

# Examination of Documents under DC

EC Trade Consultants Ltd

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# Common Trade Documents

- ▶ Draft/Bill of exchange: a financial instrument which is used for obtaining payment.
- ▶ Commercial invoice: a statement of debt which is issued by the seller to the buyer.
- ▶ Packing list: a document covering packing details of the goods shipped.
- ▶ Certificate of origin: a document which certifies the origin of the goods.
- ▶ Inspection certificate: a document which certifies the result of the goods inspected before shipment.
- ▶ Insurance policy: a document which is issued by an insurance company covering the transportation risk(s) of the goods shipped.

# Ocean Bill of Lading

- ▶ “The bill of lading” - the on board bill of lading has been the common type of transport document to be presented by the seller traditionally. The bill of lading serves the following purposes:
  - ▶ - proof of delivery of the goods on board the vessel;
  - ▶ - evidence of the contract of carriage; and
  - ▶ - A means of transferring the rights to the goods to another party.
- ▶ It has been the common practice for the carrier to issue a set of original bill of lading (more than one original). In which case, “full set” of the original bills of lading must be surrendered by the seller.

The transport document (including the bill of lading) must evidence not only delivery of the goods to the carrier but also that the goods, as far as could be ascertained by the carrier, were received in good order and condition.

# Other types of Transport Documents

- ▶ Liner Bill of Lading
  - ▶ A transport document used for shipment on scheduled port calls through scheduled trade routes
- ▶ Combined/Multimodal Transport Bill of lading
  - ▶ A transport document providing for more than one mode of transport for the goods from a scheduled point of departure to a scheduled place of delivery

# Other types of Transport Documents

- ▶ Tanker Bill of lading
  - ▶ A transport document often used for the transportation of liquid industrial elements or crude oil, usually governed by a charter party agreement.
- ▶ NVOCC (no vessel operating common carrier) Bill of Lading
  - ▶ A transport document that utilizes the ships of vessel operators and provides ocean shipping services

# Other types of Transport Documents

- ▶ Forwarder's Bill of Lading

- ▶ A freight forwarder may consolidate the shipments of several exporters in order to get a lower bulk rate from the carrier. This serves merely as the forwarder's receipt and contract with the exporter to arrange for shipment.

- ▶ Through Bill of Lading

- ▶ This is not really an ocean bill but is actually a bill of lading issued by a railroad company or trucker. It contains all the information that is usually in an ocean bill of lading.

# Other types of Transport Documents

- ▶ Air Waybill

- ▶ A bill of lading issued by an air carrier is usually in nonnegotiable form.

- ▶ Dock Receipt

- ▶ This is a nonnegotiable receipt issued by steamship company indicating that the goods have been delivered to the dock.

# Other types of Transport Documents

- ▶ Warehouse Receipt

- ▶ A document of title issued by a warehouse covering the storage of goods in a terminal or field warehouse. The holder has title to the goods in storage.

- ▶ Charter Party Bill of lading (Cogenbill)

- ▶ A document subject to the terms and conditions of a charter party (contract between the ship-owner and charterer)



# Other types of Transport Documents

- ▶ Rail Consignment Note (CIM)

- ▶ A document issued by the railway company and is of the waybill type.

- ▶ Road Consignment Note (CMR)

- ▶ It is used for carriage by lorry and is issued by the carrier

# Other types of Transport Documents

- ▶ Inland Waterway Transport Document

- ▶ This document, which is in non-negotiable form, evidences that the carrier has received the goods for shipment on network of canals where small cargo vessels and barges go.

- ◀ Post Receipt

- ◀ The receipt is issued by a post office and evidences the receipt of the goods for dispatch.

- Courier Receipt

A receipt issued by courier company evidenced the receipt of the goods for dispatch



Final text of UCP 600 was unanimously approved on October 25, 2006 at the ICC Banking Committee meeting in Paris, France

- UCP 600 will become effective on July 1, 2007.

