

# Call "UCP" UCP When Writing UCP

— Some suggestions to make UCP simpler or less confusing —

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## Abstract

This paper discusses some problems about readability I find in *ICC Uniform Customs and Practice for Documentary Credits, 2007 Revision*, ICC<sup>1</sup> Publication No. 600 (UCP600), and suggests a set of guidelines for writing a more user-friendly UCP. The set of guidelines are mainly based on that of legal writing in plain English, mainly because I regard UCP as a rulebook.

UCP600 is certainly an improved version compared with UCP500<sup>2</sup>, especially in terms of "Plain English"<sup>3</sup>. However, it is still on the way to be a version of complete plain words<sup>4</sup>. It has quite a few problems of "surplus words"<sup>5</sup>, "the passive voice", "elegant variations"<sup>6</sup>, and so forth. They are among the disturbing or incongruous elements of plain English style advocated by Wydick (1998). The style of UCP600 seems to be a little too prose-like rather than that of a rulebook. The style, on the one

<sup>1</sup> ICC stands for International Chamber of Commerce.

<sup>2</sup> The *Uniform Customs and Practice for Documentary Credits, 1993 Revision*, ICC Publication No. 500.

<sup>3</sup> "Plain English" here is particularly for legal writing. See Wydick (1998) for example.

<sup>4</sup> See Gowers (1986) : *The Complete Plain Words*

<sup>5</sup> "Surplus words" are "by", "was", and "by" in the following Sentence (A). Compare it with Sentence (B), and you will find (B) goes without these words but keeps the same meaning. See Wydick (1998) pp. 9–12.

(A) *A trial by jury was requested by the defendant.* (The underlined are mine)

(B) *The defendant requested a jury trial.*

<sup>6</sup> "Elegant variations" is H.W.Fowler's term in his *Modern English Usage* (1926) for the practice of avoiding using the same word twice in close proximity.

hand, increases readability to some extent; however, it often produces slightly circumlocutory sentences, resulting in insidious and creaky prose.

The first chapter of this paper refers to some improvements I find in UCP600. The second discusses some readability problems of UCP600, including "surplus words", "the passive voice", and "elegant variations". The third advances some suggestions for improvements. The fourth, as a conclusion, proposes a set of guidelines for writing a more user-friendly UCP.

While this paper suggests writing in plain English, especially avoiding "elegant variations", when making a UCP, the paper itself enjoys elegant variations. The paper is not a rulebook but an academic article.

## 1. Improvements in UCP600

I find three improvements in UCP600 in comparison with UCP500, while you might find more. One is UCP600's Article 2. The article gives sufficient definitions of key words/phrases and interpretations of common but ambiguous words/phrases such as "until" and "as soon as possible". Another improvement is the way of writing. The sentences and paragraphs are in general much more readable, together with better arrangements of the whole organization or construction of the rules including itemization than those of UCP500. The better readability is partly due to the changes of rules such as no referring to "revocable credit" and the fact that a teletransmitted credit is deemed to be operative. The third improvement is a tendency to use shortened forms or acronyms of names consisting of many words such as UCP.

### 1.1. Definitions and interpretations

#### 1.1.1. Definitions

UCP600 is yet to be helpful enough for the reader/user, but it puts in a special reader/user-oriented article that furnishes definitions of key

words/phrases of UCP600. Providing definitions of key concepts in the beginning is what Takei (2003) suggests on the pages 69-70, though the way of giving information is different from that of UCP600. Among the definitions provided in Article 2 of UCP600, worthy of special mention are "complying presentation", "honour" and "negotiation". "Complying presentation" means, according to UCP600, "a presentation that is in accordance with terms and conditions of the credit, the applicable provisions of these rules and international standard banking practice." Defining the key words/phrases of the text, UCP600, in this case, not only keeps the same meanings and thus pinpoints the truth of the words/phrases, but also economizes wording in the rest of the text. The definition of "honour" gives the reader/user a clear-cut idea of the term as quoted below<sup>7</sup>:

(1) **Honour** means:

- a. to pay at sight if the credit is available by sight payment.
- b. to incur a deferred payment undertaking and pay at maturity if the credit is available by deferred payment.
- c. to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

"Negotiation" is redefined in a sense, given a clear meaning. UCP500 does not specially give the word any obvious definition but leaves the meaning to the reader/user's interpretation based on the conventional practice. UCP600, however, clarifies the meaning as quoted below<sup>8</sup>, though the clear-cut definition does not change essentially the conventional practice.

