兑行在向出口商付款之后成为了索偿行.

Q4:What are the Contents of a letter of credit?



❖ Most credits are fairly similar in appearance and contain the following details:

❖ The parties involved(信用证当事人), including

❖ ① Applicant (开证申请人), : The name and address of the importer (a creditor) 进口商名称和地址;

❖ ② Beneficiary (受益人) : The name and address of the exporter (beneficiary) 出口商(受益人)名称和地址;

❖ ③ opening bank(开证行);

❖ ④ advising bank(通知行);

❖ ⑤ negotiating bank(议付行);

❖ ⑥ paying bank(付款行), and the like.

- ❖ Sender : VRBPIT2VXXX
- ❖ **BALAHLI BANK OF USA** -----开证行
- ❖ Receiver : HZCVCN2HXXX
- ❖ **BANK OF CHINA, ZHEJIANG BRANCH**
HANGZHOU CN -----通知行



50: Applicant(开证申请人):

- ❖ **NEW YORK TRADING CO., LTD.**
- ❖ **NO.88 FILANKLIN ROAD,NEW YORK, USA**

59: Beneficiary(受益人)– Name & Address

CHINA ELECTRONICS ZHEJIANG COMPANY.
408 WENSAN ROAD, HANGZHOU, CHINA

Negotiating bank(议付行)



41A : Available with... By...(指定的有关银行及信用证兑付的方式):

1)有**指定银行**,即**限制性议付**,兑付方式有5种:

① BY PAYMENT(即期付款)

② BY ACCEPTANCE(远期承兑付款)

③ BY NEGOTIATION(议付)

④ BY DEFERRED PAYMENT(迟期付款)

⑤ BY MIXED PAYMENT(混合付款)

2) **自由议付信用证**,对该信用证议付地点不做限制,SWIFT CODE 为41D ,内容为 ANY BANK IN BY NEGOTIATION

41D : Available with... By...: **ANY BANK IN CHINA BY NEGOTIATION**



2) The remarks about the L/C(信用证信息),
such as

the No. of the L/C(信用证号码)

the type of L/C (信用证类型)

the date of issue (信用证日期)

validity & place (信用证到期日期和地点)etc.



27:Sequence of Total (报文页次) : 1/1

40A:Form of Documentary Credit (跟单信用证类型):
IRREVOCABLE (不可撤销)

20:Documentary Credit Number(信用证号码) :
1349/86283/VR/05 (一般做单时都要求注此号)

31C: Date of Issue (开证日期) : **121015**

31D: Date and Place of Expiry(失效时间地点)
121215 IN CHINA



3) **The currency and amount of credit** 信用证币种和金额(The amount of the credit, in a foreign currency. 以外币表示的信用证金额)

32B: **Currency Code, Amount** (信用证总额):
USD70000 (U.S. DOLLARS SEVENTY THOUSAND ONLY)

39A: **Percentage Credit Amt Tolerance**(信用证金额上下浮动允许的最大范围)

05/05



4) **The clause of bill of exchange(汇票条款)**, such as the amount of the bill, the drawer and drawee, ...etc. (Precise instructions as to the documents against which payment is to be made.关于凭以支付的单据方面的指示)

The name of the party on whom the bills of exchange are to be drawn, and whether they are to be at sight or of a particular tenor.信用证中汇票受票人的名称和汇票是即期还是有特定期限



42C: DRAFTS AT(汇票期限): **SIGHT** -----即期付款

42A: DRAWEE(汇票受票人): **THE ISSUING BANK** -
付款行

30 DAYS AFTER SIGHT



5) The documents required(要求的单据):

first **the types** of documents required (要求的单据类型), such as

commercial invoice(商业发票),
bill of lading(提单),
insurance policy(保险单),
packing list(装箱单),
certificate of origin(原产地证),
inspection certificate(检验证)....etc.

Also the required **number of copies** of the documents. 单据要求提交的份数



46A: Documents Required(议付单据):

- 1.MANULLY SIGNED COMMERCIAL INVOICE (已手签的商业发票) IN TRIPLICATE (一式三份) CERTIFYING THE GOODS INVOICED ARE OF CHINESE ORIGIN(载明/证明发票上货物原产地是中国)
- 2.PACKING LIST (装箱单) IN 5 COPIES (一式五份).
- 3.FULL SET OF CLEAN ON BOARD OCEAN MARINE BILL OF LADING MADE OUT TO ORDER AND BLANK ENDORSED NOTIFYING THE BUYER AND MARKED "FREIGHT PREPAID".
- 4.INSURANCE POLICY IN DUPLICATE.保险单一式两份
- 5.CERTIFICATE OF ORIGIN IN DUPLICATE ISSUED BY LOCAL CHAMBER OF COMMERCE OR CCPIT.由当地商会或贸促会签发的原产地证明一式两份
- 6.COPY OF THE E-MAIL OR FAX SENT BY THE SELLER TO THE BUYER WITHIN 48 HOURS AFTER SHIPMENT.

6) Description about the goods(货物描述)



such as

name of goods

specifications(规格),

quantity(数量),

packing(包装),

unit price(单价),

trade terms(贸易术语)...etc. (A brief description of the goods covered by the credit 信用证项下货物简单描述)

The terms of contract and shipment, i.e. ex-works, FOB, CIF, etc. 合同和装运条款如工厂交货,FOB价,CIF价等



45A: Description of Goods(货物描述):

- ❖ 1000 PCS OF “FOREVER” BRAND BICYCLES ART NO N117, MODEL MB28 @ USD 70.00 PER PIECE CIF NEW YORK, USA
- ❖ PACKED IN WOODEN CASES
- ❖ SIZE:40CM*35CM*20CM=28000/1000000=0.028CBM (省)
- ❖ G. W=10KG/CASE N. W=9KG/CASE
- ❖ SHIPPING MARKS(货运标志/唛头):

7) Shipment clause(装运条款)



such as

port of loading(装运港)

port of destination(目的港)

means of transport(运输方式)

shipment date(装运日期)...etc.

