



Trade Finance Conference Prague 2018

FOCUS ON L/C & GUARANTEES

1 – 2 October 2018, Prague

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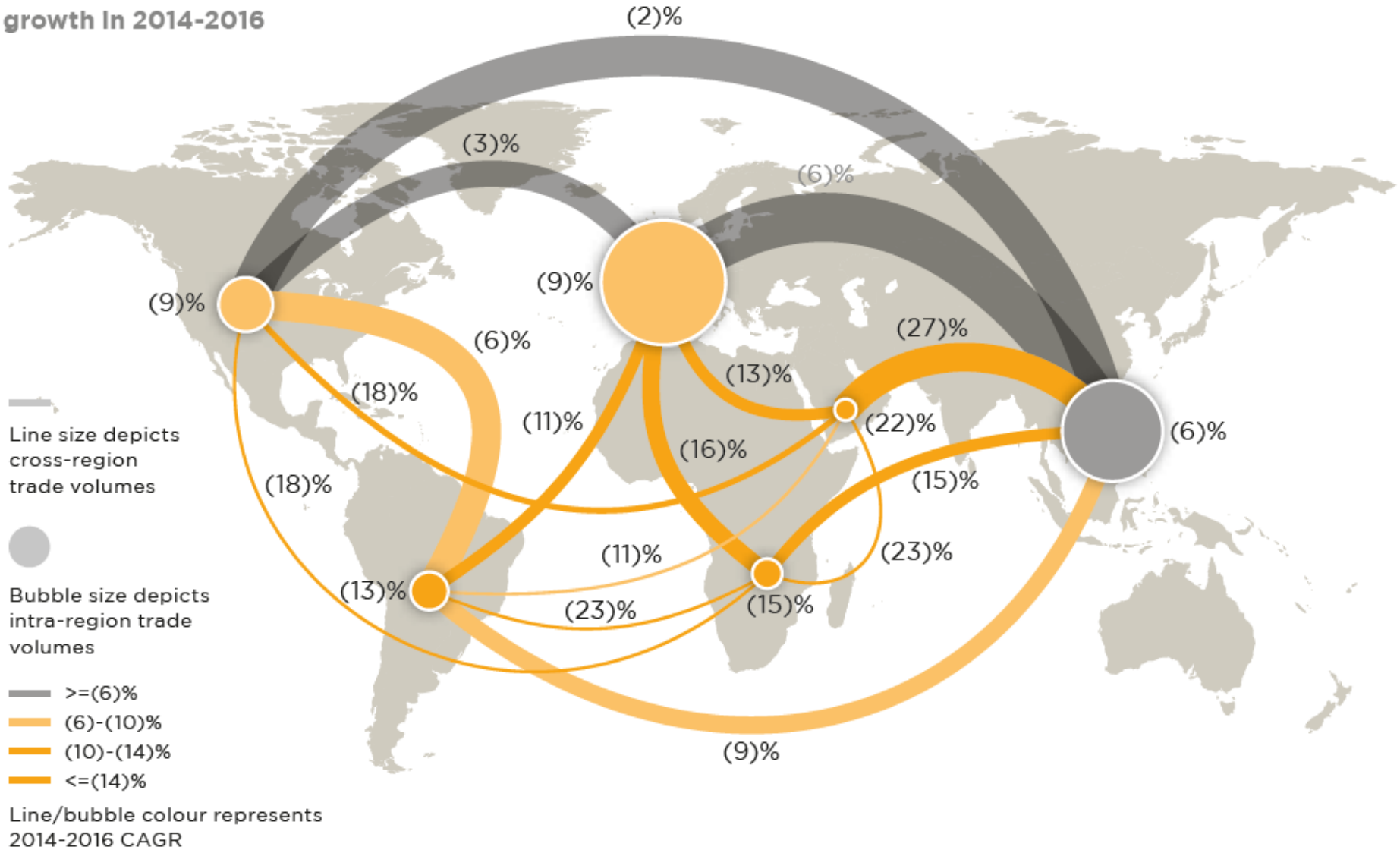


- **NAVIGATING TRADE IN A WORLD OF DISRUPTION**
- **Correspondent Banking and the Need for Financial Inclusion**
- **Combatting Illicit Trade, Fraud and Money Laundering**
- **The New Digital Economy and Trade**
- **E-compatibility of ICC Rules (eUCP revision, eURC)**
- **Digitalisation of Trade Finance Working Group: BPO (focus on Blockchain and DLT)**
- **Sustainability and Traceability in Trade**

