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A Study on Clean Bill of Lading under the Uniform Customs Practices

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Abstract

Purpose – Disputes arising from documentary letter of credit transactions are not decreasing. According to a statistical data from the ICC, 60-70% of letters of credit in use around the world, so, Incoterms rule specifically defines the bill of lading review procedure.

Research design, data, and methodology – The refusal due to large or small inconsistencies in terms and conditions when first presenting documents with bill of lading. First of all, confusion was caused by the ambiguous regulation as the bill of lading is a document that serves as evidence of the transportation contract.

Result – Bill of lading indicates the rights to the cargo as well as a bill of lading, which is evidence of a transportation contract concluded between carriers, is a document that allows a carrier to receive or ship cargo and ship it by sea. It is a security that promises to be delivered through transportation to the rightful holder of the bill of lading.

Conclusion – Because of its importance, the Uniform customs practices for Letters of Credit stipulate acceptance requirements for transport documents, including bills of lading. In addition, the International Standard Banking Practices (ISBP) established by the International Chamber of Commerce also provide supplementary provisions.

Keywords: Bill of lading, Uniform rules for letter of credit, International standard banking practices, Acceptance requirements

JEL Classification Code: M10, M31, F10.

1. Introduction

A bill of lading is securities issued by a shipping company pursuant to a maritime transportation contract between the shipper and the shipping company.

It is a security that is evidence when a shipping company ships or ships goods requested by a shipper to a specific ship and that shipping company has received the goods for the purpose, at the same time, transport the goods to the discharging port of destination to the holder of the security as the consignee or his/her directive in exchange for the security and repayment under certain conditions as well as a security that promises to deliver goods. Since this security is a representative security for the goods, it is subject to delivery or endorsement and may be resold, and the holder of the security is equivalent effect for owning the goods itself.

Due to the proportion of maritime transportation, which currently accounts for most of the international transportation, A bill of lading is a very important commercial document.

The main purpose of this bill of lading is to enable quick and convenient disposal of goods in the possession of the ocean carrier after leaving the shipper. In this sense, the bill of lading embodies the cargo rights specified in the bill of lading and it plays an important role in symbolic delivery and constitutes shipping documents in letter of credit transactions as an important document. The bill of lading is one of the shipping documents used by the exporter to collect the trade payment under the letter of credit.

The issuing bank reviews the document requirements on behalf of the importer. By the way, since letter of credit transaction is an independent transaction against a sales contract, the bank that reviews the documents determines the suitability of the documents to decide suitability based on independent review standards. Accordingly, in this paper, UCP 600 and ISBP 745 regulations are applied regarding bills of lading, which are representative maritime transportation documents.

Based on this, the purpose is to present standards that we analyze the practical points of caution and conduct a document screening process to determine whether the bill of lading is consistent. Additionally, the purpose is to prevent similar-identity disputes by presenting and analyzing practical review standards whether qualifies adaptability of B/L acceptance under UCP 600 and ISBP 745 regulations.

2. Requirements for Acceptance of Bill of Lading

2.1. Date of Loading on Board

In this case, a letter of credit was issued by conditions on UCP 500 which opening bank requests full set (3/3) clean on board ocean bill of lading indicating on board date..., the issuing bank refused payment on the grounds of "Bill of Lading not indicating on board date". However, in the ICC DOCDEX case, it was decided that the issuing bank's claim of discrepancy was not valid because the bill of lading in question complied with the requirements of the relevant letter of credit and UCP 500 Article 23, (a), (ii). According to UCP 500, Article 23, (a), (ii), "The fact that the cargo has been loaded or shipped on board a designated vessel means that the cargo has been loaded or shipped on board a designated vessel on the bill of lading which it may be replaced by text pre-printed on the bill of lading. In this case, the date of issuance of the bill of lading is regarded as the date of loading on board and the date of shipment."

