The concept of inconsistency was introduced into UCP with the 1974 Revision (UCP 290). It appeared in two places:

“Documents which appear on their face to be inconsistent with one another will be considered as not appearing on their face to be in accordance with the terms and conditions of the credit.”

“The description of the goods in the commercial invoice must correspond with the description in the credit. In all other documents the goods may be described in general terms not inconsistent with the description of the goods in the credit.”
Inconsistency rule stayed throughout UCP 400 and UCP 500. However, UCP 500 adds:

“Banks must examine all document stipulated in the Credit with reasonable care, to ascertain whether or not they appear, on their face, to be in compliance with the terms and conditions of the Credit. Compliance of the stipulated documents on their face with the terms and conditions of the Credit, shall be determined by international standard banking practice as reflected in these Articles.”

UCP 600 defines “complying definition” as:

“Complying presentation means a presentation that is in accordance with the terms and conditions of the credit, the applicable provisions of these rules and international standard banking practice.”

“Data in a document, when read in context with the credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with, data in that document, any other stipulated document or the credit.”
Description of goods in the L/C:

1000 meters fabric as per pro-forma invoices no. 2008/1 dated 01.01.2008 and no. 2008/2 dated 01.01.2008. Partial shipment is allowed.

One of the discrepancies claimed:

- Commercial invoice shows two pro-forma invoice numbers and dates whereas other documents show number and date of one pro-forma invoice only.

Discrepancy:

- Sub-article 18 (c) requires that the commercial invoice contain a description of the goods that corresponds with that appearing in the credit.
- Sub-article 14 (d) states “Data in a document, when read in context with the credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with, data in that document, any other stipulated document or the credit.”
Opinion TA.654

• The invoice reflected the description of goods as required by sub-article 18 (c). The other stipulated documents referenced only one of the pro-forma invoice numbers reflecting the partial shipment that had been made. The data was not identical in the other stipulated documents, but in the context of the requirement of sub-article 18 (c) and the fact that the goods description i.e., “fabric” was identical on the two pro-forma invoices there is no conflict with only one pro-forma invoice number being quoted on documents other than the commercial invoice.

• From a beneficiary perspective, it would have been more appropriate for them to have made clear in the invoice that the shipment in question related to only one of the proforma invoices, thus avoiding situations as encountered here.

Opinion TA.809 – „Conflict in data?“

• A documentary credit was issued by Bank B, by negotiation (usance draft) with any Italian bank, and received by Bank A. The description of goods in the credit included supplementary information: “As per proforma invoice n. 104 dated 12/12/2012”.

• The documents required under the credit were invoice, packing list and CMR. When the documents were presented, they all included the following elements: description of goods, number of invoiced pieces, number of packages, shipment data and credit number. All of this data was compliant in each document.
Opinion TA.809 – „Conflict in data?“

• Bank A did not act as nominated bank and sent the documents to Issuing Bank B. Bank B refused the documents by stating the following discrepancy: “CMR evidence proforma invoice n. as 1074 I/O 104”.

Opinion TA.809 – Analysis

• The CMR included all other information as required by the terms and conditions of the credit and was compliant in all aspects, as were all the other documents. It is argued that the addition of one character to the proforma invoice number within the CMR is not sufficient grounds for refusal, particularly when the correct proforma invoice number was stated in the invoice.

• Considering that the description of goods within the CMR was not disputed; the proforma invoice number 1074 would not appear to indicate a conflict with the invoice.
Opinion TA.809 – Analysis

• The proforma invoice number is stated correctly on the invoice and the reference to it on the CMR expands but does not contradict this. In the context of the otherwise correct description of the goods within the CMR and the function of the CMR, the wrong proforma invoice number (clearly a typographical error) cannot be considered to be in conflict with the data on other documents and the requirement in the documentary credit.

• As far as can be ascertained, the credit did not specify the contents to be mentioned in the CMR to include the proforma invoice number. UCP 600 sub-article 18 (c) only requires the description of goods, services or performance in a commercial invoice to correspond with that appearing in the credit. The description of goods other than the proforma invoice number is not in dispute. The fact that the proforma invoice number stated on the CMR included an additional character is clearly a typographical error.

