



Banking Commission

Consolidated draft Opinions of the Banking Commission, August 2025

- **470/TA 949rev**
- **470/TA 950**
- **470/TA 951**

Ms. Christina E. Seierup
ICC Denmark Trade Finance Forum Chair,
ICC Denmark
Slotsholmsgade 1
DK-1217 København K
Denmark

22 April 2025

Document 470/TA.949rev

Dear Ms. Seierup,

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

QUOTE

Amongst other documents, a documentary credit called for, “ONE COPY OF SURRENDERED B/L.”

As part of the presentation three (3) original bills of lading were included. The presented bills of lading did not include a “surrendered” stamp. However, they included (in the body below the description of goods) the following wording: “Original Bill Surrendered at Origin”. Like this:

FREIGHT PREPAID
Original Bill Surrendered at Origin

The presentation was refused citing the following discrepancies:

1. Surrendered bill of lading not presented in copy (but 3/3 originals)
2. The surrendered bill of lading does not contain a surrendered stamp

Based on the above, we ask the view of the ICC Banking Commission on the following questions:

1: When a documentary credit calls for “one copy of surrendered bill of lading” is it required that a copy (as opposed to the original) bill of lading is presented?

2: When a documentary credit calls for “one copy of surrendered bill of lading” how is this to be shown on the document? Would this require that the presented bill of lading is stamped “Surrendered” or can the wording “surrendered” (or similar) be printed on the presented bill of lading?

3: Are the two reasons for refusal, cited above, valid?

UNQUOTE

ANALYSIS

The term “surrender” or “surrendered” is not recognised in UCP 600 or ISBP 821. It is therefore the responsibility of an issuing bank, when including a condition such as

“One copy of surrendered bill of lading” into its credit, to clearly indicate both what must be presented and how the term “surrendered” is to be evidenced on the copy. ISBP 821 paragraph A6 places an onus on the issuing bank by stating “A copy of a transport document is to be examined only to the extent expressly stated in the credit, otherwise according to UCP 600 sub-article 14 (f).” (emphasis added).

In this particular transaction, there was no further explanation or detail as to the specific requirements. In the absence of such explanation or detail, the credit should have been considered as unworkable and not issued or advised until further clarification was obtained. Unfortunately, in this case the issue had not been identified until after the presentation of documents.

As previously requested by ICC National Committees, industry feedback has been sought and incorporated into this Analysis. The Technical Advisers requested feedback from 3 key players in the issuance of bills of lading.

According to this feedback, when a surrendered bill of lading is required, this generally means that the shipper has returned (or ‘surrendered’) one or more of the original bills of lading to the carrier or their agent with the purpose that the goods may be released to the consignee without the need for the surrender of an original bill of lading at the port of discharge. This process facilitates short sea journeys or where it may be known that documents will arrive after the arrival of the vessel at the port of discharge.

Any non-surrendered original bills of lading automatically become void as will be stated within the terms and conditions of carriage of a bill of lading which specify the circumstances under which the document could be rendered void or invalid; noting that UCP 600 sub-article 20 (a) (v) does not require banks to review such terms and conditions.

By any common understanding, to ‘surrender’ a bill of lading means to relinquish possession or to hand it over to another party. The issue here is how this surrender is (or should be) evidenced for the purpose of examination of the documents on their face, as required by UCP 600 sub-article 14 (a), particularly where a credit is silent as to how such a requirement is to be fulfilled.

There is an argument, made in a number of ICC Opinions and supported by ISBP 821 Preliminary considerations (v), that the applicant bears the risk of any ambiguity in its instructions to issue or amend a credit. However, there is also the position that the ICC Banking Commission should take to avoid any abuse of a condition such as “One copy of surrendered bill of lading”. It would be wrong to simply state that the presentation of a copy or photocopy of a bill of lading will serve as evidence of surrender of one or more original bills of lading. To say so, could open the door to abuse where the shipper retains the originals and simply provides a copy of the bill of lading.

Whilst the addition of the word “surrendered” could be made by any entity, in the absence of a specific requirement in the credit regarding how the event of surrender is to be evidenced, e.g., accompanied by a signature of the carrier or its agent, such an addition would at least provide evidence of compliance with the terms and conditions of the credit and the imposition of ISBP 821 Preliminary consideration (v).

In order to avoid any unnecessary discussion or debate, when a copy of a surrendered bill of lading is presented and noting that any remaining original bills of lading held with the shipper are void, the shipper should retain the remaining originals and not present them under the credit.

CONCLUSION

1: Yes, a copy is to be presented. At least one original bill of lading should have been surrendered to the carrier or their agent, with any remaining bills of lading becoming void and no longer applicable as documents of title.

