



# eURC

Version 1.0



# URC 522

## ICC Uniform Rules for COLLECTIONS

Supplement for Electronic Presentation  
(eURC) Version 1.0

## INTRODUCTION

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On 6th June 2017, the ICC Banking Commission provided a press release announcing the launch of a Working Group to anticipate and accompany the digitalisation of trade finance. One core activity was to evaluate existing ICC rules in order to assess e-compatibility and ensure they are 'e-compliant', i.e. enabling banks to accept data vs. documents. It was identified that this was required in order to accommodate evolving practices and technologies.

A Drafting Group was established, co-chaired by David Meynell and Gary Collyer, with the initial aim of reviewing the e-compatibility of existing ICC rules. As a result of this review, a mandate was received from the ICC Banking Commission Executive Committee to:

- Update the existing version 1.1 of eUCP in order to ensure continued digital compatibility.
- Draft eURC in order to ensure continued digital compatibility for presentation of electronic records under Collections.

The eRules have been intentionally developed with version numbers in order that they can be updated regularly without impacting upon other existing ICC rules, thereby reducing the time required to develop any potential identified revision.

The initial drafts of eUCP version 2.0 and eURC version 1.0 were sent to ICC National Committees (NC's) on 25th September 2017, with a deadline of 27th November 2017 for response. At the request of a number of ICC NC's, based upon a communications issue, it was decided to extend the deadline to 28th February 2018. Pursuant to feedback on the original drafts, work commenced on a 2nd draft, which was subsequently distributed to ICC NC's on 20th March 2018, with a deadline of 25th May 2018 for response. A 3rd draft of the rules was sent out on 20th July 2018, providing a deadline of 28th September 2018 for response. The 4th of the rules was disseminated on 6th November 2018, indicating a deadline of 4th January 2019 for feedback. At that stage, and following a thorough review of all comments received to date, it was considered to be an appropriate time to draft a final version of the rules.

These were consequently sent to ICC NC's on 31st January 2019, specifying that the deadline for voting would be 22nd March 2019. It is worth commenting that this timeframe was only 16 months after distribution of the original drafts and included an enforced 3-month extension, as mentioned above. During the course of the first four drafts, almost 2,000 comments were received from ICC NC's. For the purposes of transparency and clarity, every comment received an individual response. As a valuable reference source, the 'ICC Guide to the eUCP' (ICC Publication No. 639) and the work of the authors, Professor James E. Byrne and Dan Taylor, has been gratefully acknowledged.

For the first time in the history of the ICC Banking Commission, a new approach was introduced for the ICC rules voting process, via the Simply Voting platform. This initiative provided an online voting system to be used for the approval of the revised eUCP and new eURC rules.

Each NC was requested to choose one designated representative with the right to cast the vote on its behalf and the platform was opened for voting from 11th until 22nd March 2019. NC's were invited to vote on the revised eUCP and new eURC separately by choosing 'YES' or 'NO' to the following options:

- Does your National Committee approve the Uniform Customs and Practice for Documentary Credits (UCP 600) Supplement for Electronic Presentation (eUCP) Version 2.0?
- Does your National Committee approve the Uniform Rules for Collections (URC 522) Supplement for Electronic Presentation (eURC) Version 1.0?

Voting result:

- Votes received from 49 NC's, plus one further NC vote after the voting deadline had passed.
- The eUCP received 100% approval with two countries abstaining.
- The eURC received 97.5% approval (on a weighted basis) with one county voting 'no' and two countries abstaining.
- Based upon the above, both sets of rules will come into force from 1st July 2019.

It was recognised in the introduction to the initial ICC Guide to the eUCP (ICC Publication no. 639) that the likely end of the evolution to electronic presentations is automated compliance checking systems in the documentary credit field. This is all too apparent when looking at evolving technology and digital trade finance, with the advent of the Internet of Things, Distributed Ledger Technology, Smart Contracts, Artificial Intelligence, and Machine Learning.

The content of the eRules will be continually monitored in order to ensure applicability. The support of trade practitioners will be an essential element moving forward. These rules provide many benefits in advancing the documentary credit in a digital environment and ensuring the continued relevance of this valuable instrument in mitigating trade risk.

