

Documentary Credit

WORLD

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■ INCOTERMS AND LCs

Since first coming into existence in 1936, the ICC Rules for use of international trade terms have been periodically updated. The next revision will be released later this year and new Incoterms 2020 will enter into force January 2020. It has been suggested that bankers are not expected to be intimately familiar with non-banking trade term specifics, however trade finance specialists who are highly knowledgeable of Incoterms are in an advantageous position to identify problems arising from use of incorrect Incoterms. In shining a spotlight on the relationship between Incoterms and letters of credit, Pavel Andrle contends it is incumbent on parties to properly specify the details to be examined by banks and use of the relevant Incoterm is vital. To make his case, Andrle then presents and analyzes several common issues and pitfalls.