



الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
بِوَسِيْلَةِ سُنَّتِيْ اِسْلَامِيٍّ اِنْجَارًا يَجْتَنِبُ مِلَّةِيْنَا

RIGHTS AND DUTIES OF ALL PARTIES IN
DOCUMENTARY CREDIT

BY

SHADI AHMED KAMBAR

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requirements for the degree of Master in Comparative
Laws

Ahmad Ibrahim Kulliyyah of Laws
International Islamic University
Malaysia

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ABSTRACT

The Documentary Credit System is the life-blood of the International Trade. In order to maintain the integrity of this system, Documentary Credit Transactions are considered to be separated and distinct from the underlying sale transactions. Documentary Credits are issued by banks, on behalf of their customers to facilitate payments for the International Trade. They take the form of written undertaking by a bank, and given to the Beneficiary (exporter) at the request and in accordance with the instructions of the Applicant (importer) to affect the payment up to a stated amount of money, within a prescribed time limit against presentation of the stipulated documents. It should be noted that the Documentary Credits and Commercial Contracts, whilst they may apply to the same shipment, are considered to be entirely separated instruments. Banks only deal with documents presented for negotiation under the Documentary Credit and does not have any involvement with the Commercial Contracts or Goods being shipped. All Documentary Credits issued by Banks are subject to the Uniform Customs and Practice for Documentary Credits International Chamber of Commerce Publication UCP 600. This Guide is intended to be used as an aid for exporters in preparing their documents for presentation under an export Documentary Credit. The contractual relationship between the issuing bank and the buyer is defined by the terms of the agreement between them under which the letter opening the credit is issued. The instructions which are given by the buyer (applicant) to his bank comprise the buyer's mandate. Banks are not allowed to refuse a payment because of own suspicion or instructions by the applicant. Both of the parties have remedies in case of a fundamental breach of contract giving the buyer the right to avoid the contract or to ask for substitute goods presupposes that the defect has a serious importance to the buyer. And the seller have recourse to the remedies such as request of specific performance, avoidance of the contract and Claim damages

ملخص البحث

يعد نظام الاعتمادات المستندية شريان الحياة بالنسبة للتجارة الدولية. ومن أجل الحفاظ على سلامة هذا النظام و وثائق المعاملات الائتمانية فإنها تعتبر مستقلة و متميزة عن العقود التجارية أو البضاعة التي يجري شحنها , حيث يتم إصدار الاعتمادات المستندية من المصارف البنكية وبالنيابة عن عملائها، وذلك من أجل تسهيل مدفوعات التجارة الدولية. وهي تتخذ أيضاً شكل تعهد خطي من قبل البنك (المصدر) بناء على طلب المستفيد، ووفقاً لتعليمات مقدم الطلب (المستورد) وذلك بدفع مبلغ معين من المال في غضون مدة محددة، في حين يتم تقديم المستندات المنصوص عليها. ومما ينبغي أن نتذكره بأن الاعتمادات المستندية والعقود التجارية الخاصة المتعلقة بشحنة واحدة، تكون مستقلة تماماً من حيث التعامل مع البنوك ضمن إطار الاعتماد المستندي فقط، وليس لديها أي مشاركة مع العقود التجارية أو البضائع التي يجري شحنها. وعليه فإن جميع الاعتمادات المستندية التي تصدرها المصارف تخضع للأعراف والممارسات الموحدة لدى الاعتمادات المستندية لغرفة التجارة الدولية (600)، وتعمل هذه القواعد على تسهيل ومساعدة المصدرين في إعداد الوثائق وتقديمها ضمن إطار تصدير الإ اعتماد المستندي . العلاقة التعاقدية بين المشتري والبنك الفاتح للاعتماد توضح من خلال الاتفاق المبرم بينهم لغرض فتح الاعتماد . إن الأمر الصادر من المشتري الطالب فتح الاعتماد الى البنك الفاتح للاعتماد يحتوي على توكيل أو تفويض للبنك . البنوك غير مسموح لها برفض الدفع بسبب الشكوك الغير مؤكدة بحدوث عملية تزوير أو بسبب أمر صادر من المشتري بوقف الدفع . كلا البائع والمشتري لهما الحق في التعويض بسبب خرق أو عدم الالتزام بالاتفاق التعاقدية الصادر بينهما . المشتري يملك الحق بالتخلي عن العقد أو يطلب بديل للبضائع التالفة إذا كان العيب جدي . وكذلك المشتري يملك الحق في التعويض وأن يطلب مايراه مناسباً له أو يتخلى عن العقد ويطلب بالتعويض .