Existing ICC rules, such as UCP 600 & URC 522, whilst being invaluable in a paper world, provide limited protection when applied to electronic transactions. It is inevitable that traditional trade instruments will, over time, inexorably move towards a mixed ecosystem of paper and digital, and, ultimately, to electronic records alone.

In this respect, it is important the market recognise that the new rules provide many benefits in advancing traditional trade solutions in a digital environment:

- Safeguarding applicability and guaranteeing relevance in a constantly evolving digital trade world
- Extending the mitigation of risk from a paper environment to the electronic milieu
- Explicitly and unambiguously supporting the usage of electronic records
- Conformity and congruence as opposed to divergent local, national and regional practice
- Shared understanding of terminologies and objectives
- Confidence in a set of independent and trusted contractual rules
- Uniformity, consistency and standardisation in customs and practice
- Enabling and supporting trade finance between regions and countries regardless of underlying economic and judicial structures

Development of the eRules would have been impossible without the ongoing support of the ICC Banking Commission Secretariat and individual ICC National Committees. Thank you to all involved, with specific acknowledgement to David Bischof, Olivier Paul, and Laura Straube. Particular thanks are given to the eRules Drafting Group, details of which are provided below. I also extend my gratitude to my co-chair, Gary Collyer. Without his input, this work would not have proved possible. Last, but far from least, a reminder that this publication would not be in existence were it not for the groundbreaking initial efforts of Jim Byrne and Dan Taylor.

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## **PRELIMINARY CONSIDERATIONS**

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The mode of presentation to the remitting bank, by or on behalf of the principal, of electronic records alone or in combination with paper documents, is outside the scope of the eURC.

The mode of presentation to the drawee, by the collecting or presenting bank, of electronic records alone or in combination with paper documents, is outside the scope of the eURC.

Where not defined or modified in the eURC, definitions given in URC 522 will continue to apply.

### **Article e1**

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#### **Application of the eURC**

**a** A collection instruction should only indicate that it is subject to the Uniform Rules for Collections (URC 522) Supplement for Electronic Presentation (“eURC”) where a prior arrangement exists between the remitting bank and the collecting or presenting bank, for the presentation of electronic records alone or in combination with paper documents.

- b** Such prior arrangement should specify:
- i.** the format in which each electronic record will be issued and presented; and
  - ii.** the place for presentation, to the collecting or presenting bank.

### **Article e2**

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#### **Scope of the eURC**

**a** The eURC supplements the Uniform Rules for Collections (1995 Revision, ICC Publication No. 522) (“URC”) in order to accommodate presentation of

electronic records alone or in combination with paper documents.

- b** The eURC shall apply where a collection instruction indicates that it is subject to the eURC (“eURC collection instruction”).

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- c** This version is Version 1.0. An eURC collection instruction must indicate the applicable version of the eURC. If not indicated, it is subject to the version in effect on the date the eURC collection instruction is issued or, if made subject to the eURC by an amendment, the date of that amendment.

## **Article e3**

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### **Relationship of the eURC to the URC**

- a** An eURC collection instruction is also subject to the URC without express incorporation of the URC.

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- b** Where the eURC applies, its provisions shall prevail to the extent that they would produce a result different from the application of the URC.

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- c** Where an eURC collection instruction is issued but the presentation consists of only paper documents, the URC alone shall apply.

## **Article e4**

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### **Definitions**

- a** Where the following terms are used in the URC, for the purpose of applying the URC to an electronic record presented under an eURC collection instruction, the term:
  - i.** “**advices**” includes electronic records originating from a data processing system;

- ii. “**collection instruction**” shall include an instruction originating from a data processing system;
- iii. “**document**” shall include an electronic record;
- iv. “**place for presentation**” of an electronic record means an electronic address of a data processing system;
- v. “**sign**” and the like shall include an electronic signature;
- vi. “**superimposed**” means data content whose supplementary character is apparent in an electronic record.