2: It is the responsibility of the issuing bank to ensure that specific requirements for the copy of the bill of lading, including how the surrender of the original bills of lading is to be evidenced, are included in the terms and conditions of the credit.

3: The first discrepancy is valid, but not the second as there was no clear instruction on this issue within the terms and conditions of the credit.

The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission's Technical Advisers based on the facts under "QUOTE" above. They do not necessarily reflect the opinion of the ICC Banking Commission until the Banking Commission renders its approval or disapproval of these opinion(s) at the next scheduled meeting.

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Neither the ICC nor any of its employees, nor any member of the Banking Commission, including the Chairman, Vice-Chairmen or Technical Advisers shall be liable to any person for any loss or damage arising out of any act or omission in connection with the rendered opinion(s).

Yours Sincerely,



Tomasch Kubiak
Policy Manager Banking Commission
International Chamber of Commerce

ICC France
Emmanuelle BUTAUD-STUBBS
Délégué Général ICC France
23 May 2025

Document 470/TA.950

Dear Emmanuelle,

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

QUOTE

A documentary credit, subject to UCP 600, was issued on 10 December 2023 available by payment at the counters of the nominated bank.

The MT 700 stated, among others:

- Field 31D – Date and Place of Expiry: 241206 FRANCE
- Field 44C – Latest Date of Shipment: 241115

On 19 December 2023 a first amendment was issued requesting the nominated bank to add its confirmation. The nominated bank agreed and confirmed the credit.

On 11 November 2024 a second amendment was issued which concerned exclusively the following terms and conditions:

- Field 31D – Date and Place of Expiry: 241221 FRANCE
- Field 44C – Latest Date of Shipment: 241130

The confirming (nominated) bank did not notify this second amendment to the beneficiary on the basis that it was not in a position to extend its confirmation. For information, the beneficiary had received a scan of this amendment (MT707) from the applicant.

Documents were presented by the beneficiary to the confirming (nominated) bank on 2 December 2024 (within the original expiry date of the credit) and were refused by them for one single discrepancy: "LATE SHIPMENT"; shipment having been made on 27 November 2024.

This discrepancy was justified by the confirming (nominated) bank by the fact that it had elected not to advise amendment number 2 which extended the latest shipment date to 30 November 30 2024 (and extended the expiry date to 21 December 2024).

Our questions:

1. From the information we gathered, it seems that the decision of the confirming (nominated) bank not to advise amendment number 2 relied on UCP 600 sub-article 9 (e) which, from our understanding, is inaccurate as sub-article 9 (e) is to be read in conjunction with sub-article 9 (f) and deals with a situation where the advising bank is unable to authenticate the message received.

This is clearly explained in the Commentary on UCP 600 – ICC Publication No. 680, page 47, second paragraph: “Sub-articles (e) and (f) articulate the same principles contained in UCP 500 sub-articles 7 (a) and (b) when the advising bank or second advising bank is unable to satisfy itself as to the apparent authenticity of the documentary credit or amendment. Whilst these sub-articles provide for such a bank to advise the documentary credit or amendment without satisfying itself as to its apparent authenticity, most banks will normally seek proper authentication from the issuing bank”.

Could you confirm our interpretation of sub-article 9 (e)?

2. We understand that the confirming (nominated) bank was not willing to extend its confirmation to amendment number 2 but had nevertheless a definite duty to advise the amendment to the beneficiary (as per sub-article 10 (b)).

What is your assessment of the confirming (nominated) bank’s conduct as concerning its obligation to advise the beneficiary of this second amendment?

3. Was the confirming (nominated) bank entitled to refuse the presentation for “Late shipment” whereas the issuing bank had sent an amendment extending the latest shipment date, an amendment which was not advised to the beneficiary, but which was known of by the beneficiary?

4. Should the answer to question number 3 be “No”, was the confirming (nominated) bank obligated to honour the presentation?

UNQUOTE

ANALYSIS

No explicit reason has been given as to why the second amendment was not advised to the beneficiary, other than to say that the confirming bank was not in a position to extend its confirmation. Accordingly, the terms of the original credit together with the content of the first amendment constituted the basis on which the confirming bank carried out its examination of the presentation of documents.

According to UCP 600 sub-article 9 (e), the confirming bank should have informed the issuing bank, without delay, of its decision not to advise the amendment. It need not inform the issuing bank of its reason(s) for not advising the amendment.

Even though the confirming bank was not willing to extend its confirmation to the second amendment, UCP 600 sub-article 10 (b) allows the confirming bank to advise the amendment without its confirmation, informing the issuing bank and beneficiary accordingly.

It should be noted that the issuing bank remains bound by the content of the second amendment even though it was not formally advised to the beneficiary.