ICC Banking Commission Update



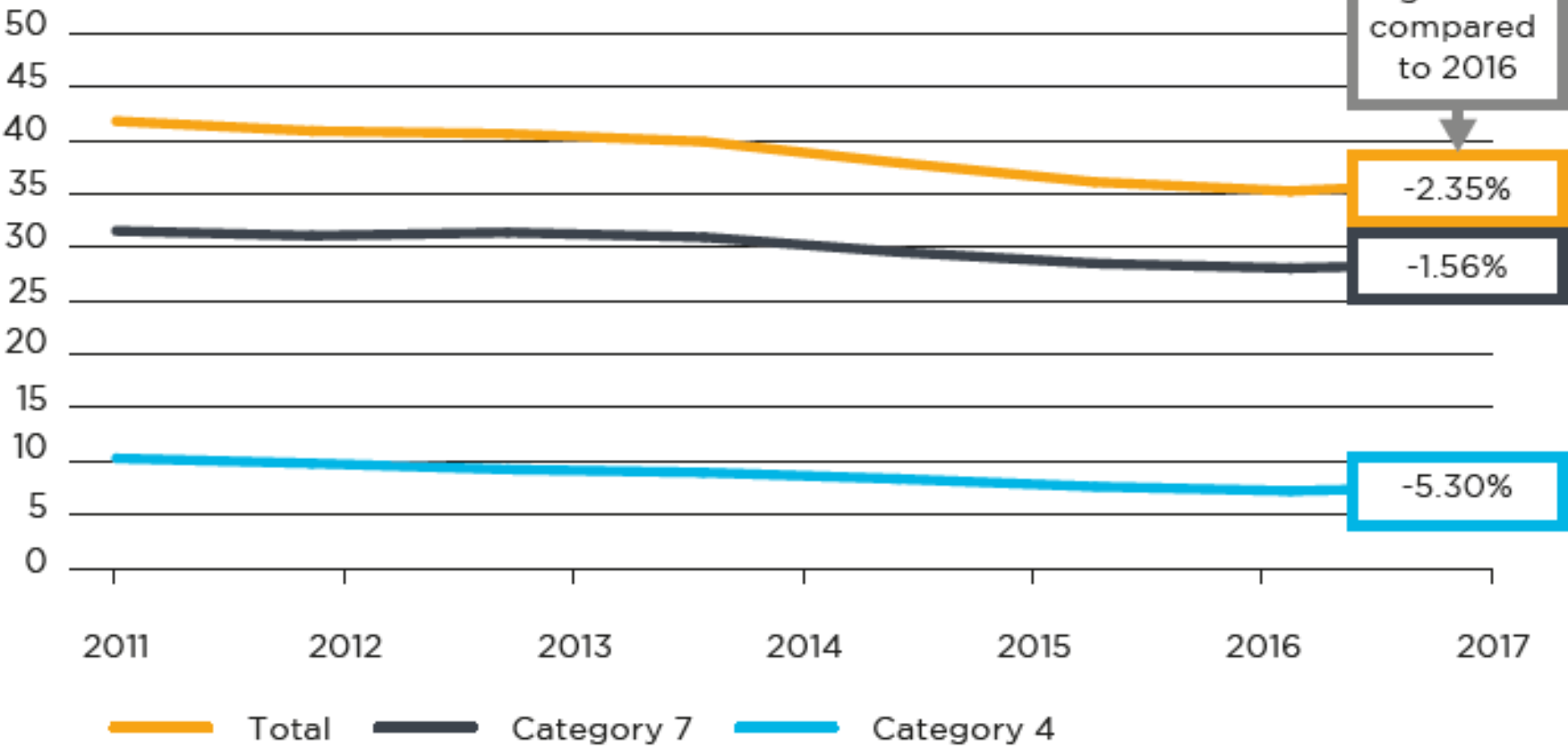
All trade corridors showed negative growth in 2014-2016