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**b** The following terms used in the eURC shall have the following meaning:

- i. “**data corruption**” means any distortion or loss of data that renders the electronic record, as it was presented, unreadable in whole or in part;
- ii. “**data processing system**” means a computerised or an electronic or any other automated means used to process and manipulate data, initiate an action or respond to data messages or performances in whole or in part;
- iii. “**electronic record**” means data created, generated, sent, communicated, received or stored by electronic means including, where appropriate, all information logically associated with or otherwise linked together so as to become part of the record, whether generated contemporaneously or not, that is:
  - a. capable of being authenticated as to the apparent identity of a sender and the apparent source of the data contained in it, and as to whether it has remained complete and unaltered, and

- b. capable of being viewed to ensure that it represents the type and/or description of the electronic record listed on the eURC collection instruction;
- iii. “**electronic signature**” means a data process attached to or logically associated with an electronic record and executed or adopted by a person in order to identify that person and to indicate that person’s authentication of the electronic record;
- iv. “**format**” means the data organisation in which the electronic record is expressed or to which it refers;
- v. “**paper document**” means a document in a paper form;
- vi. “**presenter**” means the principal or a party that makes a presentation on behalf of the principal;
- vii. “**received**” means when an electronic record enters a data processing system, at the agreed place for presentation, in a format capable of being accepted by that system. Any acknowledgement of receipt generated by that system is not to be construed that the electronic record has been authenticated and/or viewed under the eURC collection instruction;
- viii. “**re-present**” means to substitute or replace an electronic record already presented.

## **Article e5**

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### **Electronic Records and Paper Documents v. Goods, Services or Performance**

Banks do not deal with the goods, services or performance to which an electronic record or paper document may relate.

## Article e6

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### Format

- a** An eURC collection instruction must indicate the format of each electronic record.
- b**
  - i.** The format of each electronic record must be as previously arranged between the remitting bank and the collecting or presenting bank, as required by sub-article e1 (b).
  - ii.** An electronic record received in a format that has not previously been agreed may be treated as not received, and the collecting or presenting bank must inform the remitting bank accordingly.

## Article e7

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### Presentation

- a** When electronic records alone are presented under an eURC collection instruction, these must be accessible to a collecting or presenting bank at the time the collecting or presenting bank receives the eURC collection instruction.
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- b** When electronic records, in combination with paper documents, are presented by the remitting bank under an eURC collection instruction, all the electronic records referred to in the eURC collection instruction must be accessible to the collecting or presenting bank at the time the collecting or presenting bank receives the eURC collection instruction enclosing the paper documents.
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- c** An electronic record that cannot be authenticated is deemed not to have been presented.
  - d**
    - i.** The remitting bank is responsible for ensuring that each presentation of an electronic record, and any presentation of paper documents,

identifies the eURC collection instruction under which presentation is being made. For electronic records this may be by specific reference thereto in the electronic record itself, or in metadata attached or superimposed thereto, or by identification in the eURC collection instruction itself.

- ii. Any electronic record or paper document not so identified may be treated as not received.

## **Article e8**

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### **Advice of Non-Payment or Non-Acceptance**

If a collecting or presenting bank receives an eURC collection instruction and issues an advice of non-payment and/or non-acceptance to the bank from which it received the collection instruction and does not receive instructions from such bank for the disposition of the electronic records within 60 calendar days from the date the advice of non-payment and/or non-acceptance is given, the collecting or presenting bank may dispose of the electronic records in any manner deemed appropriate without any responsibility.

## **Article e9**

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### **Determination of a Due Date**

When settlement under an eURC collection instruction is due a number of days after the date of shipment or dispatch of the goods, or a number of days after any other date appearing in an electronic record, an eURC collection instruction must indicate the due date.

## **Article e10**

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### **Release of Electronic Records**

- a** An eURC collection instruction must indicate the manner in which electronic records may be accessed by the drawee.

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- b** When electronic records are presented in combination with paper documents, and one of those paper documents is a bill of exchange that is to be accepted by the drawee, the electronic records and paper documents are to be released against acceptance of the bill of exchange (D/A) and the eURC collection instruction must indicate the manner in which those electronic records may be accessed by the drawee.