(Shipping details, including whether partial shipment and transshipments are allowed. Also recorded should be the latest date for shipment and the names of the ports of shipment and the names of the ports of shipment and discharge. 装运细节,包括分批装运和转运是否许可,最后装运日期,装运港和卸货港)



43P: Partial Shipments: **NOT ALLOWED** ---分装允许

43T: Transshipment: **NOT ALLOWED** ---转船允许

44A: On Board/Disp/Taking Charge at(装船/发运/接受
监管地点,即起运港) **SHANGHAI OR NINGBO –
CHINA**

44B: For Transportation to (货物运往,即目的港)
: **NEW YORK, USA**

44C: Latest Date of Shipment(最迟装运期):
NOVEMBER.30TH,2012



8) **Additional condition(附加条款)**, such as the special provisions about the deal in accordance with particular business or political situations of the importing country. 信用证规定的其他方面的要求，如对船籍或航线限制条款、对包装的要求、对唛头的要求以及单据上要显示的额外的信息等



- ❖ **47A:Additional conditions:**
- ❖ **1.EACH PACKING UNIT BEARS AN INDELIBLE MARK INDICATING THE COUNTRY OF ORIGIN OF THE GOODS. PACKING LIST TO CERTIFY THIS.**
- ❖ **2. A USD50.00 DISCREPANCY FEE, FOR BENEFICIARY'S ACCOUNT, WILL BE DEDUCTED FROM THE REIMBURSEMENT CLAIM FOR EACH PRESENTATION OF DISCREPANT DOCUMENTS UNDER THIS CREDIT.**
- ❖ **3. ALL DOCUMENTS MUST BE IN ENGLISH.**
- ❖ **4. ALL DOCUMENTS INDICATING THIS L/C NUMBER.**



9) Banking charge clauses(银行费用条款)

71B:DETAILS OF CHARGES(收费说明):

**ALL BANKING CHARGES OUTSIDE USA AND
THOSE OF THE REIMBURSING BANK ARE FOR
BENEFICIARY'S ACCOUNT.**

10)Presentation Period (交单期限)



48:PRESENTATION PERIOD(交单期限):

DOCUMENTS TO BE PRESENTED WITHIN 15
DAYS AFTER THE DATE OF SHIPMENT BUT
WITHIN THE VALIDITY OF THE CREDIT.

Confirmation(保兑指示)

49 CONFIRMATION(保兑指示): WITHOUT



Inst. to Payg / Acctg /Negotg Bank

给付款行/承兑行/议付行的指示

Sender to Receiver Information 附言



- ❖ Undertaking clauses of the opening bank(开证行责任条款), which testifies that the opening bank will hold itself responsible for the payment to the beneficiary or the holder of the draft.



The explanation for shipping document. 运输
单据说明

- ❖ Whether the credit is available for one or several shipments.
- ❖ 该信用证是用于一次或多次装运
- ❖ The expiry date. 信用证截止日期

Section two & three



Q5:Can you give a brief introduction to SWIFT?

Q6:Can you introduce the format MT700 for issuing of documentary credit?

Q7:Can you introduce the format MT707 for amendment to a documentary credit?

Q8:What are characteristics of SWIFT L/C?

Q9:What are indications in SWIFT L/C?

Q10: What are circulation of the L/C?

Q5: Can you give a brief introduction to SWIFT?



SWIFT: the Society for World Inter-bank Financial Telecommunication (环球同业银行金融电讯协会)

- Born in **1973** at the center of **Brussels**
- at its beginning, supported only by 239 banks in 15 countries
- Bank of China entered into it in **Feb of 1983**
- worldwide 24 hours a day, 7 days a week, in more than 10 languages (more details, see page 47 in the textbook)

SWIFT介绍



SWIFT又称：“环球同业银行金融电讯协会”，是国际银行同业间的国际合作组织，成立于一九七三年，目前全球大多数国家大多数银行已使用**SWIFT系统**。**SWIFT**的使用，使银行的结算提供了**安全、可靠、快捷、标准化、自动化**的通讯业务，从而大大提高了银行的结算速度。由于**SWIFT**的格式具有**标准化**，目前信用证的格式主要都是用**SWIFT**电文，因此有必要对**SWIFT**进行了解。

Q6:Can you introduce the format MT700 for issuing of documentary credit?



跟单信用证开证（MT700）中常见项目表示方式

- ❖ 必选 **27 SEQUENCE OF TOTAL**（电文页次）
- ❖ 必选 **40A FORM OF DOCUMENTARY CREDIT**（跟单信用证形式）
- ❖ 必选 **20 DOCUMENTARY CREDIT NUMBER:**（信用证号码）
- ❖ 可选 **23 REFERENCE TO PRE-ADVICE**（预先通知号码）：如果信用证是采取预先通知的方式，该项目内应该填入"PREADV/"，再加上预先通知的编号或日期。
- ❖ 可选 **31C DATE OF ISSUE**（开证日期）：如果这项没有填，则开证日期为电文的发送日期。
- ❖ 必选 **31D DATE AND PLACE OF EXPIRY:**（信用证有效期和有效地点）该日期为最后交单的日期。



❖ 跟单信用证有六种形式：

(1) IRREVOCABLE（不可撤销跟单信用证）

(2) REVOCABLE（可撤销跟单信用证）

(3) IRREVOCABLE TRANSFERABLE（不可撤销可
转让跟单信用证）

(4) REVOCABLE TRANSFERABLE（可撤销可转让
跟单信用证）

(5) IRREVOCABLE STANDBY（不可撤销备用信用证）

(6) REVOCABLE STANDBY（可撤销备用信用证）



- ❖ 可选 **51a APPLICANT BANK**（信用证开证的银行）
- ❖ 必选 **50 APPLICANT**（信用证开证申请人）：一般为进口商。
- ❖ 必选 **59 BENEFICIARY**（信用证的受益人）：一般为出口商。
- ❖ 必选 **32B CURRENCY CODE, AMOUNT**（信用证结算的货币和金额）
- ❖ 可选 **39A PERCENTAGE CREDIT AMOUNT TOLERANCE**（信用证金额上下浮动允许的最大范围） **5%**