And the actually presented bill of lading says, "Shipped on board the vessels named above..." and "ocean vessel J" were marked, and the place and date of publication were marked "City T, 20 January XXXX." Therefore, "January 20, XXXX," the issuance date of the bill of lading corresponds to the on-board date in question. Also, must the issuance date and shipment date of the bill of lading be the same? The issue was also printed in advance when a bill of lading is issued, there is only one date, which is the date of issuance and at the same time, it is the date of shipment. If a pre-printed bill of lading is issued, the date of issue and the date of shipment may be the same or different. If the two dates are different, the shipment date may be a date before or after the date of issue. Article 23, (a), (ii) of UCP 500 and paragraph 20 (a), (ii) of UCP 600 also provide for both a loading bill of lading and a receiving bill of lading, and provide for the delivery of goods on board a named vessel. Indicating what has been loaded or shipped is a common requirement for shipping bills of lading and receiving bills of lading.

In addition, according to Article 19 (a) (ii) of UCP 600, in case the indication of loading on board when the transport document is changed from a bill of lading to a multimodal transport document, it must be shown that the product is dispatched, taken in or loaded on board. By this article, the multimodal transport document only requires one of indications that the product be shipped, consigned, or loaded on board. However, in the case where the

conditions of the transport document are changed from a bill of lading to a multimodal transport document, even if changes were made to the type of transport documents, no changes were made to loading on board, the combined transport document must indicate that the cargo has been loaded on board.

2.2. Document Consistency

In a letter of credit transaction requiring a shipment confirmation certificate, a confirmation certificate in the same name was presented, but in a sue case where the issuing bank's payment was refused on the grounds of "Shipping company's agent's certificates without showing any reference related to this shipment," the names of the documents were the same in the ICC DOCDEX case. However, it was decided that a document whose relationship with other documents was not recognized was defective. In this sue case, the confirmation certificate issued by the shipping company's agent contained the information required by the letter of credit. However, there is no mention that the information shown on this confirmation certificate relates to shipment under this letter of credit. Accordingly, by itself, It cannot be confirmed that there is any relationship between confirmation certificate and other documents presented by mentioned letter of credit.

Therefore, even in this sue case, the reason for the discrepancy claimed by the issuing bank is pursuant to UCP 500 Article 13 (a) 35), which states, "Documents that do not match on paper are deemed to be inconsistent on paper with the terms and conditions of the letter of credit." is justified.

2.3. Forgery of Bill of Lading

In ICC DOCDEX case where it was alleged that the bill of lading was forged, when reviewing documents, the bank will examine whether the items match the documents based only on the terms and conditions of the letter of credit, UCP, and presented documents.

The issuing bank, confirming bank or nominated bank shall not accept any action unrelated to the documents presented. Regardless of the facts behind it, if the documents match the terms and conditions of the letter of credit on their face, acceptance is possible, which must be paid. However, if fraud is alleged, before any payment, acceptance or purchase is made, clear evidence must be presented to the issuing bank, confirming bank or nominated bank.

This is because the Bank, according to UCP regulations, a decision on whether or not to pay must be made based only on the results of the document review.

Therefore, it was decided that any claim of fraud presented to the bank, either in writing or verbally, is recognized only if there is a court order to stop payment or a similar order.

This fact was supported by another DOCDEX case related to the respondent's additional claim that "the bill of lading in question was forged and fake and the applicant was negligent in his duties when examining the documents."

The claim that the "bill of lading was forged and fake," which the respondent additionally asserted in its response, cannot be disputed if the applicant was not aware of such fraud at the time of purchasing the documents or presenting the documents to the respondent. In addition, regarding the claim that the applicant "neglected his duties," it is clear that banks engaged in letter of credit transactions must fulfill their duty of care when performing their duties.

However, in this case, no evidence can be found that the applicant was dishonest, insincere, or did not exercise due care in performing his or her usual duties, and the respondent has not proven otherwise. Additionally, regarding defects in the documents that were additionally raised, the respondent cannot refuse the applicant's request for repayment for this reason.