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## **Article e11**

### **Data Corruption of an Electronic Record**

- a** If an electronic record that has been received by a bank appears to have been corrupted, the remitting bank may inform the presenter, or the collecting or presenting bank may inform the remitting bank, and may request it to re-present the electronic record.

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- b** If a collecting or presenting bank makes such a request and the presenter or remitting bank does not re-present the electronic record within 30 calendar days, the collecting or presenting bank may treat the electronic record as not presented and may dispose of the electronic records in any manner deemed appropriate without any responsibility.

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## **Article e12**

### **Additional Disclaimer of Liability for Presentation of Electronic Records under eURC**

- a** By satisfying itself as to the apparent authenticity of an electronic record, a bank assumes no liability for the identity of the sender, source of the information, or its complete and unaltered character other than that which is apparent in the electronic record received by the use of a data processing system for the receipt, authentication, and identification of electronic records.



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**b**

A bank assumes no liability or responsibility for the consequences arising out of the unavailability of a data processing system other than its own.

## **Article e13**

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### **Force Majeure**

A bank assumes no liability or responsibility for the consequences arising out of the interruption of its business, including but not limited to its inability to access a data processing system, or a failure of equipment, software or communications network, caused by Acts of God, riots, civil commotions, insurrections, wars, acts of terrorism, cyberattacks, or by any strikes or lockouts or any other causes, including failure of equipment, software or communications networks, beyond its control.

# **A. General Provisions and Definitions**

## **Article 1**

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### **Application of URC 522**

- a** The Uniform Rules for Collections, 1995 Revision, ICC Publication No. 522, shall apply to all collections as defined in Article 2 where such rules are incorporated into the text of the «collection instruction» referred to in Article 4 and are binding on all parties thereto unless otherwise expressly agreed or contrary to the provisions of a national, state or local law and/or regulation which cannot be departed from.
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- b** Banks shall have no obligation to handle either a collection or any collection instruction or subsequent related instructions.
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- c** If a bank elects, for any reason, not to handle a collection or any related instructions received by it, it must advise the party from whom it received the collection or the instructions by telecommunication or, if that is not possible, by other expeditious means, without delay.

## **Article 2**

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### **Definition of Collection**

For the purposes of these Articles:

**a** «Collection» means the handling by banks of documents as defined in sub-Article 2(b), in accordance with instructions received, in order to:

- i.** obtain payment and/or acceptance,

or

- ii. deliver documents against payment and/or against acceptance,

or

- iii. deliver documents on other terms and conditions.

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**b** «Documents» means financial documents and/or commercial documents:

- i. «Financial documents» means bills of exchange, promissory notes, cheques, or other similar instruments used for obtaining the payment of money;
- ii. «Commercial documents» means invoices, transport documents, documents of title or other similar documents, or any other documents whatsoever, not being financial documents.

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**c** «Clean collection» means collection of financial documents not accompanied by commercial documents.

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**d** «Documentary collection» means collection of:

- i. Financial documents accompanied by commercial documents;
- ii. Commercial documents not accompanied by financial documents.

## **Article 3**

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### **Parties to a Collection**

**a** For the purposes of these Articles the «parties thereto» are:

- i. the «principal» who is the party entrusting the handling of a collection to a bank;

- ii. the «remitting bank» which is the bank to which the principal has entrusted the handling of a collection;
  - iii. the «collecting bank» which is any bank, other than the remitting bank, involved in processing the collection;
  - iv. the «presenting bank» which is the collecting bank making presentation to the drawee.
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**b** The «drawee» is the one to whom presentation is to be made in accordance with the collection instruction.

## **B. Form and Structure of Collections**

### **Article 4**

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#### **Collection Instruction**

- i. All documents sent for collection must be accompanied by a collection instruction indicating that the collection is subject to URC 522 and giving complete and precise instructions. Banks are only permitted to act upon the instructions given in such collection instruction, and in accordance with these Rules.
- ii. Banks will not examine documents in order to obtain instructions.
- iii. Unless otherwise authorised in the collection instruction, banks will disregard any instructions from any party/bank other than the party/bank from whom they received the collection.