Opinion TA.810 - Query

Field 46A (documents required) included the following documents:

• Invoice
• Bill of Lading
• Packing List
• Beneficiary Certificate
• Copy of Shipment Advice sent to the insurance company on Fax no. -------------- and to the opener on Fax no. -------------- within 3 working days of all shipment referring cover note no. -------- --- dt -------- issued by NH Insurance Company ---- ---------.

Shipment Advice must accompany the documents.
Opinion TA.810 - Query

• Bank U sent compliant documents on Jan 8, 2014 for **US$54,000** for payment on the maturity date i.e. March 24, 2014, calculated 90 days from shipped on board bill of lading stamp dated December 24, 2013.

• Bank K sent a refusal message (MT734) on January 13, 2014 citing the following discrepancy: “**Invoice amount is incorrect in shipment advice. Shipment advice shows invoice amount USD 54,00.00 instead of 54,000.00.**”

Opinion TA.810 - Analysis

• **The function of a shipment advice is to provide timely information of correct shipment details for the purpose of arranging appropriate insurance cover.** In this particular query, there is no dispute in respect to the timeliness of the information.

• The copy of shipment advice presented under the credit is to be checked in accordance with UCP 600 sub-article 14 (f) which provides that the document presented fulfils the function of a shipment advice and otherwise complies with UCP 600 sub-article 14 (d) (conflicting data).

• The shipment advice presented under the credit stated value of shipment as USD 54,00.00 whereas the invoice stated USD 54,000.00. The value stated on the insurance”s cover note is irrelevant for determination of compliance as it is not required under the credit.
Opinion TA.810 - Analysis

- The copy of shipment advice presented under the credit stated value of shipment as USD 54,00.00 whereas the invoice stated USD 54,000.00. However, even though the amount of USD 54,00.00 is clearly a typing error, it does affect the meaning of the data due to the fact that the recipient of the shipment advice cannot rely on this information in order to ensure appropriate insurance cover. Thus the function of a shipment advice is not met by the document presented.

Conclusion

- In this case, the typing error in the amount in the copy of Shipment Advice is a discrepancy; the shipment advice does not fulfil its function of providing correct information on shipped goods in order to arrange insurance cover.

Opinion TA.811 - Query

- The issuing bank refused documents on the basis of a single discrepancy, i.e. a difference existed in the PO number between the invoice and packing list. The issuing bank"s discrepancy notification stated: the invoice showed “PO # SOL140430-01” and the packing list showed “PO #SOL140”.

- It should be noted that the credit had not stipulated any requirement that the PO number was to be mentioned in any of the documents called for by the credit.
Opinion TA.811 - Analysis

• The credit did not stipulate a PO number nor any requirement for mentioning the PO number in any of the documents. On this basis, it is quite feasible that both PO numbers are valid. In accordance with UCP 600 sub-article 14 (d), data in one document must not conflict with data in any other stipulated document. Based on the information given in the query a conflict between the two PO numbers cannot be determined.

Opinion TA.824

• A) Discrepancy “wrong payment terms on invoice” related to both invoices.

• The wording “Payment: 60 days after shipment date” indicated in the credit is quoted on both invoices at the beginning of goods description.

• In any case the payment term detail is not required by the credit. The data “506 ir. Letter of Credit at sight” printed under the heading of each invoice and seeming to be a customary quote on the invoices.
Opinion TA.824

• **B) Discrepancy “PL and weight note evidencing additional order no.14059 and 14051 which is not covered in invoice” raised for one invoice only.**

  - Unless otherwise required by the credit, banks according to ISBP paragraph M1 check that the packing list “...fulfils its function by containing any information as to the packing of the goods”. Banks do not have to check other data shown on the packing list.