This is because none of these defects are specified in the respondent's first notice of defects. In the event of refusal to accept documents due to inconsistency, the bank shall notify the document sender without delay within a prescribed time limit, but the rejection notice shall specify the disposition status of the documents in question, as well as all inconsistencies in which the bank rejects the documents. In case of violating this, the bank's right to file a claim for the documents that are inconsistent with conditions is deprived, and the additional notice of defects transferred is also ineffective. In conclusion, given that defect notice of the same document is only valid once in documentary letter of credit transactions,

unless the applicant knows fraudulent activities at the time of negotiation, the exception of the principle of document transaction cannot be recognized as letter of credit transaction is document transaction and external factors other than documents cannot be considered.

3. Terms and Conditions on Bill of Lading

3.1. Kinds of Backside Terms and Conditions Based on International Agreements

3.1.1. Exception Clause

It refers to the carrier's exception clause, and it is replaced by the backside terms and conditions on bill of lading(B/L) as a matter to avoid claims for damages from the shipper later. Bill of lading has an exemption clause printed backside of bill of lading for many people to whom it may concerned, including cargo carriers, and its contents are stipulated mainly based on international treaties, governing laws, public order, customs, etc. However, in business practice, the application of these exception clauses contradicts the interests of the parties, so if a problem in interpretation arises, the court will finally judge its validity. Major exception clauses are as follows; Negligence Clause, Latent Defect Clause, Deviation Clause, Unknown Clause, Inherent Defect, Articles related to high-priced goods, Clause Limitative, Clause on dangerous goods, New Jason Clause, and General Average Clause, etc.

3.1.2. The Terms and Conditions of Negligence

It refers to terms and Conditions for Carriers' Negligence in Maritime Transport. It is the carrier's exemption terms and conditions listed in most bills of lading, and it is an agreement on whether or not the carrier should compensate for damages caused by intention or negligence of a specific person. The terms and conditions that took effect under the Harter Act of 1893. The errors include 'errors of navigation and management of ship' and 'errors of cargo handling and custody'. 'errors of navigation and management of ship' refers to the negligence of all technical activities, such as the control of the ship by the captain, crew, pilot, and the employee of the ship company. It is recognized as a matter of carrier's exemption. On the other hand, the errors related to the shipment, loading, storage, unloading, and delivery of cargo is called 'errors of cargo handling and custody'. Regardless of the exception clauses, the shipping company cannot claim immunity for damages caused by this negligence and the shipping company is responsible for compensating the shipper.

3.1.3. General Immunities Clause

It refers to terms and conditions in which the carrier, i.e. the shipping company, is not responsible for transportation insurance that applies to maritime transportation, and is also referred to as a 'general exclusion clause'. It is a part of the transportation agreement that prevents shipping companies from demanding responsibility for unstoppable situations even if they do their best to be careful while transporting cargo. Formulated as general terms and conditions can be said to be a regulation that must be accepted by the client requesting transportation. It is in accordance with the 1924 Hague Convention, which stipulates the responsibilities and limitations of shipping companies in relation to maritime transport, and specifically specifies the carrier exemption rule as one of the terms and conditions on backside of the bill of lading. This is specifically stated in the Institute Cargo Clauses (ICC) of the London Insurance Company Association, which has been used consistently since 1982, and is applied as a standard in the international insurance market. Specifically, exemptions clauses such as war, natural disasters, and maritime robbery are as follows.

Intentional misconduct by the insured 2) Normal leakage, reduction of weight and volume 3) Packaging, incomplete preparation, and inadequate 4) Intrinsic defects for insurance purposes 5) Delay 6) Bankruptcy of shippers, charterers, and operators 7) Intentional damage caused by malicious behavior 8) Damage from the use of nuclear weapons 9) Nonconformity with containers, wooden boxes, etc.