The “Commentary on UCP 600 – ICC Publication No. 680” is solely a commentary from the Drafting Group and is not an official publication of the ICC. In this context, only the content of UCP 600 can be considered.

UCP 600 sub-article 9 (f) would only come into effect if the confirming bank was unable to satisfy itself as to the apparent authenticity of the amendment, but this is not indicated in the query as the reason for not advising the amendment.

The approach in UCP 600 sub-article 9 (e) supports logic and the principle of banking independence in that a bank is not obligated to act unless it chooses to, and may decline for internal policy, compliance risk, sanctions risk, or commercial reasons. Provided it notifies the sender without delay, it has met its obligations under sub-article 9 (e).

Accordingly, the confirming bank was fully within its rights not only to withhold its confirmation of the second amendment, but also to refrain from advising it altogether. The bank's responsibility in such circumstances is limited to one of three actions: it may choose to confirm the amendment, to advise the amendment without adding its confirmation, or to decline to advise the amendment entirely, provided that it notifies the issuing bank of this decision.

CONCLUSION

1. The interpretation of sub-article 9 (e) is as outlined above.
2. The confirming (nominated) bank was under no obligation to advise the second amendment to the beneficiary.
3. Yes. A notice of refusal was appropriate in the circumstances. However, the issuing bank would be obligated to honour an otherwise complying presentation.
4. No. The confirming (nominated) bank was not obligated to honour the presentation.

The opinion(s) rendered on this query reflect the opinion of the ICC Banking Commission's Technical Advisers based on the facts under "QUOTE" above. They do not necessarily reflect the opinion of the ICC Banking Commission until the Banking Commission renders its approval or disapproval of these opinion(s) at the next scheduled meeting.

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Yours Sincerely,



Tomasz Kubiak
Policy Manager Banking Commission
International Chamber of Commerce

ICC France
Emmanuelle BUTAUD-STUBBS
Délégué Général ICC France
23 May 2025

Document 470/TA.951

Dear Emmanuelle,

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

QUOTE

We kindly request an official opinion of the ICC Banking Commission on the following issue related to a documentary credit subject to UCP 600 and with regards to ISBP 821 paragraph A35.

We are acting as confirming bank and have encountered two specific cases where electronically signed documents were presented by beneficiaries.

1/ LC 1 required presentation of: "Invoice in 2 originals, signed by the beneficiary".

The document presented shows:

"Docusigned by [stamp with the name of the company]"

"Docusigned by [signatory]" with a key composed of figures and letters.

2/ LC 2 required presentation of "Certificate of Conformity signed by the beneficiary".

The document presented shows:

"signed by [name of the signatory]"

"signed at [date + time]"

"Reason: I approve this document"

UCP 600 article 3 and ISBP 821 paragraph A35 (a) stipulate how a document can be signed:

UCP 600 article 3: "**A document may be signed by** handwriting, facsimile signature, perforated signature, stamp, symbol or **any other mechanical or electronic method of authentication**".

ISBP 821 paragraph A35 (a): "A signature, as referred to in paragraph A31 (a), need not be handwritten. **Documents may also be signed with** a facsimile signature (for example, a pre-printed or scanned signature), perforated signature, stamp, symbol (for example, a chop) **or any mechanical or electronic method of authentication.**"

ISBP 821 paragraphs A35 (c) and A35 (d) outline what does or does not constitute a form of electronic method of authentication:

A35 (c) "**A statement on a document such as** "This document has been electronically authenticated" or "This document has been produced by electronic means and requires no signature" or words of similar effect **does not, by itself, represent an electronic**

method of authentication in accordance with the signature requirements of UCP 600 article 3.”

A35 (d) “**A statement on a document indicating that** authentication may be verified or obtained through a specific reference to a website (URL) **constitutes a form of electronic method of authentication** in accordance with the signature requirements of UCP 600 article 3. Banks will not access such websites to verify or obtain authentication.”

We refused the documents presented under both LCs on the ground that the statements on the documents did not allow us to determine whether or not they constituted an electronic method of authentication as described in paragraphs A35 (c) and A35 (d).

Please find below our analysis:

- the statements mentioned on the documents:

“Docusigned by [stamp with the name of the company]”

“Docusigned by [signatory]” with a key composed of figures and letters

and

“signed by [name of the signatory]”

“signed at [date + time]”

“Reason : I approve this document”

seem to be similar to “This document has been electronically authenticated” as mentioned in paragraph A35 (c), hence not compliant with the signature requirements of UCP 600 article 3.

No reference to a website, allowing authentication, were mentioned on the documents, hence nothing in the document could be considered as a form of electronic method of authentication.