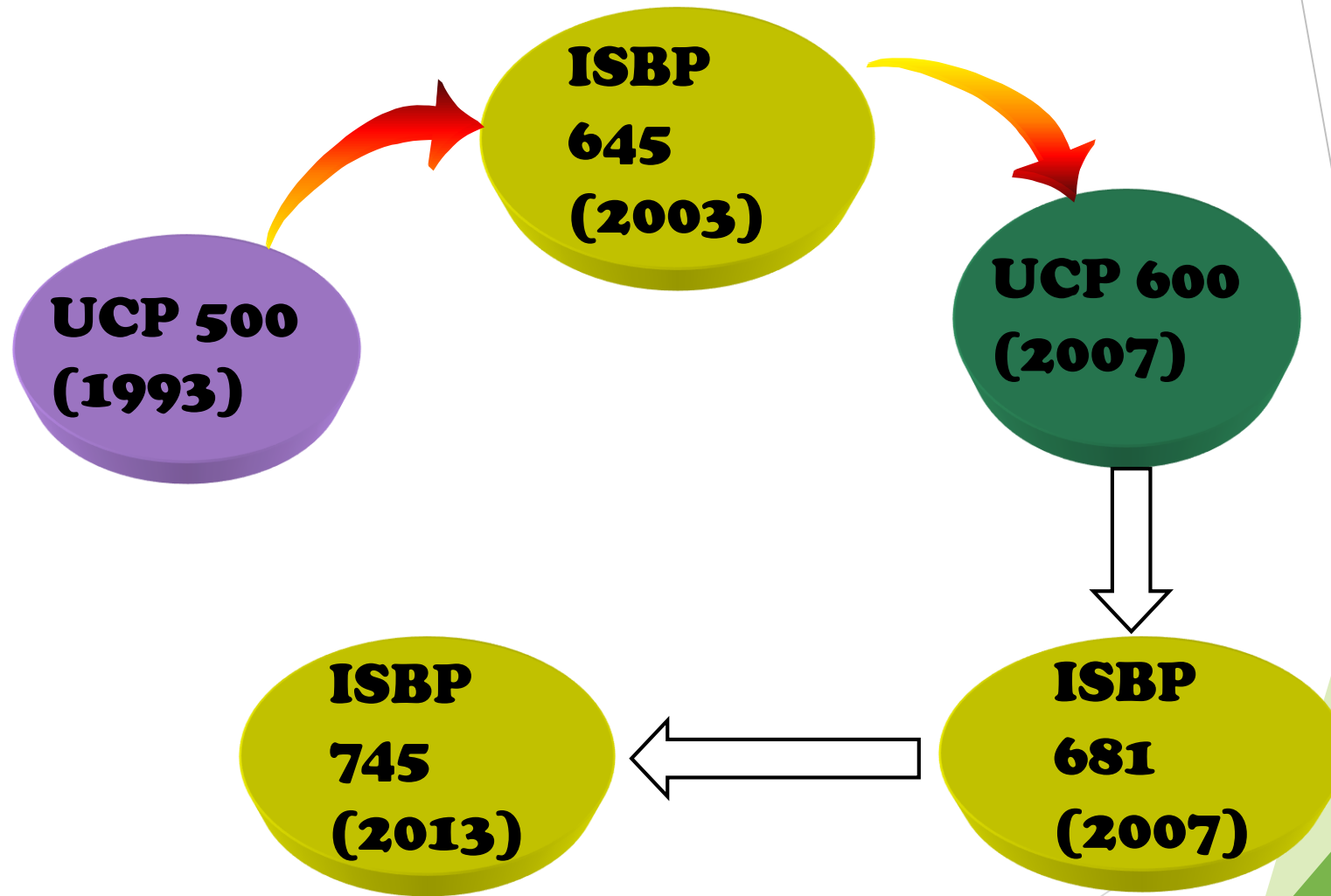
# What is UCP 600?

- The Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600
- Rules apply to LC that is issued subject thereto
- Binding on all parties to the LC unless expressly modified or excluded by the LC

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# Article 14 Standard for Examination of Documents:

- The issuing /nominated /confirming bank shall each have a maximum of five banking days to determine if a presentation is complying
- Presentation must be made not later than 21 days after the date of shipment
- Data need not be identical, but must not conflict to other documents
- Non-documentary conditions will be disregarded.
- Documents may be dated prior to the issuance date of the credit.
- The description of goods in documents other than invoice may be in general terms
- Bank will accept the documents as presented if its content appears to fulfill the function of the required document.
- Address of beneficiary and applicant need not be the same but must be within the same country.
- The shipper or consignor of the goods need not be the beneficiary



# Objectives


- ❖ Conform with the UCP and the Opinions and Decisions of the ICC Banking Commission
- ❖ Reflect international standard banking practice for all parties in documentary credit
- ❖ Clarify grey areas commonly seen on a day-to-day basis
- ❖ Reduce dispute between the issuing and presenting banks

# Documents

- ▶ Financial Documents
  - ▶ Draft
  - ▶ Bill of Exchange
- ▶ Shipping Documents
  - ▶ Transport documents including B/L and AWB
  - ▶ Commercial documents including invoice, insurance policy and packing list
  - ▶ Official documents including import license and certificate of origin



## 10 SAMPLE OF BILL OF EXCHANGE / DRAFT

Exchange for	US\$25,000.00	No.	CL-00888
		March 15	20 01
----- AT SIGHT -----	of this First of Exchange (Second Unpaid)		
pay to the order of	UVW Exports		
the sum of	Twenty Five Thousand US Dollars		
	Drawn under documentary credit No. SB-87654 of The Sun Bank, Sunlight City, Import-Country, dated January 26, 2001		
To	The Moon Bank	UVW Exports	
	5 Moonlight Blvd.,		
	Export-City and Postal Code, Export-Country		

# Checklist for Draft (1)

- ▶ Bears correct L/C reference with current date
- ▶ The name of the Drawer corresponds with the Beneficiary
- ▶ When the beneficiary has changed its name, a draft may be drawn in the name of new entity showing “formerly know as “ or words of similar effect
- ▶ It is drawn on the correct Drawee (issuing bank)
- ▶ Amount in figures and words correspond. If they are in conflict, the amount in words to be examined.
- ▶ The tenor is same as required by L/C
- ▶ The words “from” or “after” commences the day following the date of document.