3.1.4. Perils Clause

It is said the terms and conditions of insurance stipulate compensation for damages caused by risk. It is a regulation on the risk covered by insurance. It is also referred to as a security risk clause as a risk clause in marine insurance policy. Until 1981, the terms and conditions on the old Institute cargo clause in insurance were applied, but the new Institute Cargo Clause insurance terms and conditions were then applied, and for convenience, the former is called the Old clause and the latter is called the New clause of terms and conditions.

Depending on the extent to which the damage caused by the risk is compensated, the Old clause is divided into TLO (total loss only), free from partial average (FPA), loss with average (W/A), and total risk (A/R:all risks), while the new terms and conditions on clause are divided into ICC(A), ICC(B), and ICC(C). Total loss security is compensated only when the object of the insurance is completely damaged due to the security risk. It is rarely used in real business practice because it does not compensate for losses such as common harm or single harm. In addition

to total losses, partial loss security compensates for damages such as damage prevention costs, rescue costs, special costs, and specific losses.

Divided loss collateral compensates not only for total loss and joint loss, but also for damages caused by single loss. The *avant-garde* Humphreys shall compensate for all damages caused by accidental accidents. However, it does not include the risk of war, alliance strikes, and riots, and in particular, loss, damage, or cost due to damage caused by defects or properties inherent in the cargo and delay in navigation are exempted. ICC(A) is the same as the all-risk on Old clause. It covers all risks except for general immunity risk, non-insensitive non-conforming immunity risk, war immunity risk, and alliance strike immunity risk. ICC(B) specifically lists the security risks that insurers should compensate for by supplementing the fact that the security risk of Old clause divisional loss collateral was not clear. ICC(C) is the insurance condition with the most limited coverage, similar to the Old clause's partial loss security condition.

3.1.5. Policy Conditions

It refers to the terms and conditions of an insurance contract. In a broad sense, it refers to general insurance terms and conditions and special insurance terms and conditions, and in a narrow sense, it refers to general insurance terms and conditions. This is because it is convenient to take the form of ordinary insurance terms and conditions in order to conclude multiple contracts. Common insurance terms and conditions are a kind of common contract terms and conditions that will be the contents of the insurance contract unilaterally prepared by the insurer in advance. This belongs to the Commercial Autonomy Act along with the company's articles of association, and unless there is a special agreement, the contract is concluded with the content, and in fact, the policyholder is required to comply with it, so it corresponds to a conforming contract and is in the form of a collective transaction of a large company. It is customary for insurance terms and conditions to be written on the back of insurance policies, and therefore, the contractor is usually only aware of this through the insurance policy issued after the contract is established. However, despite the contractor's land and site, it is the most important source of law under the Insurance Act because its binding power is recognized by commercial practice and is applied in preference to the Commercial Code.

3.1.6. Deviation Clause

It is one of the exemption terms and conditions of the shipowner and sea carrier listed on the backside of Bill of lading, and is exempted if the ship deviates from the route to receive lifesaving, property rescue, ship repair, and fuel. *outer* (Deviation) is the departure from the route determined by the main line or the change of the route determined by the main line. The Deviation clause of Chapter 41, Article 46 of the Marine Insurance Act (1906) stipulates this as follows.

First, when a route is specifically designated in an insurance policy, when it leaves the route

Second, if this route is not specifically designated in the insurance policy, it is usually when it leaves the customary route. This article stipulates that if a ship deviates from the voyage specified in the insurance policy without a legitimate reason, the insurer will be released from the time it occurs.

3.1.7. Valuable Goods Clause

Transport Terms and Conditions for Expensive Goods in Transport Insurance.

In transportation insurance, the terms and conditions under which the carrier's immunity from high-priced goods is agreed. It is also called a valuation clause when transporting high-priced goods such as precious metals, art artifacts, money, securities, checks, recognition, and high-end goods. In general, the carrier's liability for damages to high-priced goods is limited in a transportation contract. In the event of damage, even if the value of the cargo exceeds the limit, the carrier only has to bear the liability for compensation for the limit. Therefore, when transporting cargo exceeding the liability limit, the carrier must be notified of the value and entered in the transport securities, and additional freight shall be paid and compensated up to that value.