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**c**

A collection instruction should contain the following items of information, as appropriate.

- i.** Details of the bank from which the collection was received including full name, postal and SWIFT addresses, telex, telephone, facsimile numbers and reference.
  - ii.** Details of the principal including full name, postal address, and if applicable telex, telephone and facsimile numbers.
  - iii.** Details of the drawee including full name, postal address, or the domicile at which presentation is to be made and if applicable telex, telephone and facsimile numbers.
  - iv.** Details of the presenting bank, if any, including full name, postal address, and if applicable telex, telephone and facsimile numbers.
  - v.** Amount(s) and currency(ies) to be collected.
  - vi.** List of documents enclosed and the numerical count of each document.
  - vii. a.** Terms and conditions upon which payment and/or acceptance is to be obtained.
  - b.** Terms of delivery of documents against:
    1. payment and/or acceptance
    2. other terms and conditions
- It is the responsibility of the party preparing the collection instruction to ensure that the terms for the delivery of documents are clearly and unambiguously stated, otherwise banks will not be responsible for any consequences arising therefrom.
- viii.** Charges to be collected, indicating whether they may be waived or not.

- ix. Interest to be collected, if applicable, indicating whether it may be waived or not, including:
    - a. rate of interest
    - b. interest period
    - c. basis of calculation (for example 360 or 365 days in a year) as applicable.
  - x. Method of payment and form of payment advice.
  - xi. Instructions in case of non-payment, non-acceptance and/or non-compliance with other instructions.
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- c** i. Collection instructions should bear the complete address of the drawee or of the domicile at which the presentation is to be made. If the address is incomplete or incorrect, the collecting bank may, without any liability and responsibility on its part, endeavour to ascertain the proper address.
- ii. The collecting bank will not be liable or responsible for any ensuing delay as a result of an incomplete/incorrect address being provided.

## **C. Form of Presentation**

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### **Article 5**

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#### **Presentation**

- a** For the purposes of these Articles, presentation is the procedure whereby the presenting bank makes the documents available to the drawee as instructed.
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- b** The collection instruction should state the exact period of time within which any action is to be taken by the drawee.

Expressions such as «first», «prompt», «immediate», and the like should not be used in connection with presentation or with reference to any period of time within which documents have to be taken up or for any other action that is to be taken by the drawee. If such terms are used banks will disregard them.

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**c** Documents are to be presented to the drawee in the form in which they are received, except that banks are authorised to affix any necessary stamps, at the expense of the party from whom they received the collection unless otherwise instructed, and to make any necessary endorsements or place any rubber stamps or other identifying marks or symbols customary to or required for the collection operation.

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**d** For the purpose of giving effect to the instructions of the principal, the remitting bank will utilise the bank nominated by the principal as the collecting bank. In the absence of such nomination, the remitting bank will utilise any bank of its own, or another bank's choice in the country of payment or acceptance or in the country where other terms and conditions have to be complied with.

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**e** The documents and collection instruction may be sent directly by the remitting bank to the collecting bank or through another bank as intermediary.

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**f** If the remitting bank does not nominate a specific presenting bank, the collecting bank may utilise a presenting bank of its choice.

## **Article 6**

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### **Sight/Acceptance**

In the case of documents payable at sight the presenting bank must make presentation for payment without delay.

In the case of documents payable at a tenor other than sight the presenting bank must, where acceptance is

called for, make presentation for acceptance without delay, and where payment is called for, make presentation for payment not later than the appropriate maturity date.

## **Article 7**

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### **Release of Commercial Documents**

#### **Documents Against Acceptance (D/A) vs. Documents Against Payment (D/P)**

**a** Collections should not contain bills of exchange payable at a future date with instructions that commercial documents are to be delivered against payment.

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**b** If a collection contains a bill of exchange payable at a future date, the collection instruction should state whether the commercial documents are to be released to the drawee against acceptance (D/A) or against payment (D/P).

In the absence of such statement commercial documents will be released only against payment and the collecting bank will not be responsible for any consequences arising out of any delay in the delivery of documents.