## Checklist of Draft (2)

- ▶ The amount does not exceed the L/C amount
- ▶ The value of the draft and invoice corresponds
- ▶ If any alternation is noted in the document, it is properly authenticated
- ▶ Must be endorsed, if necessary.
- ▶ When a credit indicates the drawee of a draft is their SWIFT address, the draft may show the drawee with the same details or full name
- ▶ If a draft is drawn at a tenor other than sight, or other than a certain period after sight, it must be possible to establish the maturity date from the data in the draft itself (e.g. 180 days after B/L, the B/L date must be shown on draft)

# Checklist of Draft (3)

- ▶ When a credit is available by negotiation with a nominated bank or any bank, the draft is to be drawn on a bank other than the nominated bank
- ▶ When a credit is available by acceptance with any bank, the draft is to be drawn on the bank agrees to accept the draft.
- ▶ Calculation of the maturity date (60 days from or after B/L date) :
  - 1) For unloading and reloading from one vessel to another, the draft should reflect 60 days after the earliest on board date
  - 2) Shipment of goods on the same vessel form more than one port within permitted range of ports, the draft should reflect 60 days after the latest on board date.
  - 3) When more than one set of B/L is presented under one draft, the on board date of the latest B/L will be used.

# Common discrepancies of draft

- ▶ Drafts showing tenor differs from LC
- ▶ Correction is not authenticated.
- ▶ Not showing shipment date for time LC (XX days after shipment)
- ▶ Drafts are not endorsed
- ▶ Drafts drawn on wrong party.
- ▶ Amount differs from invoice

# Sample of invoice

ABC Co. Ltd  
Commercial Invoice 123

Date: 31.08.2015

To Applicant

<u>Shipping mark</u>	<u>Good Description</u>	<u>Amount</u>
Made in INDO	20,000 MT of steam coal (GCV = 3900) @US\$25 per MT x 3900/ 4000 = US\$487.500 FOB Indonesia Port	

# Checklist for Invoice (1)

- ▶ It is issued by the Beneficiary of the L/C
- ▶ When the beneficiary has changed its name, an invoice may be issued in the name of the new entity provided that it indicates “formerly know as” or words of similar effect
- ▶ The applicant is indicated as the invoiced party
- ▶ The description of the goods must correspond with the merchandise description in L/C
- ▶ It may indicate additional data that do not appear to refer to a different nature, classification or category of the goods
- ▶ No additional detrimental description of the good appears
- ▶ Invoice should not be identified as “provisional” or “pro-forma” or the like

## Checklist for Invoice (2)

- ▶ The value of the invoice corresponds with that of the draft and LC
- ▶ An invoice may indicate a deduction covering advance payment, discount etc., that is not stated in the credit
- ▶ The invoice signed, notarized, legalized, certified, etc. if required by the L/C
- ▶ Corrections in documents issued by the beneficiary except drafts, need not be authenticated.
- ▶ Address of beneficiary and applicant need not be the same as those stated in the credit, but must be within the same country.



# Checklist for Invoice (3)

- ▶ The correct number of original and copy(ies) is presented
- ▶ Need not be signed or dated
- ▶ All information is not conflict with other documents

# Common Discrepancies noted in Invoice

- ▶ Incoterms not stated on invoice
- ▶ Description of goods not as per LC
- ▶ Proforma/Provisional Invoice presented instead of invoice
- ▶ Invoice showing merchandise not called for in the LC
- ▶ Invoice showing shipping marks/shipping route different from transport document.
- ▶ Short shipment.

# Insurance Certificate

Asia Insurance Corporation

Date: 31.08.2015

Name of Assured: \_\_\_\_\_

<u>From</u>	<u>To</u>	<u>Vessel</u>	<u>Sailing on</u>
Hong Kong	Singapore	Marine	30.08.2015

Subject matter insured: T-shirt

Sum insured: US\$11,000 (110% of invoice value)

Condition or special coverage: Institute Cargo Clause (A) and war risk

Number of originals: 2 original



# Institute Cargo Clause (ICC)

- ▶ ICC (A)      Maximum cover                      (Rough corresponds to “All Risks)
  - ▶ ICC (B)      Intermediate cover                      (Roughly corresponds to “With Average)
  - ▶ ICC (C)      Minimum cover                      (Roughly corresponds to “Free from Particular Average)
- 
- ⑩ There are two concepts that apply in the event of a loss :
  - ⑩ General Average : is incurred in the common interests of the ship and cargo and is borne by all the parties interested in the ship and cargo
  - ⑩ Particular Average: a particular average applies when the owner of lost or damaged cargo has to bear the full loss.