3.1.8. Paramount Clause

The terms and conditions that determine the governing law of the bill of lading.

It is also referred to as a ground clause as one of the carrier's indemnification terms and conditions in sea transport. As the first terms and conditions on the back of the bill of lading, if the bill of lading is used in a domestic law that introduces the Hague rule, the contract of carriage stated in the bill of lading is effective under the Maritime Goods Transport Act of the country that issued the bill of lading. Each country's maritime goods transport law stipulates the contents of the bill of lading, and if it becomes a problem when applying the two laws, it is a provision that can interpret which country's laws are applied first. The United States applies its laws first when its laws and Hague rules conflict.

3.1.9. Affreightment in a General Ship

A contract for the transportation of goods is generally used in the transportation of cargo on a liner as the carrier is entrusted with the transportation of a small amount of cargo from a large number of unspecified shippers. The transport contract of the goods transport contract is not prepared separately, but the transport contract is established by the bill of lading issued by the carrier after shipment. On the backside of bill of lading, various backside terms and conditions are printed in very small letters. This is an easy part for ordinary shippers to overlook. In some cases, when a shipper intends to transport bulk cargo of the same type, a separate special transport contract may be prepared and used.

3.2. Bill of Lading Clause

It is a regulation of the transport conditions between the shipping company and the shipper, and refers to the transport contract terms and conditions that are usually printed or supplemented on the back of the bill of lading, that is, the shipowner's exemption terms. The main targets are the Unknown Clause and General Immunities Clause, which states that they are not responsible for the type, content status, weight, and volume of the shipment.

3.2.1. Short Form B/L

Short form bill of lading is a simple type bill of lading that has the necessary entries as bill of lading, but has recently been widely used mainly in the United States as a simple type without the back terms and conditions found in general bill of lading. Like general bill of lading, this short form bill of lading is also recognized by banks and is mainly used in short-distance routes. In particular, it has been in the spotlight due to the recent increase in e-commerce.

3.2.2. UNCTAD/ICC Rules for Multimodal Transport Documents

It is international unification rules on multimodal transport securities established in 1975 by the International Chamber of Commerce (ICC).

It refers to the international unification rules on multimodal transport securities. It is a rule that focuses on the responsibility of multimodal transport operators, and was established in 1975 by the International Chamber of Commerce (ICC) based on the Tokyo Rules and the TCM Convention. Since then, it has been adopted as the backside terms and conditions of the FIATA (FIATA) Bill of Lading, and has been revised to the FIATA Multimodal Transport Bill of Lading and has been in effect since March 1994. Korea joined in 1979.