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion; it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Comparative Laws.

.....
Fauziah Mohd Noor
Supervisor

I certify that I have read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Comparative Laws.

.....
Aznan Hasan
Examiner

This dissertation was submitted to the Department of Islamic Law and is accepted as a partial fulfilment of the requirements for the degree of Master of Comparative Laws.

.....
Najibah Mohd Zin
Head, Department of Islamic Law

This dissertation was submitted to Ahmad Ibrahim Kulliyah of Laws and is accepted as a partial fulfilment of the requirements for the degree of Master of Comparative Laws.

.....
Zaleha Kamarudin
Dean, Ahmad Ibrahim Kulliyah of
Laws

DECLARATION PAGE

I here declare that this dissertation is the results of my own investigation, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for my other degree at IIUM or other institutions.

Shadi Ahmed Kambar

Signature.....

Date.....

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TO MY BELOVED PARENTS

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Sztejn v. henry schroder banking corporation, 31 nys 2d 631(1941) [us].

Edward owen engineering v barclays bank [1978] 1all er 976

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

It is generally accepted that the international trade transactions carry inherently more risk than the domestic trade transactions, because of the differences in cultures, business processes, laws and regulations. Bergami pointed out that it is therefore important for traders to ensure that payment is received for goods despatched and that the goods received and paid for complying with the contract of sale. One effective way of managing these risks has been for traders to rely on the Letter of Credit as a payment method¹.

Karl has discussed that when an exporter entered into a contract of sale with an overseas buyer, he has to be sure that having shipped the goods he will in turn receive the contract price. The overseas buyer, on the other hand, will be unwilling to pay the contract price until he has some assurance that the seller has complied with his contractual obligations. Obviously, the form that the contract takes will reflect the relative negotiating strengths of the parties. If the seller is unsure of his buyer's credit-worthiness, and is in a sufficiently strong bargaining position, he may be able to stipulate for full payment in advance of the shipment. Alternatively, the payment may be made on delivery of the documents².

As another alternative, the seller may be willing or pressurised into giving the buyer credit, as for instance, where the buyer requires the document to affect a sub-

¹Bergami . Will the UCP 600 Provide Solutions to Letter of Credit Transactions?, *International Review of Business Research Papers*. Vol.3 No.2 June 2007, Pp. 41 – 53
www. <http://www.bizresearchpapers.com/Bergami.pdf>

²Karl, “*Letters of Credit and, the doctrine of strict compliance,*” (thesis, University of Uppsala January 7th, 2004). <<http://www.juridicum.su.se/transport/Forskning/Uppsatser/EssayKarl.pdf>>

sale of the goods, with the proceeds of which he will discharge the main sale. Whether credit is given or not the parties may wish to reinforce their respective position by exacting undertakings from the third party. The seller may reinforce the buyer's payment obligation by a Documentary Credit, in which the primary payment obligation comes from bank which promises to compensate the buyer to a specified amount in the event that the goods are not delivered.

According to H. Vishny the methods of payment used in the international commerce are similar to those in the domestic Commerce. The parties may agree on payment in advance, on open account, or C.O.D. (Collection of Documents). The latter method is generally accomplished by payment against collection documents. This means that the seller forwards all of the customary shipping documents through its bank to the buyer's domestic bank, including a draft drawn on the buyer for collection. When the draft is honoured and paid (or, if appropriate, accepted) the buyer obtains delivery of the documents, entitling it to delivery of the goods. These methods of payment involve some risks which are lessened by the use of Letters of Credit³.

When the commercial parties who carry on business in their own country want to buy goods from sellers in another country it is the usual practice that the price is paid by means of Bankers' Documentary Credit, which is the common method of payment in the international trade. The documentary credit system is the life-blood of international commerce in order to maintain the integrity of this system⁴.

The whole commercial transaction through the Documentary Credit System entails payment against sight draft or exact documents called for in the credit. Briefly

³Vishny, *Letters of Credit An Overview*, April 2008.
http://files.ali-aba.org/thumbs/datastorage/skoobesruoc/source/CM053_Vishny-Letter_of_Credit_thumb.pdf

⁴*R D Harbottle (Mercantile) Ltd v National Westminster Bank Ltd* [1977] 2 All ER 862 at 870 b.

stated, Documentary Credit is a conditional undertaking in writing to be paid by a bank provided that the Seller complies with the credit terms and conditions⁵.