# Checklist for Insurance Document (1)

- ▶ The policy or certificate as required by L/C is presented
- ▶ It is signed by an insurance company or underwriter or their agent or proxy
- ▶ When an insurance document requires a countersignature by the issuer, the assured or a named entity, it must be countersigned.
- ▶ An insurance document that indicates that cover is provided by more than one insurer, it may signed by a single agent or proxy on behalf of all insurers or be signed by an insurer for all co-insurers
- ▶ Full set of the insurance document issued is presented
- ▶ All other information appearing on the document is consistent with that of the other documents
- ▶ It is issued in the same currency as the L/C

# Checklist for Insurance Document (2)

- ▶ The goods description corresponds with that of the invoice
- ▶ It covers the specified risks as stated in L/C
- ▶ Cargo Clause (A) is equivalent to “All Risk”:
- ▶ It covers the goods from the loading port to port of discharge
- ▶ The marks and numbers, etc. correspond with those of the transport document
- ▶ It may contain any exclusion clauses
- ▶ Any indication regarding payment of an insurance premium is to be disregarded unless the document indicates that it is not valid unless the premium has been paid and there is an indication that the premium has not been paid.

# Checklist for Insurance Document (3)

- ▶ If the assured name is other than the buyer, it bears the appropriate endorsement
- ▶ The date of issuance is at the latest from the date of loading on board or dispatch of the goods
- ▶ An insurance document dated after B/L date is acceptable if it covers “warehouse-to-warehouse” or words or similar effect.
- ▶ It should cover the LC amount, as a minimum, or 110% of CIF or CIP value.
- ▶ There is no maximum percentage of insurance coverage
- ▶ If any alternation is noted in the document, it is properly authenticated

# Common discrepancies in Insurance Document

- ▶ Insurance Policy not issued or signed by the insurance company or its agent.
- ▶ All originals have not been presented
- ▶ Insurance coverage is insufficient
- ▶ Insurance Policy does not include the risks specified by LC
- ▶ Insurance Policy is not endorsed.
- ▶ Insurance Policy showing date of issuance later than date of shipment
- ▶ Insurance Policy showing currency different from invoice.
- ▶ Correction in Insurance Policy not authenticated,
- ▶ Insurance Policy not showing the claim agent as specified by LC



# Transport Documents as defined by UCP 600

Bill of Lading	Charter Party B/L	Airway Bill
<p>Signed by: -Carrier or a named agent -Master or a named agent</p>	<p>Signed by: -Owner or a named agent -Master or a named agent -Charterer or a named agent</p>	<p>Signed by: -Carrier or a named agent</p>
<p>Agent must indicate whether it has signed for or on behalf of the carrier or the master</p>	<p>Agent must indicate whether it has signed for, on behalf of the owner, master or charterer. The agent must indicate the name of owner or charterer,</p>	<p>Agent must indicate that it has signed for or on behalf of the carrier</p>
<p>No need to indicate the name of the master</p>	<p>No need to indicate the name of master</p>	
<p>Sole original or full set</p>	<p>Sole original or full set</p>	<p>The original for consignor or shipper is adequate even if the credit calls for full set of originals</p>
	<p><b>Indication that it is subject to Charter Party Contract</b></p>	

# Sample of Bill of Lading

:43P partial shipment :  
 PERMITTED  
 :43T transshipment :  
 NOT PERMITTED  
 :44A on board/disp/taking charge :  
 SOUTHAMPTON PORT  
 :44B for transportation to :  
 ASSALUYEH PORT IRAN  
 :45A descr goods and/or services :  
 250 METRIC TONNES OF EXCLUSIVE PINE WOOD  
 DRIED FUMAGATED CIF ASSALUYEH PORT IRAN  
 (INCOTERMS 2000)  
 IN ACCORDANCE WITH CONTRACT NO POL787/99

<b>CONSIGNEE:</b> to order Impex Bank		<b>World Trans</b>  <b>MARINE</b> <b>BILL OF LADING</b> (for Port-to-Port Shipment)	
<b>NOTIFY PARTY:</b> Central Europe Fine Furniture 898 Liberty			
<b>PLACE OF RECEIPT</b>			
<b>VESSEL</b> IRAN KORDESTAN	<b>PORT OF LOADING</b> SOUTHAMPTON	<b>NUMBER OF ORIGINALS:</b> 3	
<b>PORT OF DISCHARGE</b> ASSALUYEH	<b>PLACE OF DELIVERY</b>	<b>FREIGHT COLLECT</b> <input type="checkbox"/>	<b>FREIGHT PAID</b> <input checked="" type="checkbox"/>
<b>MARKS/NUMBERS</b> PD 1-10 LMI B.A.F.-01-037 01/11 73558	<b>DESCRIPTION OF GOODS</b> 250 METRIC TONNES OF EXCLUSIVE IRISH PINE WOOD IN ACCORDANCE WITH CONTRACT NO POL787/99	<b>GROSSWEIGHT</b>	
<b>Shipped</b> by the Carrier from the shipper in apparent good order (unless otherwise noted herein). One original Bill of Lading must be surrendered to the Carrier at the Port of Discharge or at a location acceptable to the Carrier.			
Subject to the terms and conditions of carriage as set out on the face and reverse of this document. Goods as declared by shipper. Carrier does not warrant as to the quantity, quality or validity of goods carried subject to the bill of lading.		<b>Oliver Ryan</b> <b>WORLDTRANS, AS CARRIER</b> <b>DATE: 5 APRIL 2006</b>	