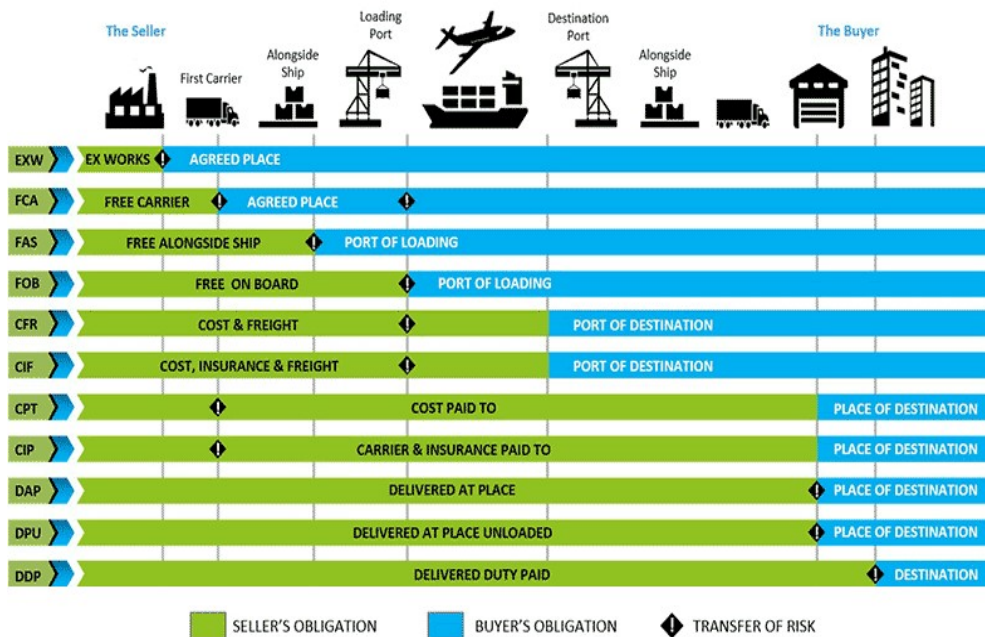


Figure 1: Point of Risk and Cost

In principle, below table indicate seller and buyer's time point of risk transfer including obligation to pay expenses as well as multimodal carrier is responsible from the receipt to delivery of the goods, but it stipulates that it is not responsible for damage caused by the consignee's act or omission, damage caused by alliance strikes, errors in packaging or symbols, insufficient or inherent defects in the shipment. In addition, if the damage section is unclear, the liability limit of multimodal carriers is limited to 30 Poincaré Franc or US\$2.5 per kg, and if the damage section is found, it is required to comply with international treaties or domestic laws applicable to each section.

3.2.3. Sea Waybill

For the purpose of acknowledging the receipt of the goods and informing the outline of the contents of the contract of carriage (but it is customary to be issued in a simple form called short form, not in the full text of the terms and conditions on the back, but in accordance with the same conditions as the terms and conditions that should be applied when issuing the bill of lading), it refers to a document issued to a consignor. Unlike bills of lading, it is not a security that mark and indicate the right to claim delivery of the shipment, but is a simple certificate of evidence, and there is no circulation and exchange is not recognized.

In recent years, maritime waybills are increasingly used in place of bills of lading because of the rapid speed of maritime transport, especially by regular ships, the situation has occurred that the goods cannot be delivered immediately unless the goods arrive at the port of landing faster than the bills of lading reach the consignee and take a guaranteed delivery method. This point is in line with the use of an air waybill with no exchange securities at all for high-speed air transport. In addition, the increase in transportation based on the so-called inhouse trading between the headquarters and overseas branches or between the parent company and foreign subsidiaries also caused no use of the bill of lading, which is a distribution bill, because there is no disposition of the transportation during transportation.

In 1990 (the 34th General Assembly), the "CMI Uniform Rules for Sea Waybills (CMI Uniform Rules for Sea Waybills, Règles Uniformes du CMI relatives aux Lettres de transport maritime) was written by the International Maritime Law, but it is not legally binding, but is a unification rule available by the parties to the contract of carriage. In addition to stipulating when the consignor can exercise the right to dispose of the goods, the requirements of the event, and the contents of the disposition, the rules stipulate that the description of the goods on the sea waybill is evidence that the goods as described above have been received by the carrier, and the carrier and consignee are conclusive evidence as long as the consignee acts faithfully.

4. Cargo Delivery Method and Carrier's Responsibility

4.1. Cargo Delivery Method and Carrier's Responsibility

4.1.1. Holder of Bill of Lading

A maritime transport contract is a contract established when one party takes over the transport of cargo by ship through sea and the other party promises to pay compensation for it (Park, 2015, 2013). In the contract of carriage, the carrier's obligation must receive the shipment from the shipper and deliver it to the rightful consignee at the place of delivery. When a bill of lading is issued under a contract of carriage, the carrier's obligation shall deliver the goods only to the legitimate holder of the bill of lading at the place of delivery. This is the carrier's own debt to the holder of the bill of lading, which is unilaterally issued by the carrier at the request of the shipper after the bill of lading ships the cargo under the contract of carriage. This is because it is a certificate that recognizes only if the cargo is lost before the carrier delivers it to a legitimate consignee, it will be a reason attributable to the carrier and the other party will be liable for damages due to default.