该项目的表示方法较为特殊，数值表示百分比的数值，如：
45/05 5/5，表示上下浮动最大为5%。39B与39A不能同时出现。

- ❖ 可选 **39B MAXIMUM CREDIT AMOUNT**（信用证最大限制金额） 39B与39A不能同时出现。
- ❖ 可选 **39C ADDITIONAL AMOUNTS COVERED**（额外金额）
表示信用证所涉及的保险费、利息、运费等金额。



❖ 必选 **41a AVAILABLE WITH...BY...**（指定的有关银行及信用证兑付的方式）

1) 指定银行作为付款、承兑、议付。

2) 兑付的方式有5种：**BY PAYMENT**（即期付款）；**BY ACCEPTANCE**（远期承兑）；**BY NEGOTIATION**（议付）；**BY DEF PAYMENT**（迟期付款）；**BY MIXED PAYMENT**（混合付款）。

3) 如果是自由议付信用证，对该信用证的议付地点不做限制，该项目代号为：**41D**，内容为：**ANY BANK IN...BY.....**。

❖ 可选 **42a DRAWEE**（汇票受票人/付款人）：必须与**42C**同时出现。

❖ 可选 **42C DRAFTS AT**（汇票付款日期）。必须与**42a**同时出现。

❖ 可选 **42M MIXED PAYMENT DETAILS**（混合付款条款）



- ❖ 可选 **42P DEFERRED PAYMENT DETAILS**（迟期付款条款）
- ❖ 可选 **43P PARTIAL SHIPMENTS**（分装条款）：表示该信用证的货物是否可以分批装运。
- ❖ 可选 **43T TRANSSHIPMENT**（转运条款）：表示该信用证是直接到达，还是通过转运到达。
- ❖ 可选 **44A LOADING ON BOARD/DISPATCH/TAKING IN CHARGE AT/FORM**（装船、发运和接收监管的地点）
- ❖ 可选 **44B FOR TRANSPORTATION TO...**（货物发运的最终地）
- ❖ 可选 **44C LATEST DATE OF SHIPMENT**（最后装船期）：装船的最迟的日期。44C与44D不能同时出现。
- ❖ 可选 **44D SHIPMENT PERIOD**（船期） 44C与44D不能同时出现。



- ❖ 可选 **45A DESCRIPTION OF GOODS AND/OR SERVICES**（**货物描述**）：货物的情况、价格条款。
- ❖ 可选 **46A DOCUMENTS REQUIRED**（**单据要求**）：各种单据的要求
- ❖ 可选 **47A ADDITIONAL CONDITIONS**（**特别条款**）
- ❖ 可选 **48 PERIOD FOR PRESENTATION**（**交单期限**）：表明开立运输单据后多少天内交单。
- ❖ 必选 **49 CONFIRMATION INSTRUCTIONS**（**保兑指示**）
- ❖ 其中, **CONFIRM**：要求保兑行保兑该信用证
- ❖ **MAY ADD**：收报行可以对该信用证加具保兑。
- ❖ **WITHOUT**：不要求收报行保兑该信用证。



- ❖ 可选 **71B CHARGES**（费用情况）
- ❖ 表明费用是否有受益人（出口商）出，如果没有这一条，表示除了议付费、转让费外，其他各种费用由开出信用证的申请人（进口商）出。
- ❖ 可选 **78 INSTRUCTION TO THE PAYING/ACCEPTING/NEGOTIATING BANK**（给付款行、承兑行、议付行的指示）
- ❖ 可选 **72 SENDER TO RECEIVER INFORMATION**（附言）

Q7:Can you introduce the format MT707 for amendment to a documentary credit?



- ❖ 信用证修改（MT707）
- ❖ 必选 20 SENDER'S REFERENCE（信用证号码）
- ❖ 必选 21 RECEIVER'S REFERENCE（收报行编号）发电文的银行不知道收报行的编号，填写"NONREF"。
- ❖ 可选 23 ISSUING BANK'S REFERENCE（开证行的号码）
- ❖ 可选 26E NUMBER OF AMENDMENT(修改次数) 该信用证修改的次数，要求按顺序排列。
- ❖ 可选 30 DATE OF AMENDMENT（修改日期）如果信用证修改没填这项，修改日期就是发报日期。
- ❖ 可选 31C DATE OF ISSUE（开证日期）如果这项没有填，则开证日期为电文的发送日期。
- ❖ 可选 31E NEW DATE OF EXPIRY（信用证新的有效期）信用证修改的有效期。



- ❖ 可选 32B INCREASE OF DOCUMENTARY CREDIT AMOUNT（信用证金额的增加）
- ❖ 可选 33B DECREASE OF DOCUMENTARY CREDIT AMOUNT(信用证金额的减少)
- ❖ 可选 34B NEW DOCUMENTARY CREDIT AMOUNT AFTER AMENDMENT（信用证修改后的金额）
- ❖ 可选 39A PERCENTAGE CREDIT AMOUNT TOLERANCE（信用证金额上下浮动允许的最大范围的修改）
- ❖ 该项目的表示方法较为特殊，数值表示百分比的数值，如：5/5，表示上下浮动最大为5%。39B与39A不能同时出现。
- ❖ 可选 39B MAXIMUM CREDIT AMOUNT（信用证最大限制金额的修改）39B与39A不能同时出现。
- ❖ 可选 39C ADDITIONAL AMOUNTS COVERED（额外金额的修改）
- ❖ 表示信用证所涉及的保险费、利息、运费等金额的修改。