# Sample of Bill of Lading

**AMERILINES, INC. - New York**

(2) SHIPPER/EXPORTER (COMPLETE NAME AND ADDRESS) AMB. EDGAR CAMACHO C/O SEFCO-EXPORT MANAGEMENT COMPANY 1 ASCAN AVENUE, PH 74 FOREST HILLS, NY 11375 TEL: 718-268-6233 FAX: 718-268-0505		(1) BOOKING NO. 0766460	(3) BILL OF LADING NO.
(3) CONSIGNEE (COMPLETE NAME AND ADDRESS) AMB. EDGAR CAMACHO C/O: EXPRINTER LIFTVANS- BOLIVIA SRL, AVE. MRCAL. SANTA CRUZ, ESQ/LOAYZA TEL: (5912) 365612, 720054 ATTN: BENJAMIN MALDONADO		(4) EXPORT REFERENCE EX-697/10;	(7) FORWARDING AGENT'S C/O NO.
(4) NOTIFY PARTY (COMPLETE NAME AND ADDRESS) SAME AS ABOVE		(5) POINT AND COUNTRY OF ORIGIN NEW YORK USA	(6) ALSO NOTIFY ROUTING & INSTRUCTIONS FOR CARGO RELEASE PLEASE CONTACT: HANS ZIEHL A. C. ASPIAZU 695 CASILLA 2346 - LA PAZ, BOLIVIA TEL: 011-591 2-94836
(8) RETAIL CARRIAGE BY (MODE)	(9) PLACE OF INITIAL RECEIPT	(10) FINAL DESTINATION OF THE GOODS (NOT THE SHIP) LA PAZ, BOLIVIA	
(14) VESSEL MSC NICOLE V.233	(15) PORT OF LOADING NEW YORK	(16) LOADING PER TERMINAL MAHER TERM, PT. ELIZ, NJ	(18) ORIGINALS TO BE RELEASED AT NEW YORK
(17) PORT OF DISCHARGE ARICA	(19) PLACE OF DELIVERY BY OR CARRIER LA PAZ	(20) TYPE OF MOVE IF MIXED, USE BLOCK 25 AS APPROPRIATE H/H	

PARTICULARS FURNISHED BY SHIPPER				
(1) MKS & NOS/CONT NOS	(2) NO. OF PKGS	(3) DESCRIPTION OF PACKAGES AND GOODS	(4) GROSS WEIGHT	(5) MEASUREMENT
"CAMACHO/ LA PAZ, BOLIVIA  #1/1	1	TWENTY FT. H/H CONTAINER S.T.C. 146 PCS. USED HOUSEHOLD GOODS & PERSONAL EFFECTS, NOT FOR RESALE  FREIGHT PREPAID IN TRANSIT TO LA PAZ, BOLIVIA VIA ARICA	2727-KG	1,000-CF

CONTR.#ITLU-652602/9  
SEAL# 2482643

THESE COMMODITIES, TECHNOLOGY OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES  
IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS. DIVERSION CONTRARY  
TO U.S. LAW PROHIBITED.