Under British-American law, between the carrier and the holder of the bill of lading, the legal function of the bill of lading is that the goods function as a receipt, as evidence of a contract of carriage. It is functions as a right security. possession of a bill of lading. A person monopolizes the rights of the goods related to the contract of carriage.

The legal function of this bill of lading is also the reason for doing so.

Therefore, Korea's Commercial Law, code 852, the bill of lading is for the carrier to collect the cargo to be issued at the request of the shipper after the order is made.

It's stipulated, and it's not a contract of carriage, but it is functioning as a cargo receipt certificate. Also, as the bill of lading is issued after the contract of carriage is concluded. It's not a shipping contract itself, it means simply on the evidence of the contract. If the contents of the contract of carriage and the contents of the bill of lading issued by shipping company are different, it is basic principle to follow that the concerned parties who involve transportation contract should comply with the contents of the contract of carriage.

4.1.2. The Lawful Effect on the Holder of B/L

The bill of lading is a document unilaterally issued by the carrier after the shipper who signed the maritime transport contract requests issuance for international exchange transactions after shipping the goods, and is intended to give the holder of the bill of lading the right to dispose of the goods. When a bill of lading is transferred to a third party for documentary transactions, it has a separate legal effect from the contract of carriage, which refers to the effect of the bond on the exercise of the right to the bill of lading in relation to the maritime carrier and the holder of the bill of lading, and the effect of the real right on the disposal of cargo existing between the parties to the endorsement or delivery of the bill of lading. Without the presentation of the bill of lading, the cargo cannot be received even if it proves that it is a legitimate recipient in the transport contract. It has the legal effect of the real right effect that the transfer of ownership of the shipment and the establishment of security rights can be made by endorsement or issuance of the bill of lading (Lee, 2013).

A bill of lading is a bill of lading issued by a carrier on behalf of the cargo under the carrier's possession and confirms the right to take over the cargo when someone submits it at the destination, and when a bill of lading is issued by a maritime transport contract, the carrier's duty to transport the cargo to the contractual destination is not limited to transporting, it includes delivering to the legitimate rightful consignee. The carrier is obligated to deliver the goods only as repayment of the bill of lading, and when the goods are delivered without repayment to the bill of lading, the legitimate holder of the bill of lading shall be liable for damages (Korean Supreme Court Decision, 2002).

4.2. The Liability for Damages to the Sea Carrier

The basis for liability for damages to the carrier in the case of delivering the cargo under a transport contract is the transportation contract.

A transport contract is concluded in relation to the consignor and the carrier at the place of shipment, and if damage occurs due to loss, damage, etc. of the shipment, the consignor shall claim liability for compensation under the contract of carriage against the carrier. In the case of delivering cargo under a transport contract, the Commercial Act has special provisions in consideration of the specificity of maritime transport, which requires the consignee to acquire the rights of the consignor based on the transport contract when the cargo arrives at the destination. However, in the case of delivering the cargo by a bill of lading, the basis for liability for damages to the carrier becomes the terms and conditions on the bill of lading.

A bill of lading as a one-sided document that only recognizes claims against carriers. It says that in relation to the holder, who is a third party to the contract of carriage, the carrier must be liable for damages only in accordance with the words of the bill of lading.

This means that the exercise of the right by the bill of lading must be judged only by the text of the bill of lading, and is called the written statement. Therefore, only the holder of the securities will have the right to claim the delivery of the goods under the transport contract according to the words of the securities, and the carrier will be held equally liable for damages in the event of loss of the goods. In other words, the non-delivery of goods and the damage during transportation, the right of the holder of the bill of lading to the carrier for heavy damage or loss is not infringed.

If the holder's rights of the bill of lading are violated, the carrier may be asked for the following liability for damages.