Source: BCG Trade Finance Model 2017

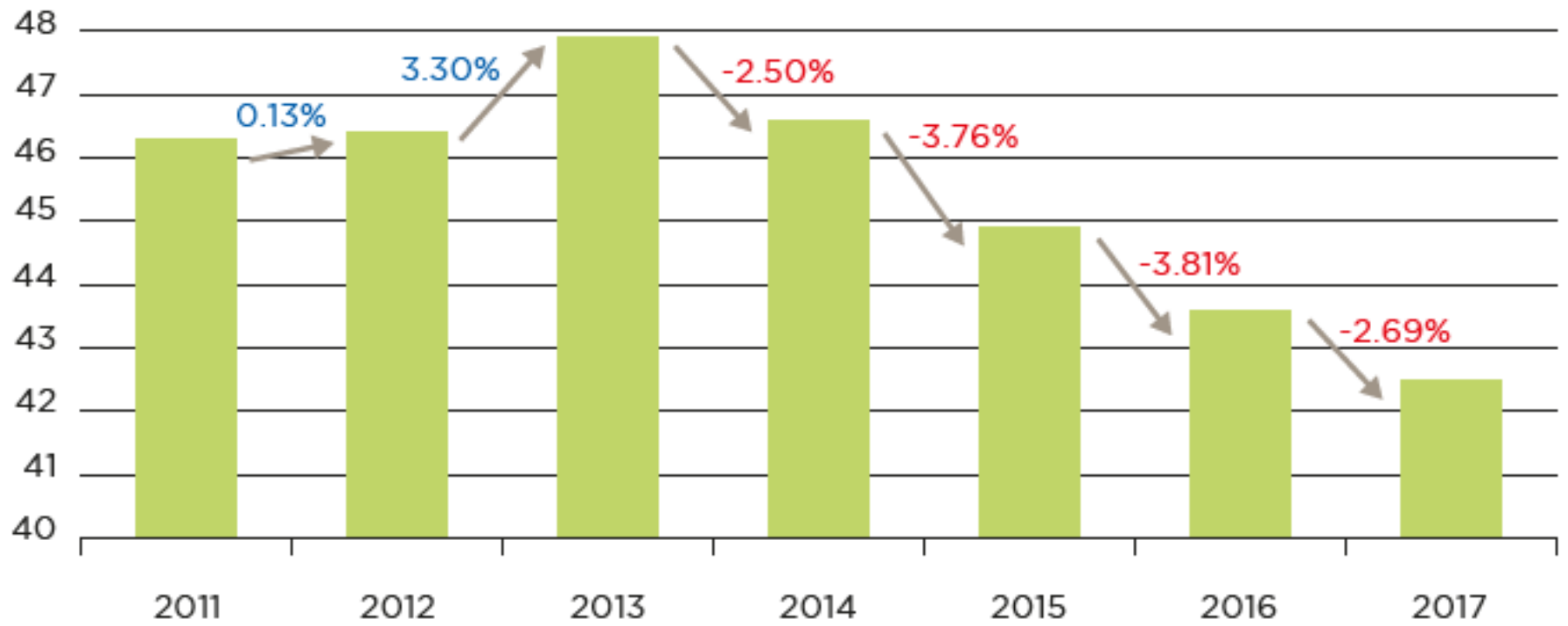
SWIFT global traffic

Number of messages (million)



MT volume

(million)



Focus on eUCP



- **eUCP**, version 1.0
- supplement to UCP 500
- in force as of 1 April 2002
- **eUCP**, version 1.1
- supplement to UCP 600, 1 July 2007
- e1 – e12 articles
- miniscule use!

Focus on eUCP, version 1.1



- Main features:
 - scope – supplement, version
 - relationship to UCP 600
 - definitions: electronic record
 - format of el. records
 - presentation: notice of completeness
 - examination (hyperlink), notice of refusal
 - originals, copies
 - date of issuance, transport: date of shipment
 - corruption of el. records after presentation
 - additional disclaimer of liability

Draft 3 eUCP - issues



- **Suggestion to adopt principle of UTC**
 - Definition of “**UTC**” as per URBPO article 3:
 - “**Universal Time Coordinator**” or “UTC” means the international time scale defined by the international Telecommunications Union used by electronic computing and data management equipment, and the technical equivalent of GMT, Greenwich Mean Time, and is the applicable time scale for a BPO.
 - **An issuer would be well advised to state the time for the close of business in an eUCP credit.**

Draft 3 eUCP - issues



Option 1

- Add a new definition to Article e3: “UTC” (Universal Time Coordinated) means the international time scale defined by the International Telecommunications Union used by electronic computing and data management equipment, and the technical equivalent of GMT, Greenwich Mean Time, and is the applicable time scale for an eUCP credit.
- Add a new sub-article (b) (i) to Article e6:
- *All presentations of electronic records under an eUCP credit must be received by the bank to which presentation is to be made no later than 23:59:59 UTC on the expiry date and/or last day for presentation.*

Draft 3 eUCP - issues



Option 2

- Add a new definition to Article e3 as above.
- Add a new sub-article (b) (ii) to Article e6:
- *An eUCP credit must indicate the UTC time by which all presentations under an eUCP credit must be received by the bank to which presentation is to be made. If, nevertheless, no such time is indicated all presentations under an eUCP credit must be received by the bank to which presentation is to be made no later than 23:59:59 UTC on the expiry date and/or last day for presentation.*

Option 3

- Say nothing and UCP 600 article 33 will apply.