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**c** If a collection contains a bill of exchange payable at a future date and the collection instruction indicates that commercial documents are to be released against payment, documents will be released only against such payment and the collecting bank will not be responsible for any consequences arising out of any delay in the delivery of documents.



## **Article 8**

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### **Creation of Documents**

Where the remitting bank instructs that either the collecting bank or the drawee is to create documents (bills of exchange, promissory notes, trust receipts, letters of undertaking or other documents) that were not included in the collection, the form and wording of such documents shall be provided by the remitting bank, otherwise the collecting bank shall not be liable or responsible for the form and wording of any such document provided by the collecting bank and/or the drawee.

## **D. Liabilities and Responsibilities**

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### **Article 9**

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#### **Good Faith and Reasonable Care**

Banks will act in good faith and exercise reasonable care.

### **Article 10**

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#### **Documents vs. Goods/Services/Performances**

- a** Goods should not be despatched directly to the address of a bank or consigned to or to the order of a bank without prior agreement on the part of that bank.

Nevertheless, in the event that goods are despatched directly to the address of a bank or consigned to or to the order of a bank for release to a drawee against payment or acceptance or upon other terms and conditions without prior agreement on the part of that bank, such bank shall have no obligation to take delivery of the goods, which remain at the risk and responsibility of the party despatching the goods.

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**b** Banks have no obligation to take any action in respect of the goods to which a documentary collection relates, including storage and insurance of the goods even when specific instructions are given to do so. Banks will only take such action if, when, and to the extent that they agree to do so in each case. Notwithstanding the provisions of sub-Article 1(c), this rule applies even in the absence of any specific advice to this effect by the collecting bank.

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**c** Nevertheless, in the case that banks take action for the protection of the goods, whether instructed or not, they assume no liability or responsibility with regard to the fate and/or condition of the goods and/or for any acts and/or omissions on the part of any third parties entrusted with the custody and/or protection of the goods. However, the collecting bank must advise without delay the bank from which the collection instruction was received of any such action taken.

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**d** Any charges and/or expenses incurred by banks in connection with any action taken to protect the goods will be for the account of the party from whom they received the collection.

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**e** **i.** Notwithstanding the provisions of sub-Article 10(a), where the goods are consigned to or to the order of the collecting bank and the drawee has honoured the collection by payment, acceptance or other terms and conditions, and the collecting bank arranges for the release of the goods, the remitting bank shall be deemed to have authorised the collecting bank to do so.

**ii.** Where a collecting bank on the instructions of the remitting bank or in terms of sub-Article 10(e)i, arranges for the release of the goods, the remitting bank shall indemnify

such collecting bank for all damages and expenses incurred.

## **Article 11**

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### **Disclaimer For Acts of an Instructed Party**

**a** Banks utilising the services of another bank or other banks for the purpose of giving effect to the instructions of the principal, do so for the account and at the risk of such principal.

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**b** Banks assume no liability or responsibility should the instructions they transmit not be carried out, even if they have themselves taken the initiative in the choice of such other bank(s).

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**c** A party instructing another party to perform services shall be bound by and liable to indemnify the instructed party against all obligations and responsibilities imposed by foreign laws and usages.

## **Article 12**

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### **Disclaimer on Documents Received**

**a** Banks must determine that the documents received appear to be as listed in the collection instruction and must advise by telecommunication or, if that is not possible, by other expeditious means, without delay, the party from whom the collection instruction was received of any documents missing, or found to be other than listed.

Banks have no further obligation in this respect.

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**b** If the documents do not appear to be listed, the remitting bank shall be precluded from disputing the type and number of documents received by the collecting bank.

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- c** Subject to sub-Article 5(c) and sub-Articles 12(a) and 12(b) above, banks will present documents as received without further examination.

## **Article 13**

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### **Disclaimer on Effectiveness of Documents**

Banks assume no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document(s), or for the general and/or particular conditions stipulated in the document(s) or superimposed thereon; nor do they assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods represented by any document(s), or for the good faith or acts and/or omissions, solvency, performance or standing of the consignors, the carriers, the forwarders, the consignees or the insurers of the goods, or any other person whomsoever.

