

# Documentary Credit

# WORLD

## In This Issue...

■ **3 UPDATES:** US to Lift Sanctions against Cuba; Extensive Endnotes Enhance Latest ISP98 Form; Judge Rules against Seller who Shipped Prematurely; Use of URDG 758 in Finland Clarified; Fraudulent Standby LCs Prompt Seizure of Insurer's Accounts; RBS to Support SWIFT's Corporate Members; International Updates



■ **8 INTERVIEW:** Dennis Noah on the Cuban Banking Infrastructure

■ **13 THE READERS SPEAK:** Risks in Back-to-Back Credits

■ **15 LITIGATION DIGEST:**

■ *ACE American Insurance Company v. Bank of the Ozarks*

■ *Heji Huangpu Real Estate (Chengdu) Wenjiang Ltd. v. China State Construction Engineering Bureau V*

■ Newly Decided Cases

ShowCase



## REPORT

■ **27: Summary of the November 2014 ICC Banking Commission Meeting**



## FORMS

■ **36: ISP98 Form 11.1 Model Government Standby Form**

■ **59 LC STATISTICS:** US Branches of Non-US Banks (3Q14)

■ **63 LC TRADE NEWS**

## 20 FEATURE



### ■ DISCREPANCY FEES

Banks began charging fees for discrepancies about 20 years ago. After an initial period of negative reaction toward this idea, the practice has become an industry norm. A survey of LC specialists was taken up to gauge discrepancy fee practices worldwide on the following questions: Does your institution charge discrepancy fees? How much are the fees? Do discrepancy fees incentivize document examiners to "find" discrepancies? Over 100 specialists responded and the results are summarized here. As one who was there among the ranks as an active banker when this practice began, Vincent Maulella then revisits the origins and reasons for discrepancy fees. Finally, most every practitioner has been on the receiving end of a dubious discrepancy. What is the best of the worst that you've encountered? DCW invites you to tell your story.