A Letter of Credit (LC) is a bank instrument that is issued to protect the beneficiary in a transaction. It is not a contract although there are usually contractual undertakings that underlie the credit. It is important to keep in our mind that the contract on which the credit is based cannot be referenced in the credit itself and cannot be a decisive factor, when the credit is presented for payment. This is “The Independence Rule” which will be discussed later.

Hettige pointed out that in a documentary credit transaction there are at least four contractual relationships⁶;

- a) The underlying contract of sale between the importer and exporter.
- b) The contract between the issuing bank and the buyer; under this contract the issuing bank agrees to issue the credit and, through the correspondent bank to notify the credit to the seller and make payment to the seller against presentation of shipping the documents and the buyer agrees to reimburse the confirming bank for payments made under the credit.
- c) The contract between the confirming bank and the issuing bank, which agrees to reimburse the confirming bank for payments, made under the credit on transport documents presented by the seller.
- d) The contract between the confirming bank and the seller.

Under this legal relationship the confirming bank undertakes to pay the exporter against presentation of the documents. It can be seen that in the international trade an impasse has been created between the parties when the buyer is unwilling to

⁵D'Arcy, L, Murray, C & Cleave, B 2000, *Schmitthoff's export trade: the law and practice of international trade*, 10th edn, Sweet & Maxwell, London.

⁶Hettige, “*bankers' liability in a documentary credit*”, http://www.lawnet.lk/docs/articles/sri_lankan/HTML/CV5.html

pay without the goods being received and the seller does not part with the goods before the buyer pays for it.

The Documentary Credit device comes into play in this situation as a means of resolving the problem. When the seller presents the documentary evidence of shipment of goods the banker's role is to pay him against such documents.

Akinbote stated that the Uniform Customs and Practice (UCP) for Documentary Credits (commonly called, "UCP") is the sixth revision of the rules since they were first promulgated in 1933. It is the fruit of more than three years of work by the International Chamber of Commerce's (ICC) Commission on Banking Technique and Practice. ICC, which was established in 1919, had as its primary objective facilitating the flow of the international trade at a time when nationalism and protectionism posed serious threats to the world trading system⁷.

The UCP was introduced in 1993 to alleviate the confusion caused by individual countries promoting their own national rules on the Letter of Credit practice. The objective, since attained, was to create a set of contractual rules that would establish uniformity in that practice, so that practitioners would not have to cope with a plethora often conflicting national regulations. The universal acceptance of the UCP by practitioners in countries with widely divergent economic and judicial systems is a testament to the rules' success⁸.

Tricoli has reported in 2007 that the sixth review of the rules on Uniform Customs and Practice for Documentary Credit by the ICC has taken place. It was approved by the banking commission of the ICC in Paris at a meeting on October 26, 2006. On July 1, 2007, the new Uniform Customs and Practice for Documentary

⁷Akinbote, "Nigeria; How to Enhance Documentary Credit Transactions," Africa News, (October 1, 2007 Monday), lexis-Nexis. <http://www.lexisnexis.com/us/lnacademic/results/docview/>

⁸ Ibid

Credit Transactions (UCP 600) came to affect the world over. These rules reflect worldwide practice and incorporate operational experience⁹. The rules have been compiled to avoid confusion and the discrepant documents. As a result it reduce delay for the importer in receiving his documents and for the exporter to get payment. However, The UCP are not automatically incorporated into every Letter of Credit. Article 1 clearly states that the Rules will only apply “when the text of the credit expressly indicates that it is subject to these rules”¹⁰.

Although the terms of the UCP are not legally binding, but in the case of dispute, where a Letter of Credit was stated to have been issued and subject to the UCP, a court would take the rules into consideration by considering the contractual position of those involved in the transaction.

There are various types of Documentary Credits namely:¹¹

- (i) A Revocable Credit.
- (ii) An Irrevocable Credit.
- (iii) A Confirmed Irrevocable Credit.
- (iv) A Transferable Credit.

The detail of these Documentary Credit types will be discussed in Chapter Two.