  - According to ISBP paragraph C11, banks check in the invoice that “Any total quantity of goods and their weight or measurement shown on the invoice is not to conflict with the same data appearing on other documents”. Documents presented in availment of the letter of credit and shown to this Committee are fully complying with the above. Any different contractual reference in the PL as compared to the invoice is irrelevant. Raised discrepancy is groundless.”

Opinion TA.824 - Analysis

• **A) Discrepancy “wrong payment terms on invoice” related to both invoices.**

  - Regardless of the fact that the invoice stated the pre-printed wording, it also correctly stated the payment terms as 60 days from shipment date. The additional wording over-rides the pre-printed wording. The credit is clearly available by deferred payment and such difference within the invoice itself is not a matter on which a discrepancy should be based.

  - The beneficiary presented documents under the terms and conditions of a deferred payment credit and would not be expecting payment at sight. The issuing bank and confirming bank would only honour in accordance with the terms and conditions of the credit. The additional erroneous wording stated within the invoice does not detract from this.
Opinion TA.824 - Analysis

• B) Discrepancy “PL and weight note evidencing additional order no. 14059 and 14051 which is not covered in invoice” raised for one invoice only.

• As regards the 2nd discrepancy notified on the 2nd presentation regarding “PL and weight note evidencing additional order no. 14059 and 14051 which is not covered in invoice” – so long as these documents stated the „order numbers” specified in the credit, the additional order numbers would be treated as additional information as long as they did not conflict either with other related details within the document or with any other document and the credit.

Opinion TA.838 - Query

Details of the L/C

• Irrevocable credit without confirmation
• Deferred payment details: 30 days after transport document date
• Partial Shipments: Allowed
• Documents required (among others):
• Commercial invoice issued for total amount of EUR 85,500.00 indicating discount 18pct and amount payable under credit EUR 70,110.00
Opinion TA.838 - Query

The Case

• Presentations for the first two shipments were compliant and were both honoured.

• The presentation of the third shipment included an invoice showing the payment term “L/C 30 DAYS SIGHT” different from that in the credit “30 DAYS AFTER TRANSPORT DOC. DATE”.

• The issuing bank sent an advice of refusal stating “DEFERRED PAYMENT DETAILS ON INVOICE NOT AS PER L/C TERMS”

Opinion TA.838 - Analysis

• The credit is clearly available by deferred payment of 30 days after transport document date and the issuing bank is obligated to honour only in accordance with the payment terms and conditions of the credit and the presentation made, i.e. the claim in the cover letter accompanying the presented documents.

• The beneficiary presented documents under the terms and conditions of a deferred payment credit and would not expect the payment prior to due date.

• The credit has not specified that the invoice must state the payment terms of the credit; the payment term of "L/C 30 days sight" appearing on the invoice does not alter the obligations of the issuing bank and does not provide any additional rights to the nominated bank or the beneficiary as to early payment. Hence the differing payment term of „L/C 30 days sight“ in the invoice is not a matter on which a discrepancy can be based.
Opinion TA.832 - Inquiry

Credit terms:

- 46A (Documents Required):
- NON-NEGOTIABLE COPY OF OCEAN BILL OF LADING. MARKED FREIGHT PAID. CONSIGNED TO (applicant's name) ...
- ORIGINAL OF THE PACKING LIST

Opinion TA.832 - Inquiry

Documents were presented to confirming bank including a packing list showing the following details of weight:

- “Total Net Weight: 630000 kg,
- Total Gross Weight: 630360 kg.”
- The copy of bill of lading stated, as part of goods description: "36 Containers as per specification attached" and "Net Weight: 630.000 Kos".
- In addition, under pre-printed text of the form stating "Gross Wgt./Nett Wgt." the same weight was stated, i.e. "630.000 Kos".
Opinion TA.832 - Inquiry

- As stated in goods description another page containing specifications of the containers was attached to the B/L with similar field descriptions; the weight column was marked as "Gross weight in kilos" though. The weight stated thereunder was "630.000 Kos".