NON-NEGOTIABLE

(1) FREIGHT CHARGES	(2) RATES AS PER	(3) RATE	(4) FREIGHT	(5) COLLECT	(6) CURRENCY/DATE OF EXCHANGE

TOTALS

DATE 07-07-97

NY-1712

AMERILINES, INC. NEW YORK CONDUCTING BUSINESS  
BY

# Sample of Charter Party Bill of Lading

**AMERILINES, INC. - New York**

(1) SHIPPER/EXPORTER (COMPLETE NAME AND ADDRESS): <b>AMB. EDGAR CAMACHO</b> C/O SEFCO-EXPORT MANAGEMENT COMPANY 1 ASCAN AVENUE, PH 74 FOREST HILLS, NY 11375 TEL: 718-268-6233 FAX: 718-268-0505		(11) BOOKING NO. <b>0766460</b>	(12) BILL OF LADING NO.				
(2) CONSIGNEE (COMPLETE NAME AND ADDRESS): <b>AMB. EDGAR CAMACHO C/O: EXPRINTER LIFTVANS-BOLIVIA SRL, AVE. MRCAL. SANTA CRUZ, ESQ/LOAYZA</b> TEL: (5912) 365612, 720054 ATTN: BENJAMIN MALDONADO		(13) EXPORT REFERENCE: <b>EX-697/10;</b>					
(3) NOTIFY PARTY (COMPLETE NAME AND ADDRESS): <b>SAME AS ABOVE</b>		(14) FORWARDING AGENT'S C/O NO.					
(4) INITIAL CARRIAGE BY (MODE):		(15) PORT AND COUNTRY OF ORIGIN: <b>NEW YORK USA</b>					
(5) PLACE OF INITIAL RECEIPT: <b>NEW YORK</b>		(16) ADDRESSEE (ADDRESSEE & INSTRUCTIONS): <b>FOR CARGO RELEASE PLEASE CONTACT:                  HANS ZEHL A.                  C. ASPIAZU 695                  CASILLA 2346 - LA PAZ, BOLIVIA                  TEL: 011-591 2-94836</b>					
(6) VESSEL: <b>GOV</b> <b>MSC NICOLE V.233</b>	(7) FLAG: <b>ARICA</b>	(8) PORT OF LOADING: <b>NEW YORK</b>	(9) ORIGINALS TO BE RELEASED AT: <b>MAHER TERM, PT. ELIZ, NJ NEW YORK</b>				
(10) PORT OF DISCHARGE: <b>ARICA</b>	(11) PLACE OF DELIVERY BY CARRIER: <b>LA PAZ</b>	(13) FINAL DESTINATION OF THE GOODS (NOT THE SHIP): <b>LA PAZ, BOLIVIA</b>					
(17) TYPE OF MOVE (IF MIXED, USE BLOCK 20 AS APPROPRIATE): <b>H/H</b>							
PARTICULARS FURNISHED BY SHIPPER							
MKS & NOS. CONT NOS (18)	NO OF PKGS (19)	DESCRIPTION OF PACKAGES AND GOODS (20)	GROSS WEIGHT (21)	MEASUREMENT (22)			
"CAMACHO/ LA PAZ, BOLIVIA  #1/1	1	TWENTY FT. H/H CONTAINER S.T.C. 146 PCS. USED HOUSEHOLD GOODS & PERSONAL EFFECTS, NOT FOR RESALE  FREIGHT PREPAID IN TRANSIT TO LA PAZ, BOLIVIA VIA ARICA	2727-KG	1,000-CF			
FREIGHT CHARGES		RATED AS	PER	DATE	PREPAID	COLLECT	CURRENCY RATE OF EXCHANGE
TOTALS►							

Freight Payable as per charter party

# Sample of a Congenbill

10	CODE NAME: "CONGENBILL" EDITION 1994	Bill of Lading	B/L No. SD/0
10	Shipper	To be used with Charter-Parties	
←	ABC Co. Ltd, Hong Kong		
10	Consignee		
←	To order of YYY Bank Ltd		
10	Notify address		
←	XYZ Co., Singapore		
10	Vessel	Port of Loading	
10	MV. Marina	Hong Kong	
10	Port of discharge		
10	Singapore		
10	Shipper's description of goods	Gross weight	
10	Freight payable as per	Number of original	Signature
10	Charter-Party dated _____	3 (three)	
10		As Master	

# Sample of CMR

<b>1</b>	<b>Sender</b>	<b>International Consignment Note</b>	
<b>2</b>	<b>Consignee</b>	<b>16</b>	<b>Transporter</b>
<b>3</b>	<b>Place of delivery of goods</b>	<b>17</b>	<b>Successive Transporter</b>
<b>4</b>	<b>Loading place of goods</b>	<b>18</b>	<b>Carrier's reservation</b>
<b>6</b>	<b>Marks and numbers</b>	<b>9</b>	<b>Nature of good</b>
<b>22</b>	<b>Signature and stamp of the sender</b>	<b>23</b>	<b>Signature and stamp of the transporter</b>

# Checklist for Transport Document (1)

- ▶ Full set of originals issued is presented
- ▶ The transport document must be issued by the carrier/master (captain) or its agent (It must indicate the name of carrier but master's name is not required)
- ▶ A named branch of the carrier, the signature is considered to have been made by the carrier.
- ▶ The issuance date is the shipment date unless it bears a separate on-board notation.
- ▶ Indicate shipment from port of loading/airport of departure to the port of discharge/airport of destination stated in the credit.
- ▶ If a credit gives a geographical ports of loading or discharge, the B/L must indicate actual port of loading or discharge within the geographical area.

# Checklist for Transport Document (2)

- ▶ The named “port of loading” may be stated in the field headed “Place of receipt” or words of similar effect, provided there is a dated on board notation from the port stated under “Place of receipt”.
- ▶ The named “port of discharge” may be stated in the field headed “Place of final destination” or words of similar effect, provided there is a notation evidencing that the port of discharge is stated under “Place of final destination”
- ▶ If there are more than one port of loading, a dated on board notation is required for both ports
- ▶ The name of country need not be stated.