Issues with presentation:

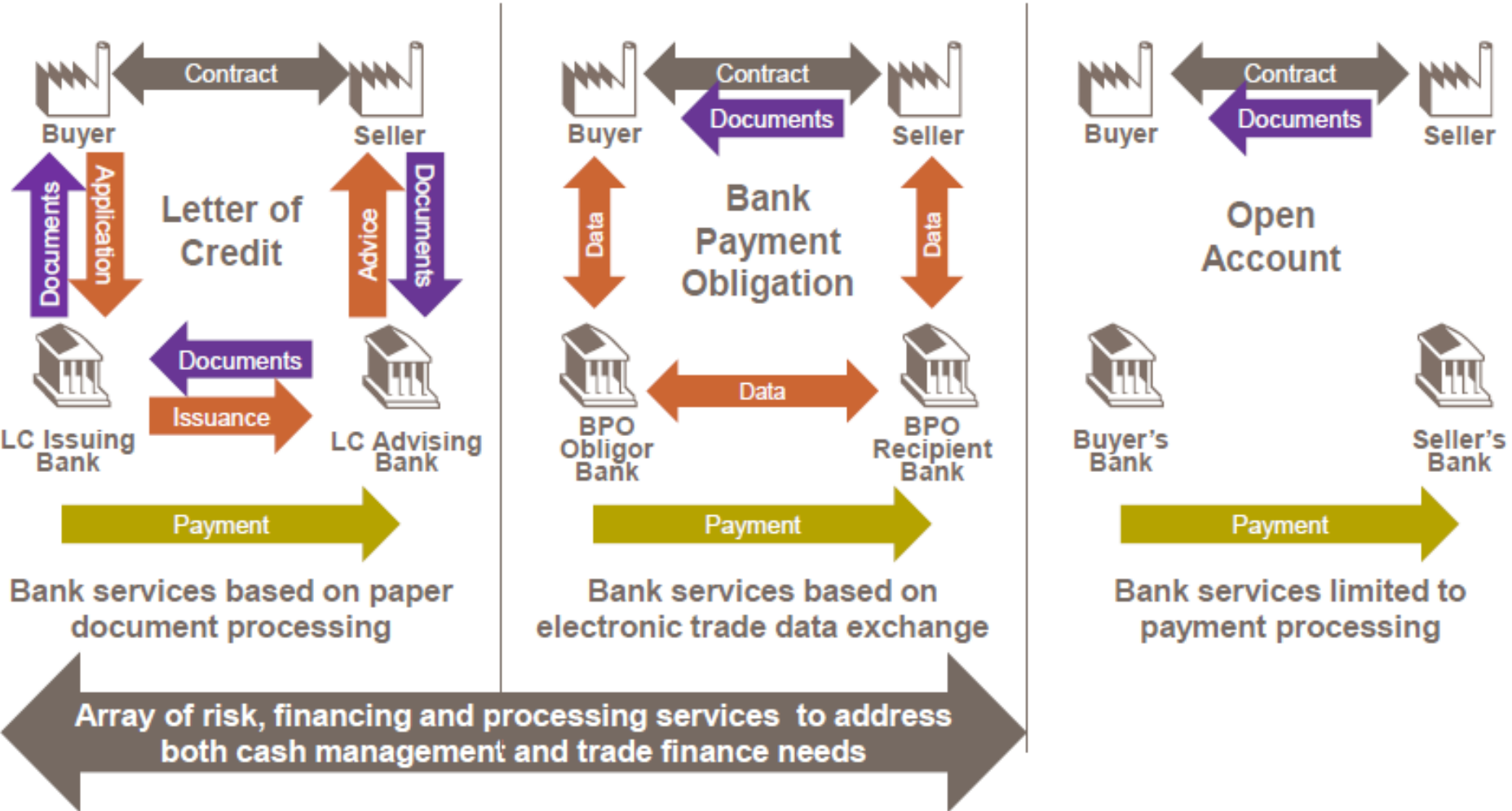
- eUCP credit calls for electronic records only
- eUCP credit calls for paper documents only
- eUCP credit allows presentation of paper documents or electronic records: BNF presents only paper documents
- eUCP credit allows presentation of paper documents or electronic records: BNF presents combination of paper docs. and el. records

Focus on eUCR



- **eURC**, version 1.0
- supplement to URC (522)
- DRAFT 3
- Issues: applicability, scope, definitions, format, presentation
- Release:
 - D/P
 - **D/DP**
 - D/A

BPO & URBPO



Contracts and the rules