## **Article 14**

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### **Disclaimer on Delays, Loss in Transit and Translation**

- a** Banks assume no liability or responsibility for the consequences arising out of delay and/or loss in transit of any message(s), letter(s) or document(s), or for delay, mutilation or other error(s) arising in transmission of any telecommunication or for error(s) in translation and/or interpretation of technical terms.

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- b** Banks will not be liable or responsible for any delays resulting from the need to obtain clarification of any instructions received.

## **Article 15**

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### **Force Majeure**

Banks assume no liability or responsibility for consequences arising out of the interruption of their business by Acts of God, riots, civil commotions, insurrections, wars, or any other causes beyond their control or by strikes or lockouts.

## **E. Payment**

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### **Article 16**

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#### **Payment Without Delay**

- a** Amounts collected (less charges and/or disbursements and/or expenses where applicable) must be made available without delay to the party from whom the collection instruction was received in accordance with the terms and conditions of the collection instruction.
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- b** Notwithstanding the provisions of sub-Article 1(c) and unless otherwise agreed, the collecting bank will effect payment of the amount collected in favour of the remitting bank only.

### **Article 17**

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#### **Payment in Local Currency**

In the case of documents payable in the currency of the country of payment (local currency), the presenting bank must, unless otherwise instructed in the collection instruction, release the documents to the drawee against payment in local currency only if such currency is immediately available for disposal in the manner specified in the collection instruction.

## Article 18

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### Payment in Foreign Currency

In the case of documents payable in a currency other than that of the country of payment (foreign currency), the presenting bank must, unless otherwise instructed in the collection instruction, release the documents to the drawee against payment in the designated foreign currency only if such foreign currency can immediately be remitted in accordance with the instructions given in the collection instruction.

## Article 19

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### Partial Payments

**a** In respect of clean collections, partial payments may be accepted if and to the extent to which and on the conditions on which partial payments are authorised by the law in force in the place of payment. The financial document(s) will be released to the drawee only when full payment thereof has been received.

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**b** In respect of documentary collections, partial payments will only be accepted if specifically authorised in the collection instruction. However, unless otherwise instructed, the presenting bank will release the documents to the drawee only after full payment has been received, and the presenting bank will not be responsible for any consequences arising out of any delay in the delivery of documents.

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**c** In all cases partial payments will be accepted only subject to compliance with the provisions of either Article 17 or Article 18 as appropriate.

Partial payment, if accepted, will be dealt with in accordance with the provisions of Article 16.

## **F. Interest, Charges and Expenses**

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### **Article 20**

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#### **Interest**

**a** If the collection instruction specifies that interest is to be collected and the drawee refuses to pay such interest, the presenting bank may deliver the document(s) against payment or acceptance or on other terms and conditions as the case may be, without collecting such interest, unless sub-Article 20(c) applies.

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**b** Where such interest is to be collected, the collection instruction must specify the rate of interest, interest period and basis of calculation.

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**c** Where the collection instruction expressly states that interest may not be waived and the drawee refuses to pay such interest the presenting bank will not deliver documents and will not be responsible for any consequences arising out of any delay in the delivery of document(s). When payment of interest has been refused, the presenting bank must inform by telecommunication or, if that is not possible, by other expeditious means without delay the bank from which the collection instruction was received.

### **Article 21**

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#### **Charges and Expenses**

**a** If the collection instruction specifies that collection charges and/or expenses are to be for account of the drawee and the drawee refuses to pay them, the presenting bank may deliver the document(s) against payment or acceptance or on other terms and conditions as the case may be, without collecting charges and/or expenses, unless sub-Article 21(b) applies.

Whenever collection charges and/or expenses are so waived they will be for the account of the party from whom the collection was received and may be deducted from the proceeds.

