

## Important ICC Rules

### ICC standard rules for Banking sector

Title	ICC code	Last version	Last reprint	Localisation	In favour of:	Main characteristic	Pursuant to	Problematic because	Mostly used for	Other content	Involved parties	Types
<b>UCP 600</b>	N 600	2007	2006	World	Seller (exporter)	<b>International payment procedure to secure purchase price</b> upon presentation of specific documents, such as commercial invoice, bill of lading, insurance documents	Articles 4, 7		Primarily designed for documentary letters of credit in the banking, transport and insurance sector; majority of rules not applicable to standby letters	Most detailed of all ICC uniform rules	Applicant, beneficiary, confirming bank, issuing bank, nominated bank	(Ir)revocable, (un)confirmed, transferable, revolving, red clause
<b>Standby Practices (ISP 98)</b>	N 590	1998	1998	USA mostly	Seller (exporter) ALSO buyer (importer)	Similar to <b>guarantee</b> , secures <b>payment and/or performance</b>	Rule 2.01		Primarily used for letters of credit issued by US-American banks	Considered to be more specialized and more precise than UCP 600	Issuer, beneficiary, advisor, confirmer, nominated person, applicant	Tender bond (bid bond), performance standby, advance payment standby, counter standby, financial standby, direct pay standby, insurance standby, commercial standby
<b>Contract Guarantees</b>	N 325	1978	2002	World	Buyer	Requires <b>judgment or an arbitral award</b>	Article 9	Buyer cannot directly resort to guaranty, time-consuming	Rarely used	Solely dealing with identifying parties and some detail such as expiry date; not dealing with nature of guarantee	Beneficiary, principal, guarantor	Tender bond (bid bond), performance guarantee, repayment guarantee, advanced payment bond, maintenance bond,
<b>Contract Bonds</b>	N 524 (E)	1993	2000	World	Buyer	<b>Accessory liability; default must be established</b> through certificate by third party or court decision	Articles 3b, 7j	Buyer cannot directly resort to bond, time-consuming	Devised for insurance industry; rarely used	Dealing with claims procedure	Beneficiary, principal, guarantor	performance bond, retention bond, tender bond (bid bond)
<b>Demand Guarantees</b>	N 458	1992	2008	World	Buyer	Payment <b>upon presentation of written demand ONLY</b> , not conditional on actual default	Article 2 b	powerful leverage for buyer, as guarantor must pay upon presentation	Does not apply to suretyship, conditional bonds, guarantees and other accessory undertakings	Demand should be in writing and accompanied by a statement that and in which respect the principle is in default	Beneficiary, principal, guarantor, instructing party	guarantee, performance guarantee, retention guarantee, tender guarantee (bid guarantee), warranty guarantee

### ICC standard rules for all sectors

<b>Force Majeure</b>	N 650	2003	2003	World	Party invoking it	If a party's performance is impeded by an event according to clause 3, the party is relieved from its duty to perform its obligations under the contract and from any liabilities or remedies for the breach of contract.	Article 4, 5	Risks one party has to bear are shifted to the other without compensation.	Commonly used in service and delivery contracts.	extensive off-the-peg list of force majeure events that assists the largest possible number of users. Party invoking to such an event has the burden of proof.	Buyer/ Seller	Only one type. However parties are free to stipulate other force majeure events than these stipulated in off-the-peg force majeure clause.
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