First, if the sea carrier fails to comply with the obligation to deliver the goods to the holder of the bill of lading at the port of landing and delivers it to another person, the carrier violates the duty of care for the delivery of the goods and commits commercial negligence, and if the goods are lost or damaged, the carrier shall be liable for damages caused by commercial negligence it will have to be done towards legitimate holder of the bill of lading.

Second, unless there are special circumstances, the maritime carrier will be responsible for intentional or gross negligence due to the loss of the cargo as well as the liability for default under the contract of carriage if the cargo commended to another person cannot be delivered to the holder of the bill of lading without repayment. The general interpretation of this follows the claim competition theory, which interprets that the liability for default in the transport contract and the liability for tort to the cargo owner are competing, and the right holder is either of them the right of the party to claim damages can also be exercised. The Supreme Court's precedent is judged according to the claim competition theory, and since the carrier's illegal activities are established together, the securities holder

can claim default or illegal activities as the selective cause of claim in order to hold the same accountability. What is important here is that default or illegal acts may cause problems with the governing law depending on the scope of the terms and conditions backside the bill of lading (Kim, 2019).

4. Conclusions

As described above, according to the purpose and method of the study set in the introduction, the eligibility for acceptance of the articles of the bill of lading was considered, focusing on the ICC clauses and ICC cases.

As a result, it was confirmed that the basis and reason for the judgment of which matters stated in the bill of lading in the wreath L/C transaction must match the terms of the L/C to be considered eligible, and that the grounds and reasons were generally supported by the UCP articles and ICC Banking Committee. Therefore, it seems that the ICC articles and DOCDEX decisions that have been accumulated for a long time have been accepted and codified in the bill of lading of Article 20 of the UCP 600 and ISBP 745. Regarding the details of eligibility for acceptance of bills of lading through case analysis, a review based on Article 20 of the UCP 600 and ISBP 745 is as follows.

First, the criteria for interpretation of the comprehensive description of the port of shipment are very different from the existing court precedents. Existing court precedents would not have specified a specific port if the port of shipment was not important in the contract. As long as the port name is specified, it is determined that the port must be fulfilled within the contract period. Additionally, It was the opinion of the existing court that the bank practitioner who examines the documents was not obligated to confirm that the port of shipment was called by another name. It is believed that the ICC DOCDEX expert panel decides contrary to the existing court precedents because it seeks new interpretation standards to revitalize the L/C system.

Second, unlike the letter of credit, the bill of lading in which the goods are described is contrary to the terms of the letter of credit, so the bill of lading may be rejected. However, unlike the case of a commercial invoice, the specification of the goods described in the bill of lading can be written in general terms that do not contradict that of the letter of credit. In some cases, simple typing errors such as errors and typos in the presented documents may be considered defects, but the contents of the bill of lading can be accepted if it is recognized as related to other documents presented and there is no mutual contradiction.

Third, if you did not know the fraud at the time of the document negotiation or presentation, you cannot be subject to dispute, and since the same document is only valid once in the L/C transaction, exceptions to the document transaction principle cannot be recognized unless the applicant knew the fraud at the time of negotiation, so external factors other than documents cannot be considered.

Forth, regarding the acceptance requirements of on board shipping date remarks, the fact that the cargo has been loaded or shipped on the designated ship can be replaced by a pre-printed text on the bill of lading that the cargo has been loaded on the designated ship's main line or has been shipped on the designated ship, and in such cases, the date of issuance of the bill of lading shall be regarded as the on board loading date and shipping date. In addition, it is a common necessity for both the on-board bill of lading and the received bill of lading to indicate that the goods are loaded or shipped on the nominated ship.

Fifth, even if the title of the particular document presented is the same as that of the letter of credit, the acceptance of the document may be rejected if the relevance to the other documents presented is not recognized.

Sixth, the criteria for interpretation of the agreed installment schedule are that the contracted shipping date is an essential element of the contract even in court precedents, and in commercial contracts, the parties to the contract do not specify insignificant content in the contract, and the violation of the contracted period is a clear violation of the contract.

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