- ❖ 可选 **44A LOADING ON BOARD/DISPATCH/TAKING IN CHARGE AT/FORM**（装船、发运和接收监管的地点的修改）
- ❖ 可选 **44B FOR TRANSPORTATION TO...**（货物发运的最终地的修改）
- ❖ 可选 **44C LATEST DATE OF SHIPMENT**（最后装船期的修改）
- ❖ 修改装船的最迟的日期。44C与44D不能同时出现。
- ❖ 可选 **44D SHIPMENT PERIOD**（装船期的修改）
- ❖ 44C与44D不能同时出现。
- ❖ 可选 **52a APPLICANT BANK**（信用证开证的银行）
- ❖ 必选 **59 BENEFICIARY(BEFORE THIS AMENDMENT)**（信用证的受益人）
- ❖ 该项目为原信用证的受益人，如果要修改信用证的受益人，则需要**在79 NARRATIVE**
- ❖ （修改详述）中写明。



- ❖ 可选 53A REIMBURSEMENT BANK（偿付行）
- ❖ 可选 57a "ADVISE THROUGH" BANK（通知行）



- ❖ 可选 **72 SENDER TO RECEIVER INFORMATION**
(附言)
- ❖ **/BENCON/**：要求收报行通知发报行受益人是否接受该信用证的修改。
- ❖ **/PHONBEN/**：请电话通知受益人（列出受益人的电话号码）。
- ❖ **/TELEBEN/**：用快捷有效的电讯方式通知受益人。
- ❖ 可选 **78 NARRATIVE**（修改详述）
- ❖ 详细的修改内容。

Q8:What are characteristics of SWIFT L/C?



1. SWIFT credit can be opened by the member of SWIFT only. Now most of our banks are member of SWIFT. (只有SWIFT会员资格的银行或金融机构才可以开出SWIFT L/C。我国的大多数专业银行都是其成员。)
2. The cost of opening SWIFT is much lower (SWIFT的费用较低。)

If the contents are same, credit opened by SWIFT is only 18% of the credit opened by telex and 2.5% of the credit opened by cable. (同样多的内容，SWIFT的费用只有TELEX（电传）的18%左右，只有CABLE（电报）的2.5%左右。)



3. SWIFT credit has more security (SWIFT的安全性较高。) The Bank Identifier Code is much safer than that of telex and it is more automatically. (SWIFT的密押比电传的密押可靠性强、保密性高，且具有较高的自动化。)
4. SWIFT credit has a standard form (SWIFT的格式具有标准化。)

It has the specific requirements for each field. 对于SWIFT电文，SWIFT组织有着统一的要求和格式。 E.g. Tag
50:Applicant

The full contents of applicant should be in four lines and 35 words for each line. 申请人这个栏目内容写成4行，每行35个字符。

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Q9:What are indications in SWIFT L/C?



SWIFT电文表示方式

1) For currency(货币表示方式) :the international standard form for currency, three letters for each one.

- ❖ 美元: USD 澳大利亚元: AUD; 加拿大元: CAD;
- ❖ 人民币元: CNY; 日元: JPY; 港元: HKD;
- ❖ 英镑: GBP; 瑞典克朗: SEK; 欧元: EUR;
- ❖ 奥地利元: ATS; 比利时法郎: BEF; 丹麦克朗: DKK;
- ❖ 德国马克: DEM; 荷兰盾: NLG; 芬兰马克: FIM;
- ❖ 法国法郎: FRF; 意大利里拉: ITL; 挪威克朗: NOK;



2. For the date(日期表示方式)---six figures

the first two figures are for year, and the middle two figures are for month and last two for day, that's to say "YYMMDD"

SWIFT电文的日期表示为：YYMMDD（年月日）如：1999年5月12日，表示为：990512；2000年3月15日，表示为：000315；2001年12月9日，表示为：011209。

3. For number (数字表示方式)

- ❖ 在SWIFT电文中，数字不使用分格号，小数点用逗号“，”来表示。如：5, 152, 286.36表示为：5152286,36；4/5表示为：0, 8；5%表示为：05/05



4.项目表示方式

- ❖ **SWIFT**由项目(**FIELD**)组成，如：**59 BENEFICIARY**（受益人），就是一个项目，**59**是项目的代号，可以是两位数字表示，也可以两位数字加上字母来表示，如**51a APPLICANT**（申请人）。不同的代号，表示不同的含义。项目还规定了一定的格式，各种**SWIFT**电文都必须按照这种格式表示。
- ❖ 在**SWIFT**电文中，一些项目是必选项目（**MANDATORY FIELD**），一些项目是可选项目（**OPTIONAL FIELD**），必选项目是必须要具备的，如：**31D DATE AND PLACE OF EXPIRY**（信用证有效期），可选项目是另外增加的项目，并不一定每个信用证都有的，如：**39B MAXIMUM CREDIT AMOUNT**（信用证最大限制金额）。

Q10: What are circulation of the L/C?



- 1) the importer signed a contract agreeing to make the payment by L/C with the exporter 与出口商签定同意采用信用证付款的合同;
- 2) the importer requests his bank to issue a L/C in favor of the exporter. 进口商要求银行开立以出口商为受益人的信用证;
- 3) If it accepts the importer's application, the opening bank issues a L/C 银行接受进口商的申请,开证行开出L/C



- 4) Then the issuing bank informs its foreign branch or correspondent to advise the beneficiary (exporter), who then examines the L/C. 然后通过它海外分行或联系行通知受益人(出口商),出口商将审核(查)信用证条款
- 5) If it does not conform to the conditions set in the sales contract, the exporter may request the importer to make an amendment. 如果与销售合同条款不符合的话,出口商请求进口商向银行提出修改.