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**b** Where the collection instruction expressly states that charges and/or expenses may not be waived and the drawee refuses to pay such charges and/or expenses, the presenting bank will not deliver documents and will not be responsible for any consequences arising out of any delay in the delivery of the document(s). When payment of collection charges and/or expenses has been refused the presenting bank must inform by telecommunication or, if that is not possible, by other expeditious means without delay the bank from which the collection instruction was received.

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**c** In all cases where in the express terms of a collection instruction or under these Rules, disbursements and/or expenses and/or collection charges are to be borne by the principal, the collecting bank(s) shall be entitled to recover promptly outlays in respect of disbursements, expenses and charges from the bank from which the collection instruction was received, and the remitting bank shall be entitled to recover promptly from the principal any amount so paid out by it, together with its own disbursements, expenses and charges, regardless of the fate of the collection.

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**d** Banks reserve the right to demand payment of charges and/or expenses in advance from the party from whom the collection instruction was received, to cover costs in attempting to carry out any instructions, and pending receipt of such payment also reserve the right not to carry out such instructions.



## **G. Other Provisions**

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### **Article 22**

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#### **Acceptance**

The presenting bank is responsible for seeing that the form of the acceptance of a bill of exchange appears to be complete and correct, but is not responsible for the genuineness of any signature or for the authority of any signatory to sign the acceptance.

### **Article 23**

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#### **Promissory Notes and Other Instruments**

The presenting bank is not responsible for the genuineness of any signature or for the authority of any signatory to sign a promissory note, receipt, or other instruments.

### **Article 24**

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#### **Protest**

The collection instruction should give specific instructions regarding protest (or other legal process in lieu thereof), in the event of non-payment or non-acceptance.

In the absence of such specific instructions, the banks concerned with the collection have no obligation to have the document(s) protested (or subjected to other legal process in lieu thereof) for non-payment or non-acceptance.

Any charges and/or expenses incurred by banks in connection with such protest, or other legal process, will be for the account of the party from whom the collection instruction was received.

## Article 25

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### Case-of-Need

If the principal nominates a representative to act as case-of-need in the event of non-payment and/or non-acceptance the collection instruction should clearly and fully indicate the powers of such case-of-need. In the absence of such indication banks will not accept any instructions from the case-of-need.

## Article 26

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### Advices

Collecting banks are to advise fate in accordance with the following rules:

#### **a** Form of Advice

All advices or information from the collecting bank to the bank from which the collection instruction was received, must bear appropriate details including, in all cases, the latter bank's reference as stated in the collection instruction.

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#### **b** Method of Advice

It shall be the responsibility of the remitting bank to instruct the collecting bank regarding the method by which the advices detailed in (c)i, (c)ii and (c)iii are to be given. In the absence of such instructions, the collecting bank will send the relative advices by the method of its choice at the expense of the bank from which the collection instruction was received.

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**e**

**i. ADVICE OF PAYMENT**

The collecting bank must send without delay advice of payment to the bank from which the collection instruction was received, detailing

the amount or amounts collected, charges and/or disbursements and/or expenses deducted, where appropriate, and method of disposal of the funds.

**i. ADVICE OF ACCEPTANCE**

The collecting bank must send without delay advice of acceptance to the bank from which the collection instruction was received.

**i. ADVICE OF NON-PAYMENT  
AND/OR NON-ACCEPTANCE**

The presenting bank should endeavour to ascertain the reasons for non-payment and/or non-acceptance and advise accordingly, without delay, the bank from which it received the collection instruction.

The presenting bank must send without delay advice of non-payment and/or advice of non-acceptance to the bank from which it received the collection instruction.

On receipt of such advice the remitting bank must give appropriate instructions as to the further handling of the documents. If such instructions are not received by the presenting bank within 60 days after its advice of non-payment and/or non-acceptance, the documents may be returned to the bank from which the collection instruction was received without any further responsibility on the part of the presenting bank.

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## **ICC ARBITRATION**

Contracting parties that wish to have the possibility of resorting to ICC Arbitration in the event of a dispute with their contracting partner should specifically and clearly agree upon ICC Arbitration in their contract or, in the event no single contractual document exists, in the exchange of correspondence which constitutes the agreement between them. The following standard arbitration clause is recommended by the ICC:

“All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.”