

Corporate Clients

top@doc Newsletter

What is the meaning of the expression “bill of lading date”?



One might assume that this question could be easily answered. But, as so often happens, the matter is more complex than initially assumed ...

Why can it be so difficult to answer the question about the bill of lading date? The difficulty arises from the fact that the “Uniform Customs and Practice for Documentary Credits UCP 600” do not define this expression.

The terms and conditions of a credit frequently stipulate that the payment of the documents’ countervalue shall be due “xy days after bill of lading date”. And this is where the problems start – due to the lack of a definition in the UCP 600, the parties involved in a credit may possibly come to different results when they calculate the maturity date.

An example to illustrate the case:

The details provided with respect to the availability of a credit issued by Careful Bank are:

Field 41 D: AVAILABLE WITH FREE AND EASY BANK BY DEFERRED PAYMENT

Field 42 P: PAYMENT IS DUE 30 DAYS AFTER BILL OF LADING DATE

The beneficiary presents a set of documents for utilisation of the credit to Free and Easy Bank. The documents contain a

bill of lading with the following dates:

Date of issuance: 5 May 2018

Shipped on board MV Stella Marina on 1 May 2018.

Free and Easy Bank considers that the documents comply with the terms and conditions of the credit. In its letter of dispatch to Careful Bank, it states 31 May 2018 as the maturity date for the payment of the documentary countervalue.

A few days after the dispatch of the documents, Free and Easy Bank receives a SWIFT message from Careful Bank which confirms receipt of the complying documents, but at the same time complains that Free and Easy Bank has calculated the maturity date incorrectly. The bank claims that payment is due on 4 June rather than 31 May. As a calculation basis, Careful Bank has used the date of issuance of the bill of lading, i.e. 5 May.

Which of the two banks is right now? Is the maturity date “30 days after bill of lading date” to be calculated from the date of issuance of the bill of lading or the date of shipment? Both dates ultimately constitute a bill of lading date, i.e. both are dates which are shown in the bill of lading though in a different connection.

Although the UCP 600 do not define what is to be understood by a bill of lading date, article 20 a ii, paragraph 2 of the UCP 600 stipulates how the date of shipment is to be established.

Accordingly, the date of issuance of the bill of lading will be deemed to be the date of shipment – unless the bill of lading contains an on board notation indicating the date of shipment. In this case, the date stated in the on board notation will be deemed to be the date of shipment.

An analogous regulation is set forth in the ICC Publication 745, “International Standard Banking Practice for the Examination of Documents under Documentary Credits subject to UCP 600” (ISBP): Paragraph B 2 c states that for establishing a maturity date for which a specific number of days after the bill of lading date is stated, the date in the on board notation will be deemed to be the bill of lading date, even if the date of the on board notation is before or after the date of issuance of the bill of lading.

In the opinion of Commerzbank, the bill of lading date is also to be established according to this principle. We would consequently agree with the point of view of Free and Easy Bank which calculates the maturity date based on the date stated in the on board notation.

This view is also expressed by the International Chamber of Commerce which answered in connection with a corresponding query that, for the purpose of establishing the maturity

date, provided that this is stated in the credit with “x days after B/L date”, the date of the on board notation – if any – is to be used. In this connection it does not matter whether this date is before or after the date of issuance of the bill of lading.

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