- 6) The importer gives the application form for amendment to its opening bank 进口商向它的开证行提交修改申请书
- 7) The issuing bank will send the amendment of L/C to its overseas branch or correspondent bank .开证行将修改通知书发给原通知行



8) After confirming the L/C, the exporter delivers the goods to the shipping company who then issues a bill of lading. Other documents, such as invoices and insurance documents are prepared by the exporter. 在信用证确定后,出口商将货物发送给船公司,船公司签发提单.出口商将准备其他单据,如商业发票和保险单据.



The next step occurs when the exporter draws a draft on the opening bank and presents it, with the L/C plus documents to his or her own bank. Usually this bank will investigate the documents and, if they are in order, it will pay the draft. 出口商开给开证行汇票并向其提示,并连同信用证和单据向出口商所在地银行议付.通常银行将审查各种单据,如果单据准确无误,它将支付汇票.

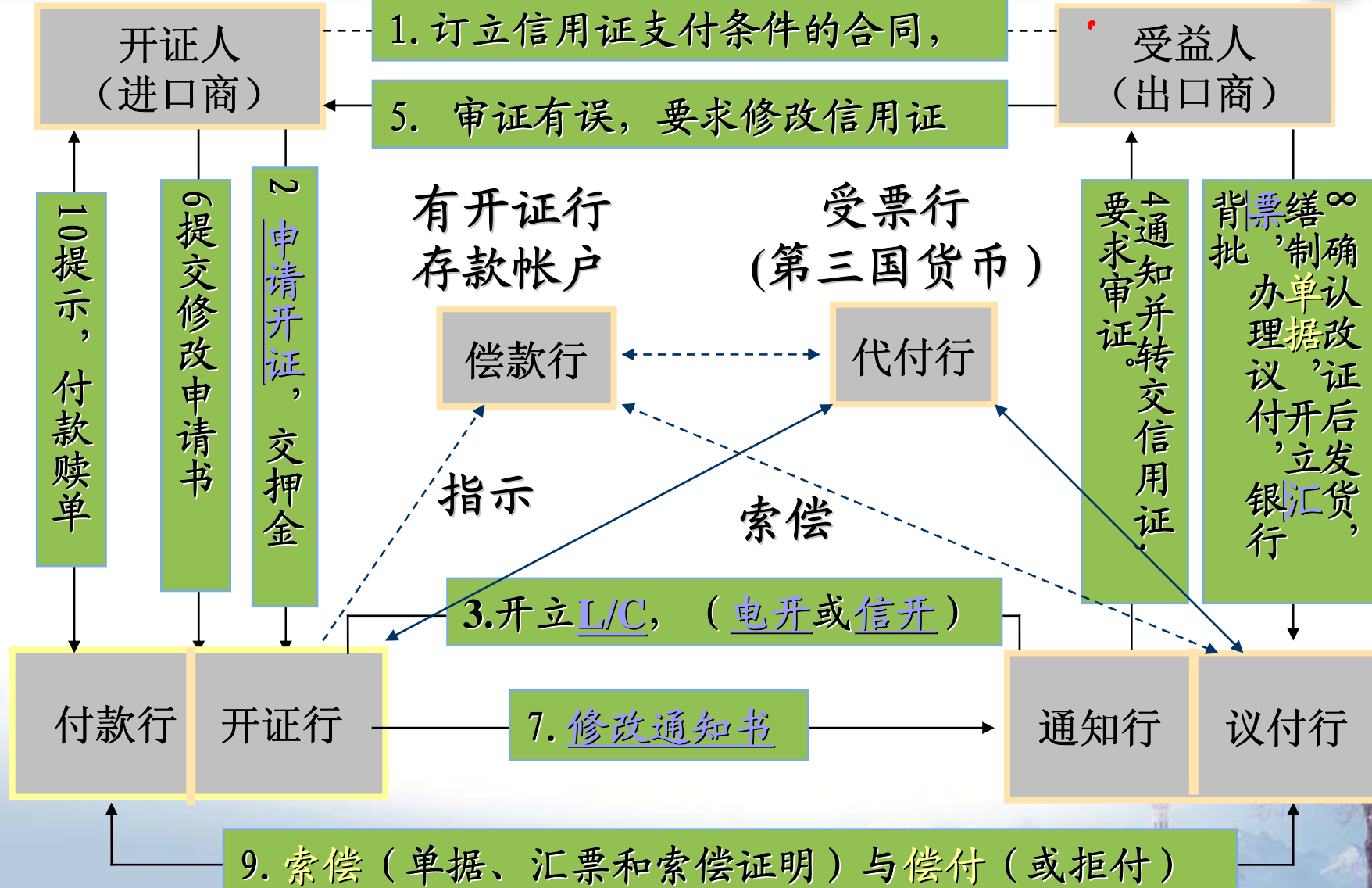


9) The L/C and documents are sent to the opening bank. It is the bank's responsibility to examine the documents in relation to the L/C issued. If discrepancies exist, they will have to be either corrected, replaced by new documents or by amendments. 信用证和单据被送往开证行或付款行要求其进行偿付. 银行有责任仔细审核跟开出的信用证有关的各种单据. 如果有不符点, 他们不得不改正, 或用新的单据替代或进行修改.



10) The opening bank or the paying bank presents the documents to the importer and ask for it to make payment. Then the importer will make the payment to get the documents. 开证行或付款行将单据向进口商提示,要求其付款.进口商进行付款赎单.

不可撤销跟单议付信用证收付程序图



TYPES OF L/C 信用证的类型



Q11: How many types can the L/C be divided into?

- ❖ **Clean L/C & Documentary L/C** 光票信用证和跟单信用证
- ❖ **Confirmed L/C & Unconfirmed L/C** 保兑信用证和未保兑信用证
- ❖ **Sight & Usance Ls/C** 即期和远期信用证
- ❖ **Transferable or Non-transferable L/C Credit** 可转让或不可转让信用证
- ❖ **Back-to-back Credit** 背对背信用证
- ❖ **Reciprocal L/C** 对开信用证
- ❖ **Revolving Credit** 循环信用证
- ❖ **Anticipatory L/C** 预支信用证(**The Red Clause Credit**)
- ❖ **Standby Credit** 备用信用证
- ❖ **SWIFT L/C**

What's differences between the draft under collection and that under L/C ?