# Checklist for Transport Document (3)

- ▶ It is not a “Charter party “ or “Forwarder” transport document, unless authorized in the L/C
- ▶ The name of the consignee is as required in the L/C
- ▶ If the transport document requires endorsement, it is appropriately endorsed
- ▶ It bears the name of the shipper or its agent
- ▶ The name and address, if any, of the notifying party is as required in the L/C
- ▶ The description of the goods generally corresponds to the description of the goods as stated in the L/C, and that the marks and numbers as well as other specifications, if any, are not in conflict to those appearing on the document

# Checklist for Transport Documents (4)

- ▶ It does not include a clause that expressly declare a defective condition of the goods
- ▶ If any alternation is noted in the document, it is properly authenticated
- ▶ No need to mark “clean”
- ▶ If LC does not stipulate a notify party, it may indicate any notify party in any manner

# Sample of Air Waybill

Shipper's Name and Address		Not Negotiable <b>Air Waybill</b> Issued by		
Consignee's Name and Address		For carriage Subject to the conditions of Contract on the reverse hereof		
Issuing Carrier's Agent Name and City		Accounting Information		
Agent's IATA Code	Account No.			
Airport of Departure		Reference number (optional Shipping Information)		
Airport of Destination	Flight/Date April 18	Amount of insurance		
No of piece	Gross Weight	Rate/Charge	Total	Nature and Quantity Of Goods
Prepaid	Collect	Executed on (date) April 30	at (place) carrier or its agent	Signature of issuing
		-----	-----	-----

# Checklist for Transport Documents (5)

- ▶ For Air Transport documents :
- ▶ - Indicate that the goods have been accepted or words or similar effect
- ▶ - Need not be titled “air waybill” or words of similar effect
- ▶ - The issuance date will be deemed to be the date of shipment
- ▶ - Can use IATA codes for airport
- ▶ - No need to include “to order” if LC requires that goods to be consigned to order of a name entity.
- ▶ - If LC requires the goods are consigned “to order” without naming any party, the goods can be consigned to either the issuing bank or the applicant.

# Common discrepancies in Transport Document

- ▶ Port of loading/place of departure differs from LC
- ▶ Port of discharge/place of arrival differs from LC
- ▶ Late shipment
- ▶ Gross weight differs from other documents
- ▶ Uncleaned transport document submitted
- ▶ Transport document not signed as per UCP 600
- ▶ Carrier not identified.
- ▶ Costs additional to freight charge shown on transport document
- ▶ B/L showing “intended vessel”
- ▶ Consignee/notify parties differs from LC
- ▶ B/L not properly endorsed.
- ▶ Charter party B/L presented

# Sample of Certificate of Origin

ABC Co. Ltd

Date: 31.08.2015

To Applicant

<u>Shipping Mark</u>	<u>Goods</u>	<u>Country of Origin</u>
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Ctn No 1-10 Made in HK	Clothes	China
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# Checklist for Certificate of Origin (1)

- ▶ A certificate of origin is to be issued by the entity stated in the LC
- ▶ If any alternation is noted in the document, it is properly authenticated
- ▶ If LC is silent, any entity may issue a certificate of origin
- ▶ If LC stipulates a certificate of origin to be issued by a Chamber of Commerce, certificate of origin issued by Chamber of Industry, Customs Authorities or the like.
- ▶ Showing good description must corresponds with LC or referring to goods in another stipulated document.

# Checklist for Certificate of Origin (2)

- ▶ If a credit requires transport document to be issued “to order” or “to order of issuing bank”, it may show the consignee as any entity named in the credit except the beneficiary (When a credit has been transferred, the first beneficiary may be stated as consignee”
- ▶ A certificate of origin may indicate a different invoice number, invoice date and shipment routing provided that the exporter or consignor is not the beneficiary.



# Common discrepancies in Certificate of Origin

- ▶ Certificate of Origin not issued by Chamber of Commerce
- ▶ Description of goods differs from LC
- ▶ Origin of goods inconsistent with LC
- ▶ Gross weight differs from other documents
- ▶ Correction is not authenticated.

# Sample of Packing / Weight List

ABC Co. Ltd

Date: 31.08.2015

To Applicant

Shipping Mark

Goods

Packing

Weight

Ctn No 1-10  
Made in HK

Clothes

10 dozenGW 100 Kg  
per ctn.

NW 90 Kg

# Checklist for Packing and Weight List

- ▶ Data in a document must not conflict with that of the other documents
- ▶ It can be combined with any other document
- ▶ When a credit does not indicate the name of an issuer, any entity may issue this document
- ▶ If any alternation is noted in the document, it is properly authenticated
- ▶ The list may indicate a different invoice number, invoice date and shipment route provided that the issuer is not the beneficiary.

# Sample of Beneficiary's certificate

ABC Co. Ltd

Date: 31.08.2015

To Applicant

LC No. 123

We hereby certify that one copy of all shipping documents was sent to the applicant within 3 days after shipment via courier.



# Checklist for Beneficiary Certificate

- ▶ Data in a document must not conflict with that of the other documents
- ▶ It must be signed by the beneficiary containing the data as required by the credit.
- ▶ The data or certification on a beneficiary certificate
  - ⑩ - Need not be identical to the credit, but are to clearly indicate the requirement prescribed by the credit
  - ⑩ - Need not include a goods description or any other reference to the credit or another stipulated document.