- The attachment also contained the additional statement "Nett Weight: 630.000 Kgs" in its "Goods Description" part.
**Opinion TA.832 - Inquiry**

- Confirming bank sent a notice of refusal stating the following discrepancy: "Bill of lading: Gross weight in the specification to B/L not as per packing list"

- We contested the discrepancy, stating that in the context of the entire presentation it clearly appears that the bill of lading refers to the net weight only (even though its pre-printed form provides for a field for gross weight / nett weight). The attachment merely reproduces the details of the B/L. Although the respective header of the attachment defines the weight column as being for the gross weight, the context of the document suggests that the weight stated represents the net weight. We also referred to UCP 600 sub-article 14 (d) according to which data in a document are to be read in context of the credit and the document itself.
Opinion TA.832 - Analysis

• The packing list stated Total Net Weight: 630000 kg and Total Gross Weight: 630360 kg. The copy of the B/L, as well as its attachment, stated net weight 630000 kg within different fields/columns designated for goods description and 630000 kg in fields/columns designated for gross/net weight and gross weight respectively.

• The weight of 630,000 kg is mentioned within the B/L and its attachment; tagged as net weight in the fields/columns designated for goods desc. but without any such tag in the fields/columns designated for weight (named gross/net weight and gross weight respectively). Figures on the attachment appearing without being tagged as net weight or gross weight do not indicate that the information on the attachment is in conflict with the information given on the copy B/L. The weight of 630,000 kg in the field/column for gross weight only would not, in the context of the content of copy B/L and attachment, constitute a conflict with the packing list.

Opinion TA.832 - Inquiry

• In the meantime we received another presentation including a similar attachment to the B/L where the "Gross weight in kilos" column also contained net weight details; however, the "Description of goods" part showed the words "Nett Weight:" without a number following it.

• Although the text "Nett Weight:" did not appear on the same level as the weight stated in the "Gross weight in kilos" column, we considered the weight detail to be sufficiently qualified by that text.

• Confirming bank sent an analogous notice of refusal.
Opinion TA.832 - Analysis

• In the second presentation, the gross weight mentioned in the attachment to the bill of lading was the same as the net weight stated in the copy of the bill of lading but without being tagged as net weight. The field / column designated for goods description stated net weight without any figure or value. The confirming bank sent a notice of refusal stating the same discrepancy as for the first presentation.

• Again the weight is mentioned within the bill of lading and the attachment; in the attachment the tags for specifying the figure could either be the field / column header “gross weight” or the content of the field / column for goods description “net weight”. The weight stated in the attachment is the same as the figure in the bill of lading itself; the assignment of the tag “net weight” in the field / column for goods description would, in this context, not constitute a conflict with the packing list.
Opinion TA.856 - Inquiry

We have received a letter of credit from an issuing bank that includes the following terms:

- **Field 46A / Documents Required:**
  - 1) Signed commercial invoice in 1 original and 2 copies indicating this DC No. and Contract No. 20335389 or 20335390.

We received an invoice from the beneficiary quoting the following:

- CIF [City X), [Country C] (Incoterms 2010)
- Contract No. 20335389 or 20335390
- These are the only contract no’s shown on the invoice.

Opinion TA.856 - Inquiry

With reference to the said opinion, and accompanied by the fact that:

- 1. LC number is shown correctly;
- 2. Goods are entirely as per the LC description; and the
- 3. Quantity and unit price also tallies with the LC;

We have accepted this as a typographical error and processed the document accordingly.
Opinion TA.856 - Inquiry

The issuing bank reverted with the discrepancy “Invoice evidences contract no inconsistent with LC 46A (1).” Upon our challenge, the issuing bank reverted with the following:

- DC has clearly stipulated signed commercial invoice indicating this DC No. and contract no 20335389 or 20335390.
- The contract nos showing in the invoice were incorrect.

Opinion TA.856 - ANALYSIS

The current examination standard is detailed in UCP 600 sub-article 14 (d), which indicates:

- “Data in a document, when read in context with the credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with, data in that document, any other stipulated document or the credit.” (Emphasis added)
Opinion TA.856 - ANALYSIS

Additionally, ISBP 745 paragraph A23 and ICC Opinions such as R209, R408, R442, R444, R698, R701, R757 and R815 (TA809rev) reaffirm the above-mentioned examination standard.