Based on the guidance to export the Documentary Credits, normally the Documentary Credits are notified through **SWIFT**¹². However, they may be issued by telex or even by printing out a paper for the transmission by registered post or the courier. The

⁹Alessandro Tricoli, Fichte & Co, *UCP600: opportunities or challenges?*
<http://www.fichtelegal.com/article/UCP600.pdf>

¹⁰Zambakhidze, *Documentary Credit – An Advantageous Form of International Payment*, georgian law review 5`2002-1. http://www.geplac.org/publicat/law/glr02n1e/p_75arte.pdf

¹¹*Documentary credit world*, Volume 11, Number 2, February 2007.

<http://www.iccmex.org.mx/intranet/documentos/DCW%20Feb%202007%20Select%20Material.pdf>

¹²The term SWIFT stands for **Society for Worldwide Interbank Financial Telecommunications**. SWIFT is now used by over 7000 financial institutions in about 200 countries worldwide. This is a co-operative society of member banks (registered in Brussels) which has established a computerised international communications network to improve the administrative efficiency of the banks and to speed up international payment transfers between themselves.

issuing bank undertakes (for the account of the importer) to pay the exporter (at sight or at a future date) against presentation of documents which strictly comply with the terms and conditions of the Documentary Credit terms and conditions. This payment obligation is made before the shipment of the goods and presentation of the documents¹³.

1.2 LIMITATIONS OF THE STUDY

This thesis gives a historical introduction in foreign trade and Letters of Credit. The reasons for using Letters of Credit will be shown and the legal relationships of the concerned parties will be analysed. In addition, the doctrine of strict compliance will be explained and the problems will be discussed. Amongst the issues are the different interpretations of strict compliance, the fraudulent exception and questions of liability in case the doctrine of strict compliance was not carefully used. The thesis will be based on UCP 600. At the end of the thesis a critical outlook will be followed.

1.3 STATEMENT OF PROBLEM

Basically international sales are more complicated than domestic sales; this is due to the following reasons:

- 1) The duration of time the goods are in transit.
- 2) Possible mishaps during transport.
- 3) Customs formalities.
- 4) Regulations on foreign trade and exchange controls.
- 5) Differences in legislation of different countries.

¹³ Westpac Banking Corporation ABN 33 007 457 141, *Guide to Export Documentary Credits*, October 2001, www.westpac.com.au/trade.

- 6) The exporter and importer do not know each other.
- 7) Different languages, currencies and practices.

In the international trade an impasse has been created between the parties when the buyer is unwilling to pay without the goods being received and the seller refuse to send the goods before the buyer pays for it. And the legal relationships of the concerned parties are also complicated.

Sellman has explained that to minimise the difficulties mentioned above, a documentary credit is used. Under the Documentary Credit the exporter is relying on the standing of a bank rather than the importer to obtain payment. This represents a major boost to the international trade as it helps the traders get over the problems when dealing with local law, political instability, trading conditions, etc. Banks through their international connections and correspondent networks will assess the risk on the transaction and underwrite it by either issuing a Documentary Credit or underwriting the undertaking of the issuing bank by adding their confirmation to the Documentary Credit¹⁴. And through the following steps we can see how it operates to protect the import/export transaction.

- 1) The seller and the overseas buyer agree on the contract of Sale that payment shall be made under a DC.
- 2) The overseas buyer ('Applicant' for the Credit) instructs the issuing bank (IB) at his place of business to open a DC for the seller (the "Beneficiary").
- 3) The issuing bank arranges with a bank at the seller's place of business Advising Bank, (AB), to negotiate, accept or pay the seller's draft upon delivery of the transport documents by the seller.

¹⁴Pamela , *law of international trade*, IIm (London).ma (business law),old bailey press,1997.p125.

- 4) The advising bank informs the seller that it will accept or pay his draft upon delivery of the transport documents. The advising bank may do so either without its own undertaking or it may confirm the credit opened by the issuing bank (In which case the AB will become the “Confirming Bank”, CB).

1.4 PURPOSES OF THE RESEARCH

- 1) To analyse the present practice of the Documentary Credit established under the Uniform Customs and Practice for Documentary Credits, UCP 600.
- 2) To identify the rights and duties of all parties in such transactions.
- 3) To identify the reasons for the frequent occurrence of fraudulent activities associated with the documents required under the credits.
- 4) To analyse the remedy for the fraudulent activities.