These examples illustrate that while the solutions used (e.g., DocuSign) are widely recognised and compliant with electronic signature standards, it is not easy for the operations teams in banks to determine if a document, which is electronically signed, is signed as per UCP 600.

Our questions are the following:

1. Whether such documents were acceptable as per the LC terms:

- For LC1:

a) Does the statement “Docusigned by...” constitute a form of electronic method of authentication?

b) Were we right to reject the document?

- For LC2:

a) Does the statement “signed by – signed at 2024-9-30 17:03:56 – Reason; I approve this document” constitute a form of electronic method of authentication?

b) Were we right to reject the document?

2. Whether our understanding of ISBP 821 paragraph A35 (d) i.e., a reference to a website must appear on a document to constitute a form of electronic method of authentication (being understood that banks will not access such websites to verify authentication), is correct or not.

If not, what kind of statement is acceptable?

We kindly request your opinion on the above questions, and guidance on the handling of documents that are electronically signed.

UNQUOTE

ANALYSIS

Documents were presented under two documentary credits subject to UCP 600, including elements which purported to be electronic means of authentication.

LC1 required presentation of an invoice in 2 originals, signed by the beneficiary. The presented invoice stated:

- “Docusigned by [stamp with the name of the company]”
- “Docusigned by [signatory]” with a key composed of figures and letters.

LC2 required presentation of a certificate of conformity signed by the beneficiary. The presented certificate stated:

- Signed by [name of the signatory]
- Signed at [date and time]
- Reason: I approve this document

The confirming bank refused both presentations on the basis that the statements on the documents did not allow them to determine whether such statements constituted an electronic method of authentication as described in ISBP 821 paragraphs A35 (c) and A35 (d).

UCP 600 article 3 states, inter alia, that a document may be signed by an electronic method of authentication. This is further emphasised in ISBP 821, wherein paragraph A35 (a) states that a document may be signed with an electronic method of authentication.

ISBP 821 paragraph A35 (c) states that a statement on a document such as “This document has been electronically authenticated” or “This document has been produced by electronic means and requires no signature” or words of similar effect does not, by itself, represent an electronic method of authentication in accordance with the signature requirements of UCP 600 article 3.

Furthermore, ISBP 821 paragraph A35 (d) states that a statement on a document indicating that authentication may be verified or obtained through a specific reference to a website (URL) constitutes a form of electronic method of authentication in accordance with the signature requirements of UCP 600 article 3.

With respect to LC1, the invoice had been ‘docusigned’, a cloud-based software tool. The presence of both a stamp and a signatory key demonstrates that, on its face, the sign-off on the document constitutes an electronic method of authentication. Reference to ‘docusigned’ clearly references a system or verification mechanism. ISBP 821 paragraph A35 (d) is not of relevance on the basis that the invoice does not provide a statement that authentication be verified or obtained via URL. The invoice has been signed in accordance with UCP 600.

In any event, the notice of refusal was not issued in accordance with UCP 600 article 16. Refusal on the basis of ISBP 821 is not sufficient; such notice must be issued in line with sub-article 16 (c) (ii) indicating each discrepancy based upon UCP 600 alone.

With respect to LC2, the signatory format appears to be functionally equivalent to the generic statements described in ISBP 821 paragraph A35 (c). It lacks any distinctive signature symbol, stamp, or reference to an external authentication source, and does not display a mechanism for validation or integrity verification. Whilst such formats are common in electronic workflow systems, they are not sufficient under UCP 600 unless a formal signature mechanism is visible or supported by an authentication reference. This is not an acceptable form of electronic signature for the purpose of UCP 600.

Refusal is appropriate in that the document lacks a method of verification and is not a valid electronic signature in this context. Nevertheless, as with LC1, the notice of refusal has not been issued correctly. Accordingly, UCP 600 sub-article 16 (f) applies.

In respect of the final question, in order for a document to qualify under ISBP 821 paragraph A35 (d), a reference to a website or similar verifiable source must be included on the face of the document. Banks are not required to test such source, but the reference must be apparent.

CONCLUSION

LC1

1a. Yes. The document was compliant in that it evidenced an electronic method of authentication.

1b. No. Refusal of the presentation was not appropriate.

LC2

1a. No. The statement did not constitute a form of electronic method of authentication.

1b. Yes. Refusal was appropriate. However, the notice of refusal was invalid.

2. A reference to a website or similar verifiable source must be included on the face of the document.

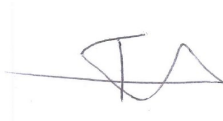
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Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'TK' with a horizontal line extending to the left.

Tomasz Kubiak
Policy Manager Banking Commission
International Chamber of Commerce