A clear distinction should be made between the draft under collection and that under L/C. **Draft under collection** is based on **trader's credit** thus it is drawn on a trader, whereas **drafts under L/C** should be drawn on **a bank from which the payment undertaking is given**. However, as both the collection and L/C are reverse remittance, drafts under both methods should be drawn by the exporter.



托收项下的汇票和信用证项下的汇票有很大的区别.托收项下的汇票是基于商业信用,因而它是开给商人的.然而信用证项下的汇票是开给银行的,是由该银行执行付款责任的,所以它是银行信用的.但是托收和信用证都属于逆汇法,两种方法下的汇票都是由出口商开出的.

The following comparison will make the matter clear:



	Draft under Collection	Draft under L/C
Drawer	Exporter	Exporter
Drawee	Importer	Drawee Bank
Payee	Exporter/Remitting Bank/ Collecting Bank	Exporter / Exporter's Banker

Section 4 Examination of L/C



- ❖ If the payment is to be effected by L/C, it is very important to pay great attention to credit examination. It's both **the advising bank's** and **the beneficiary's** duty to exam the L/C, but parts they focus on is different. (如果是L/C付款,注意信用证审核尤其重要.审核L/C是通知行和受益人的职责,但他们着重点有所不同.)
- ❖ In a word, the advising bank usually **makes overall examination**, while the beneficiary should examine **individual clauses** of the L/C.

(总之,通知行通常进行全面审核,而受益人对L/C的个别条款进行审核)

Q12:What are the basis of checking the credit?



- ◆ According to the sales contract signed between the seller and the buyer 根据买卖双方签订的销售合同:

the most important basis for the beneficiary to check.

It is the buyer's duty to open the L/C in conformity with the sales contract. This means the clauses in the L/C should be in line with that of the sales contract.

◆ According to UCP 600 根据UCP600



The Uniform Customs and Practices (UCP) for Documentary Credits **were first issued in 1933** by the International Chamber of Commerce. **It** is not legal law, but it has been widely accepted by the bank all over the world and it has become one of the most important international practices.

跟单信用证统一惯例不是法律.但它在全世界被广泛接受,成为最重要的国际惯例.

The latest revision is UCP600. It is stipulated in Article 1 that **the Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600 (UCP 600)** are rules that apply to any documentary credit.

◆ According to usual practices in international trade 根据国际贸易的一般惯例



If the discrepancies made in matters of principle, such as "Republic of China" instead of "People's Republic of China", the beneficiary should ask the applicant to make amendment without any delay.

如果出现有关原则性的不符点,比如"中国共和国"而不是"中华人民共和国",受益人应要求开证申请人毫不迟疑地作出修改.



However, in practice, some minor discrepancies may occur frequently. Whether the beneficiary should ask the applicant to amend the credit or not **depends on** the usual practice in international trade.

但是,在实际业务中,经常发生一些微小的不符点.受益人是否应该要求开证行作出信用证修改取决于国际贸易中的惯例.

Q13:What are main checklist by the advising bank?



- ◆ To check **the importing country's political attitude** 审查进口国的政治态度

This is to see whether the issuing bank is the one that China does not allow to have any commercial contact with or whether there is any content in credit showing hostility or discrimination towards China. 审查开证行是否是中国允许跟其进行商业往来或在信用证里是否对中国带有任何敌意或歧视的银行.

◆ **To check the financial standing of the opening bank** 审查开证行的资金状况



If the issuing bank does not have a sound financial standing or a good reputation, the advising bank will suggest that the seller demand **confirmation** to the credit so as to guarantee payment. This confirmation is preferably to be made by a reputable bank.

如果开证行没有良好的金融资金或良好的声誉,通知行将建议卖方应该要求信用证被保兑以便保证得到付款. 这种保兑是由一些有名望的银行作出.

◆ To check if the credit is true or false

审查信用证真假



This is to ensure the authenticity of the credit.

If the issuing bank does not have a correspondent relationship with a Chinese advising bank, in which case it is impossible to check its signatures or test keys, the advising bank should ask a third bank which has a correspondent relationship with the Chinese bank to help them check the genuineness of the credit. 如果开证行与中国的通知行没有往来业务关系,这种情况下不可能审核授权人签字或加押密码,通知行应该要求与中国银行有往来业务关系的第三国银行帮它们审核信用证的真实性.

If the L/C has been delivered to the seller directly, he should present it to the notifying bank for such examination.

◆ To check **other items**



This includes the undertaking clause, payment clauses, method and route of getting reimbursement...etc. 包括责任条款,付款条款,得到偿付的方式和路线等

Q14:What are main checklist by beneficiary?



Upon receipt of the L/C, the beneficiary should check the **individual clauses** with that of contract to see if they **correspond with** the sales contract.

◆ To check the credit effective or not



Pay attention to the following points:

1. A credit must state the bank with which it is available or whether it is available with any bank. (信用证必须指出通过什么银行兑付或通过任何银行兑付)
2. A credit must state whether it is available by **sight payment** (即期付款), **deferred payment** (延期付款), **acceptance** (承兑), or **negotiation** (议付).
3. A credit must not be issued available by a draft drawn on the applicant. (信用证开出, 不能将开证申请人作为汇票的受票人)



The L/C can not be taken as being effective if it contains the phrases such as:

“subject to final confirmation” 以最后确认为准

“full details to follow (or words of similar effect)” 遵循全部细节(或类似效果的词语)

“credit to be effective upon receipt of mail confirmation”

the credit will not be deemed to be operative credit.

In a word, to check if the credit itself is complete or not.



such as:

“The L/C is not to be effective until the buyer has got the required import license”

“The documents for negotiation should have a cable copy of approval for shipping sample from the opener”

“This credit will become operative after receipt of satisfactory credit report on the beneficiary through their bank”

L/C contains the above restrictive clauses are not effective ones. Under such cases, the beneficiary should not make shipment until he has got the required documents.