1.5 LITERATURE REVIEW

There is an abundance of literature on the Letter of Credit (L/C) transactions, but these books are descriptive and general in nature, and lack of analysis. In addition, there are a lot of articles in various disciplines concentrate on the need of using L/C as a financing tool and the different types of L/C that have been devised. The legal status of L/C varies from country to another country and this issue have been widely discussed in various books. The International Chamber of Commerce; (ICC) has even published a book comparing legislation on L/C in 35 countries¹⁵. All of the current

¹⁵*Schutze, RA & Fontane, G 2001, Documentary credit law throughout the world, ICC Publishing, S.A., Paris.*

literatures do not consider the new (Uniform Customs and Practice; UCP 600); and its usefulness is therefore generally limited.

The issue of documentary discrepancies has received attention in journals. However, the focus has been general in nature with summarised steps attempting to provide ideas for solutions through simple checklists¹⁶. Whilst descriptive literature is abundant, there appears to be a worldwide dearth of theoretical literature in documentary discrepancies research.

Jack, in his book: “Documentary Credit”¹⁷, has discussed the law and practice relating to documentary credit in a manner which will be of assistance to banks and the commercial men who use credits and the relevant law which lawyers may need. Also he described how documentary credits work and its natural step from the description of their contractual framework to the legal principles which govern their operation.

Hedley, analysed and explained in his book: “Bill’s of Exchange and Bankers’ Documentary Credit,”¹⁸ to the beginners what is the bill of exchange and the documentary credit which will be useful handbook for bankers and businessmen, with sufficient sources and analysis of the legalities involved to be of use to the lawyers as well.

Sarna, in his book: “Letter of Credit the Law and Current Practice,”¹⁹ has written about letter of credit in general and the nature of the letter of credit.

Most of the writers have discussed a documentary credit in one chapter from other chapters in their books like;

¹⁶ Baker, W 2000, 'Dealing with Letter of Credit discrepancies', *Business Credit*, vol. 102, no. 10.

¹⁷ Jack, *Documentary Credit*, (London, Butterworths, 1993).

¹⁸ Hedley, *Bills of exchange and banker's documentary credits*. Lloyd's of London press LTD, (1994)..

¹⁹ Sarna, *Letter of Credit the Law and Current Practice*, 1986.

Selman, “Law of International Trade,”²⁰ in chapter four talked about method of financing, all the elements of documentary credit, the fraud exception, remedies and procedural issues and so on.

“Schmitthoff’s Export Trade the Law and Practice of International Trade”²¹, Leo D’ARCY, has made study in chapter eleven about letter of credit and he discussed the characteristics of the letter of credit, its relation to uniform customs and practice, the kinds of letter of credit and fraud exception.

Pryles, et al, “International Trade Law”²², in chapter six discussed about the international payments and talked about bills of exchange, documentary collections and documentary credit in general. D .M.Day, “The Law of International Trade”, has explained in small part of chapter seven the documentary credit in general nature and its process. J.C.T. Chuah, “Law of International Trade”²³, has written in chapter ten from page 407 – 438 the documentary credit in general and he analysed the characteristics, elements, types of documentary credit.

Connerty, in his article²⁴ “ Fraud and Documentary Credits: The Approach of The English Courts” has examined the impact of fraud in relation to documentary credits and the dispute as to whether a bank is obliged to pay a documentary credit in circumstances where fraud is alleged in connection with the underlying contract.

²⁰Sellman, Law of International Trade, 11m (London). ma (*Business law*), old dailey press (1997).

²¹ D’Arcy, L., Murray, C., and Cleave, B. (2000). *Schmitthoff’s Export Trade: The Law and Practice of International Trade*, 10th edn, Sweet & Maxwell, London.

²²Pryles, Jeff waincyme and Martin davieds. (1996). *International Trade Law*. LBC information service

²³Chuah. (2001). *Law of International Trade*, London: Sweet & Maxwell

²⁴Connerty, fraud and Documentary Credits: the approach of the English courts, <http://www.wwserv.co.uk/anthonyweb/FRAUD%20AND%20DOCUMENTARY%20CREDITS.pdf>

Bergami, in his article “will the UCP 600 provide solutions to letter of credit transactions”²⁵, focused on the changes mooted for 2007 and compares these main issues with the existing rules and other associated guidelines and regulations governing this method of payment.

Dealing with letter of credit discrepancies²⁶. Weissman, in “Letters of Credit, Doing Business in a Global Market”²⁷. SITPRO, has reported on the use of export letters of credit²⁸. Vishny, in “Letters of Credit an Overview”. Documentary Credit World²⁹, and International Insights³⁰, have discussed the new UCP 600 rules to better facilitate international trade July 1, 2007, set as effective date worldwide.