# Sample of Analysis Certificate

SS Inspection Company

Date: 31.08.2015

To Applicant

Merchandise : Iron Ores  
(Dry Basis)

Shipment date: 02.09.2015

The actual results of test conducted on 30.08.2015 on chemical composition as follows:

Fe	63.89%
SiO <sub>2</sub>	5.66%
S	0.005%
Moisture	2.35%



# Checklist for Analysis, Inspection, Health, Phytosanitary, Quantity, Quality and other Certificates (certificates) (1)

- ▶ Data in a document must not conflict with that of the other documents
- ▶ It can be combined with any other document
- ▶ It is signed document titled as called for in the credit or bearing a similar title or untitled, that fulfills its function by certifying the outcome of the required action
- ▶ If the credit requires an action to take place on or prior to the date of shipment, the certificate is to indicate :
  - ▶ - an issue date that is no later than the date of shipment or
  - ▶ - wording to the effect that the action took place prior to ,or on the date of shipment, the date may be later than the shipment date
  - ▶ - a title indicating the event, e.g. “Pre-shipment Inspection Certificate”

# Checklist for Analysis, Inspection, Health, Phytosanitary, Quantity, Quality and other Certificates (certificate) (2)

- ▶ When a credit states “independent”. “official”. “qualified” or words or similar effect, a certificate may be issued by any entity except the beneficiary
- ▶ When a credit does not indicate the name of an issuer, any entity including the beneficiary may issue a certificate.
- ▶ A certificate may indicate
  - ▶ - a sample of the required goods has been tested, analyzed or inspected.
  - ▶ - a quantity that is greater than that stated in the credit or any other stipulated document
  - ▶ - more tank numbers than that stated on the transport document



# Checklist for Analysis, Inspection, Health, Phytosanitary, Quantity, Quality and other Certificates (certificates) (3)

- ▶ If any alternation is noted in the document, it is properly authenticated by the issuer.
- ▶ When a credit is silent as to the specific content to appear on a certificate, the certificate may include statement such as “not fit for human consumption” or words or similar effect, provided such statements do not conflict with the credit.
- ▶ If a credit requires transport document to be issued “to order” or “to order of issuing bank”, it may show the consignee as any entity named in the credit except the beneficiary (When a credit has been transferred, the first beneficiary may be stated as consignee”
- ▶ It may indicate a different invoice number, invoice date and shipment routing provided that the exporter or consignor is not the beneficiary.

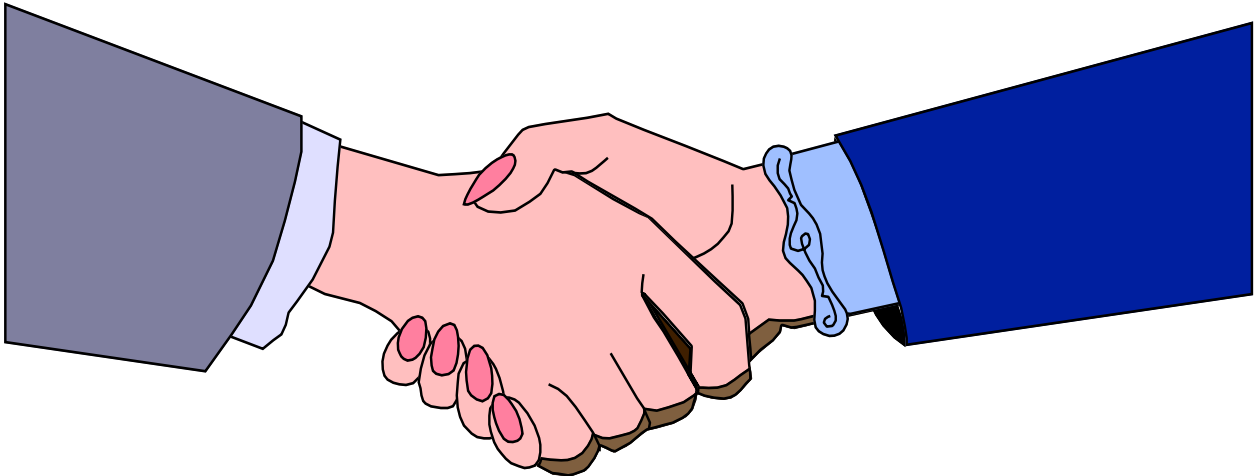
# Common discrepancies of other documents

- ▶ Document not issued by the party as specified in the LC
- ▶ Quantity differs from transport document
- ▶ Dated not in accordance with the timeline specified by LC
- ▶ Description of goods differs from invoice
- ▶ Goods/quality do not comply with LC specification.
- ▶ Pre-shipment inspection showing date of inspection later than the shipment date.
- ▶ Not showing the special wording as specified by LC

# General discrepancies

- ▶ Inconsistency between documents
- ▶ Missing documents
- ▶ Late presentation
- ▶ Partial shipment
- ▶ LC expired
- ▶ Unauthenticated alterations in documents
- ▶ Missing endorsements in documents
- ▶ Goods description not as per LC

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Thank You