◆ To check **the name and address of beneficiary and applicant**



The seller must make sure that the name and address of beneficiary and applicant are correctly given and spelt in the L/C. Especially if there is some spelling mistake in beneficiary name, we should ask the applicant to amend it correctly, as the beneficiary is the only party who has the right to use the credit.

◆ To check **time of payment**



The beneficiary should check if the time of payment is the same as that stipulated in the contract. If **the sight L/C** is available with draft, and then the draft should be **sight draft**. In case of **a time credit**, the usance of draft should **conform with** that stipulated in the contract. 受益人应该审核付款时间是否与合同规定的相同.如果即期L/C是通过汇票付款的,那汇票应该是即期汇票.如果是远期信用证,汇票远期期限要与合同规定相符合.

◆ To check **shipment date**



The time of loading should be the same as that given in the sales contract. But it is acceptable if the time of loading given in the L/C is longer than that given in the sales contract. The seller should ask for the extension of shipment date if he cannot make the shipment within time stipulated in the L/C.

装运时间应与合同规定的时间相同,但如果信用证规定的装运时间比合同规定的时间要长一点是可以接受. 如果卖方不能在信用证规定的期限内装运的话,他应该要求装运日期延长.

◆ To check **expiry date and place**



A credit must state an expiry date for presentation. An expiry date stated for honour or negotiation will be deemed to be an expiry date for presentation. The place of the bank with which the credit is available is the place for presentation. The place for presentation under a credit available with any bank is that of any bank.



- ❖ Expiry date and place constitute an important part of a credit. Generally speaking, expiry date is **10-15** days later than shipment date so that the beneficiary has enough time to prepare the required shipping documents for settlement of payment.



If the expiry date is too close to the shipment date, e.g., 3 or 5 days later than shipment date, the beneficiary should ask the applicant to extend the validity of the credit. If the place of expiry is stipulated at **the place of the issuing bank**, it is difficult for the seller to know when the documents can reach the issuing bank **by post**. And what's more, the documents can be lost during transit.



So in practice, we normally do not accept credit that stipulates expiry place other than in China. If the seller accept expiry place other than in China, the beneficiary must allow sufficient time for the documents to arrive at the issuing bank in time.

◆ To check **the time for surrender of shipping documents**



- ❖ The time of surrendering the shipping documents is sometimes given in the L/C. This is given in the case when the time of validity of the L/C is rather long and the applicant wants to get the required shipping documents in time to take the delivery of goods. It is usually given that the “surrender of the shipping documents should be made 10-15 days after the date of bill of lading”.



If no such time is given, according to UCP600, the shipping documents should be presented to the negotiating bank within 21 calendar days after the date of shipment.

If the expiry date of a credit or the last day for presentation falls on a day when the bank to which presentation is to be made is closed, the expiry date or the last day for presentation will be extended to the first following banking day.

◆ To check **description of the goods**



- ❖ The description of the goods in the L/C should be in conformity with that stipulated in the sales contract, including specifications (Article No), quantity, packing, unit price and trade terms.
- ❖ As for package of the goods and shipping marks, if the credit requires special packing for the goods, e.g., goods packed in wooden cases, while what the beneficiary can do is to have the goods packed in cartons, amendment is necessary.

◆ To check **tolerance in credit amount, quantity and unit prices**



❖ The amount given in the L/C should correspond with that as given in the sales contract and in the same currency. Attention should also be paid to the following points:

1. The words “about” or “approximately” used in connection with the amount of the credit or the quantity or the unit price stated in the credit are to be construed as allowing a tolerance not to exceed 10% more or 10% less than the amount, the quantity or the unit price to which they refer.



2. A tolerance not to exceed 5% more or 5% less than the quantity of the goods is allowed, provided the credit does not state the quantity in terms of a stipulated number of packing units or individual items and the total amount of the drawings does not exceed the amount of the credit.



3. Even when partial shipments are not allowed, a tolerance not to exceed 5% less than the amount of the credit is allowed, provided that the quantity of the goods, if stated in the credit, is shipped in full and a unit price, if stated in the credit, is not reduced.

◆ To check **shipment clauses**



The shipment clauses should be in conformity with that stipulated in the contract, including time of shipment, means of transport, port of loading, port of destination, partial shipment and transshipment as well. According to UCP600, we should pay attention to the following points:



Partial shipment are allowed.

A presentation consisting of more than one set of transport documents evidencing shipment commencing on the same means of conveyance and for the same journey, provided they indicate the same destination, will not be regarded as covering a partial shipment, even if they indicate different dates of shipment or different ports of loading, places of taking in charge or dispatch.



If the presentation consist of more than one set of transport documents, the latest date of shipment as evidenced on any of the sets of transport documents will be regarded as the date of shipment.

A presentation consisting of one or more sets of transport documents evidencing shipment on more than one means of conveyance within the same mode of transport will be regarded as covering a partial shipment, even if the means of conveyance leave on the same day for the same destination.

◆ To check documents required



It is very important for beneficiary to check if the documents required under the L/C are easy to obtain within the period of presentation. If the beneficiary has no control over a certain kind of document, he should ask the applicant to make amendment or even delete such kind of document. A credit should not require presentation of documents that are to be issued or countersigned by the applicant.

◆ **To check if there are any
contradictory clauses**



The beneficiary should also check if the clauses in the credit conflict with each other. For example in the case when through B/L is required for negotiation but transshipment is not allowed; the price term is CFR, but insurance policy or certificate is required for negotiation...etc.

◆ To check **if there are any mis-spelt words or phrases**



This is to see whether the words are correctly spelt, for example the name of commodity in the S/C is TOMATO but in the credit it is wrongly spelt as TOMOTA. We had better ask the applicant to amend it to read "TOMATO". If in the credit there is one spelling mistake, the usual practice in making shipping documents is to describe the commodity name still as "TOMOTA" and followed by the correct name in brackets.