When a misspelling or typographical error exists, document examiners are expected to read it in context with: (i) the document on which it appears; (ii) the other required documents and determine whether the error causes a conflict as noted in UCP 600 sub-article 14 (d), and (iii) whether the error otherwise affects the meaning of the word(s).

Opinion TA.856 - ANALYSIS

In this case, an invoice was presented which quoted two incorrect contract numbers by adding a “3” within their body e.g., 203335389 or 203335390 versus the contract numbers stated in the credit i.e., 20335389 or 20335390. However, and as noted in this query, the invoice also properly stated the credit number, goods description, and quantities and unit price.

The invoice provided sufficient data from the credit to determine that the addition of a “3” could be considered a typographical error.
Opinion TA.876 - Inquiry

- L/C was available by deferred payment at the counters of the confirming bank. It required, among others:
  - Beneficiary’s certificate dated and signed confirming that shipment details (vessel name, vessel flag, building date, quantity and date loaded, number of bills of lading, number of coils loaded and value of cargo) have been sent by e-mail to “xxx” (“xxx” being applicant’s name), for insurance purposes, within 3 working days of maritime bill of lading date.
  - The following additional conditions were included in the L/C:
    - Any spelling errors in our documentation is not going to affect payment obligation of the buyer, unless they materially affect quantity or value of product shipped.
    - The number of the letter of credit to be mentioned on the invoice.

Opinion TA.876 - Inquiry

- The confirming bank honoured the documents.
- However, the issuing bank refused to honour, stating the following discrepancy in its advice of refusal:
  - “Shipment certificate: O/ref LC number is not correct.”
- The credit was issued under ref “xxx0724xxx” and the certificate showed the credit number as “xxx0742xxx”.
- The confirming bank did not agree with the refusal.
This type of issue has been addressed in numerous ICC Opinions in the past:

- **R289** states, “Regarding the question of the L/C number missing from the rail waybill, it has been the previous opinion of the ICC that the requirement is only to assist in tracing documents should they go astray. Since the documents were received by the issuing bank, the absence of the reference number, which in itself neither adds nor detracts from the purpose of the document, would seem to be an irrelevance and not valid grounds for rejection.”
- **R578** (TA567rev) states: “It should be pointed out that the request for insertion of L/C numbers is usually at the instigation of the issuing bank to facilitate the collation of documents when one or more go astray. The ICC has commented in the past that a refusal based on the absence of a L/C number on a document, where requested in the L/C, is not grounds for refusal.”
- **R635** (TA658) states: “The misquoting of the credit number on the bill of lading does not create a reason for refusal.”
- **R811** (TA823rev) states: “It has been the previous opinion of the ICC that the request for insertion of L/C numbers is usually at the instigation of the issuing bank, to facilitate the collation of documents when one or more go astray.”
- It is clear that the mistyping of the credit number on this type of document does not render such document discrepant as the figure and other information for the insurance coverage can still be ascertained.
- Based on the above, the justification of the issuing bank, that UCP 600 sub-article 14 (d) supported its position, is erroneous.

**Opinion TA.876 – Analysis & Conclusion**

- The exception to this position is where it is a requirement of the importing country that the letter of credit number be stated on one or more documents. In such circumstances, the letter of credit should clearly indicate that this is the reason for the number to be shown on that or those documents.
- It is worth further mentioning that inclusion of the condition, ‘Any spelling errors in our documentation is not going to affect payment obligation of the buyer, unless they materially affect quantity or value of product shipped’, can also be interpreted to mean that insertion of an incorrect credit number cannot, in any event, be construed as a discrepancy provided that documents can be applied to the correct credit.

**CONCLUSION**

- The discrepancy is not valid and the issuing bank does not have the right to refuse to honour on the basis of the issue raised.