Wilhelm in “Bankvertragsrecht”³¹ has discussed the legal relationship of the parties under UCP 500. Michael Brindle Q.C.,M.A.Oxon. and Raymond Cox B.A.(Oxon.) “Law of Bank Payment”³² have pointed out the procedures and the process of the bank payment. Akinbote, “Nigeria; How to Enhance Documentary Credit Transactions³³” reviews the supreme court decision in eagle super pack (nig) ltd v acb in light of the UCP 600 and what it portends for documentary transactions in Nigeria. Peter Ho, “Documentary Credit: The Fraud Exception”³⁴ examines the question of whether issuing and confirming banks should pay against fraudulent documents.

²⁵Bergami, “will the UCP 600 provide solutions to letter of credit transactions, International Review of Business Research Papers Vol.3 No.2 June, Pp. 41 - 53 41

²⁶, Business Credit, vol. 102, no. 10.

²⁷ CPA Journal, vol. 66, no. 1, pp. 46-9

²⁸ 2001/2002, SITPRO Ltd., London

²⁹ Documentary Credit World, Volume 11, Number 2, February 2007

³⁰ International Insight, *A publication of key Banks's Global Trade Services*, (2007).

³¹ Wilhelm. (1988). *Bankvertragsrecht* - first part, 3rd edition, Berlin, NewYork.

³² Brindle Q.C.,M.A.Oxon. and Raymond Cox B.A.(Oxon.). *Law of Bank Payment*. London: sweet&Maxwell (1999).

³³ Akinbote. (2007). Nigeria; How To Enhance Documentary Credit Transactions. *Africa news*. Lexis-Nexis.

³⁴ Peter Ho, Documentary Credit: The Fraud Exception. *Hong Kong Lawyer* January, 1997. Retrieved September 20, 2008. <http://sunzi1.lib.hku.hk/hkjo/view/15/1501023.pdf> .

Spjut, in his article “Documentary and Standby Letters of Credit” examined the documentary credit and stand by credit³⁵. Sandra Speares, in her article “Know Your Customer Remains Best Anti-Fraud Advice”³⁶ Has written about fraud in international shipping and when fraud can cause difficulties for law enforcement when a police force does not have the criminals within its boundaries despite having jurisdiction

Karl, “Letters of Credit and, the Doctrine of Strict Compliance”³⁷ has talked about the historical introduction in foreign trade and letters of credit, the reasons for using letters of credit, analysed the legal relationships of the concerned parties and examined the doctrine of strict compliance. Gary Collyer, A seminar UCP 600 in practice, implementation and issues 2008. These publications bear relevance to the focus of this thesis.

1.6 METHODOLOGY

As a review of the UCP 600 Documentary Credit Strategies, this study can be described as a “Policy Analysis”. Beginning with a detailed description of the Documentary Credit , its stages, typologies, impacts and complications, the researcher concentrates on how the UCP 600 is responding to these strategies and what kind of problems arise while countering them. This requires conducting a comprehensive policy research. After completing the policy research, the next step is analysing the results of the research. The problems of Documentary Credit are identified and

³⁵Spjut. (1999). *Documentary and Standby Letters of Credit*. January 1, 1999. Retrieved September 20, 2008. http://www.icc commodities.com/files/Documentary_and_Standby_Letters_of_Credit.pdf

³⁶Speares. (2008). *Know Your Customer Remains Best Anti-Fraud Advice*, January 30, 2008 Wednesday, Lexis-Nexis

³⁷karl. (2004). “Letters of Credit and, the Doctrine of Strict Compliance”, Thesis, University of Uppsala, January 7th, 2004. (Retrieved September 20, 2008), <<http://www.juridicum.su.se/transport/Forskning/Uppsatser/EssayKarl.pdf>>

evaluated. Finally, solutions and recommendations are made for these problems in light of the data are gathered.

The data for this thesis are gathered and analysed from four sources:

- a. Citations from Books.
- b. Citations from Journals and Articles.
- c. Citations from Published Reports.
- d. Citations from Internet Sites.

1.7 STRUCTURE OF THE STUDY

Chapter 1: Will cover the overview of the study, the limitations of the study, the statement of problem the purposes of the study Literature review and methodology

Chapter 2: Introduction to documentary credit and its relation with UCP600

Chapter 3: Analyzing and identifying the process of issuing documentary credit

Chapter 4: Rights and duties of the parties

Chapter 5: Available remedies to the buyer and seller

Chapter 6: Conclusion