In this way we can save the amendment charges for the applicant.



◆ **To check if the charge clauses acceptable or not**



Generally speaking the banking charges occurred in the importer's country are for applicant's account, while the charges occurred in the exporter's country are for beneficiary's account. But if in the credit it is stipulated as all banking charges are for beneficiary's account, we should ask the applicant to amend the credit as above mentioned.

Q15:What are the points to be noted for?



1. A credit can neither be amended nor cancelled without the agreement of the issuing bank, the confirming bank, if any, and the beneficiary.
2. An issuing bank is irrevocably bound by an amendment as of the time it issues the amendment.
3. The terms and conditions of the original credit will remain in force for the beneficiary until the beneficiary communicates its acceptance of the amendment to the bank that advised such amendment.



4. Partial acceptance of an amendment is not allowed and will be deemed to be notification of rejection of the amendment.
5. A bank utilizing the services of an advising bank or second advising bank to advise a credit must use the same bank to advise any amendment.
6. The beneficiary should check the credit thoroughly and carefully. He should try his best to ask the applicant to amend all the discrepancies by one letter, avoid frequent, amendments to follow.
7. The cost of amendment is borne by the party who is liable for the correctness.

Q16: What are discrepancies between the L/C and the documents in relation to the L/C issued?



Discrepancies include any one of the followings: 有如下不符点:

- ❖ The L/C expired 信用证到期
- ❖ The draft not properly drawn 汇票开出不当
- ❖ There was no indication on the bill of lading that goods were shipped on board 提单上没有注明货物已装上船
- ❖ There was insufficient insurance 保险不足
- ❖ An invoice description did not match that of the L/C 发票描述与信用证不匹配

How to handle documentary discrepancies



- ❖ Correct the discrepancies and resubmit the documents and draft within the validity of the L/C
- ❖ Request the importer to **waive** discrepancies if they do not materially affect the shipment
- ❖ Provide a documentary discrepancy guarantee if, unwilling to wait for the waiver, the exporter is confident that the importer will accept the discrepancy
- ❖ Submit the documents on collection basis

eUCP 600



- ❖ The eUCP was developed as a supplement to UCP due to the strong sense at the time that banks and corporates together with the transport and insurance industries were ready to utilise electronic commerce. An updated version of the eUCP came into effect on July 1st, 2007 to coincide the commencement of the UCP 600. There are no substantive changes to the eUCP, merely references to the UCP 600.

信用证中的“软条款”



- ❖ 信用证下的付款要在货物清关后才支付
- ❖ 开证行须在货物到达时没有接到海关禁止进口的通知才承兑汇票
- ❖ 货物到达时没有接到配额已满的通知才付款或承兑汇票
- ❖ 货物到达时须经主管当局检验合格后方可支付

Q17: What is Discrepancy

The beneficiary is instructed to present the documents stipulated in the credit to the bank. When the bank receives these documents, an examiner checks them against the credit. He determines whether or not the requirements of the credit have been carried out.



First, the examiner reads the credit. He determines what documents it requires and sees whether he has received them.

Then he goes over the L/C, point by point, to make sure each requirement has been satisfied by the documents.

And he also checks whether the documents are consistent with each other. If any of the documents are missing, don't satisfy the requirements of the L/C, or are not consistent with each other, the examiner writes this down. We call these errors "discrepancies".



If the bank is the nominated bank, say, a negotiating bank, it will advise the beneficiary of any errors or discrepancies that it has found and send the discrepant documents back to the beneficiary for correction. The beneficiary makes necessary corrections and represents the documents to the bank. Sometimes this process might be repeated several times until the examiner can find no more discrepancies.



If the bank is the issuing bank, the documents might be refused if found discrepant.

Discrepancies may be correctable or uncorrectable. For example, if an unsigned commercial invoice is presented when it is required to be signed, we say a correctable discrepancy occurs. If the documents are presented later than the expiry date, we say an uncorrectable discrepancy occurs.



Banks must examine all the documents presented under a credit to determine, on their basis alone, whether or not they appear on their face to be in compliance with the credit.

Banks have a maximum of five banking days following the day of presentation to determine if a presentation is complying. If the documents are presented on or after the expiry date, or on a day which is less than five days earlier than the expiry date, this period shall not be curtailed or otherwise affected.



An issuing bank must honor the documents which it determines are in compliance with the terms and conditions of the credit.

A confirming bank must honor the documents which it determines are in compliance with the terms and conditions of the credit.

If a nominated bank honors a complying presentation, it must forward the documents to the issuing bank or confirming bank, if any.

If the issuing bank receives a discrepant presentation and decides to refuse to honor, it must send a notice to the presenter, which must state the following:

- ❖ that the issuing bank is going to refuse to honour; and
- ❖ all the discrepancies in respect of which the issuing bank refuses to honour; and
- ❖ that the issuing bank is holding the documents at the disposal of the presenter; or that the issuing bank is holding the documents until it receives a waiver from the applicant and agrees to accept it; or receives further instructions from the presenter prior to agreeing to accept a waiver; or that the issuing bank is returning the documents.



Such a notice must be given by telecommunication or, if that is not possible, by other expeditious means, not later than the close of the fifth banking day following the day of presentation.

If the issuing bank, or confirming, if any, fails to act in accordance with the above, it shall be precluded from claiming that the documents do not constitute a complying presentation.

5. Practical Training (项目实训)



❖ See materials



5. Practical Training (项目实训)



1. 假设贵公司的业务不是采用**L/C**，而是**T/T**付款方式，请模拟填写汇款申请单并制作汇款指示；
2. 假设贵公司的业务不是采用**L/C**，而是 付款方式，请模拟填写汇款申请单并制作。
3. Exercises P16-17

[Add your company slogan]

Thank You !