(2) **Negotiation** means the purchase by the nominated bank of drafts (drawn on

a bank other than the nominated bank) and/or documents under a complying presentation, by advancing or agreeing to advance funds to the beneficiary on or before the banking day on which reimbursement is due to the nominated bank

### 1.1.2. Interpretations

UCP600's interpretations of some common but ambiguous words/phrases are very helpful for the reader/user as shown in the following sentences (3), (4) and (5). The interpretations were out of Takei (2003)'s scope, and I appreciate all the more the scheme of providing such interpretations in the beginning.

- (3) Branches of a bank in different countries are considered to be separate banks.
- (4) Unless required to be used in a document, words such as "prompt", "immediately" or "as soon as possible" will be disregarded.
- (5) The words "to", "until", "till", "from" and "between" when used to determine a period of shipment include the date or dates mentioned, and the words "before" and "after" excludes the dates mentioned.

Most of the interpretational notes are fine certainly, but I find the interpretation guideline (6) questionable.

- (6) Where applicable, words in singular include the plural and in the plural include the singular.

The interpretation note (6) is prone to confuse the reader/user. It may be a result of UCP600's inconsistent principle of wording: UCP600 is still stuck on "elegant variation", which is preached against by experts in legal writing in plain English.

<sup>7</sup> UCP600, p. 19. The bold type is as it is in UCP600.

<sup>8</sup> UCP600, p. 19.

## 1.2. Titled articles but headless sub-articles

With all the remarkable glossary and interpretational guide, UCP600 is still short of reader/user-oriented devices. One of them is a head of an article and its sub-clause. Takei (2003) advanced some suggestions for improving UCP500 or compiling a new version of UCP. One of them was to give an informative heading to every article and sub-article. Even UCP500 provides an article with a brief head and so does UCP600; however, neither of them furnishes any heading to sub-articles. A comparison of the following examples shows how helpful and useful headings are. Example (7) is from UCP500 and Example (8) is mine. A principle of furnishing a head to every article and sub-article would render clearer articles and sub-articles.

## (7) Article 6: Revocable v. Irrevocable

- a. A Credit may be either
  - i. revocable
  - or
  - ii. irrevocable
- b. The Credit, therefore, should clearly indicate whether it is revocable or irrevocable.
- c. In the absence of such indication the Credit shall be deemed to be irrevocable.

## (8) Article 6\* Revocable v. Irrevocable

- a. Indication of "Revocable" or "Irrevocable"  
Credit may be either revocable or irrevocable, and Credit must clearly indicate in the text whether Credit is revocable or irrevocable. Without such indication the Credit is deemed to be irrevocable.
- b. Meaning of Irrevocable Credit  
Except as otherwise provided by Article 48, Irrevocable Credit can neither be amended nor cancelled without the agreement of Issuing Bank, Confirming Bank, if any, and Beneficiary.

## 1.3. Advantages and disadvantages of pseudo-prose style of UCP600

Probably for the sake of readability and the trend of "Plain English", the style of UCP600 is more prose-like than that of UCP500. Compare the following pair (9) and (10), and you will agree with me, at least, to some extent.

## (9) Article 1 Application of UCP

The Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500, shall be applied to all Documentary Credits (including to the extent to which they may be applicable, Standby Letter(s) of Credit) where they are incorporated into the text of the Credit.

## (10) Article 1 Application of UCP

The *Uniform Customs and Practice for Documentary Credits, 2007 Revision*<sup>9</sup>, ICC Publication No. 600 ("UCP") are<sup>10</sup> rules that apply to any documentary credit ("credit") (including, to some extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules.

Nobody would deny that (10) is much easier to read and to grasp the gist than (9). First, UCP600's Article 1 simply defines that UCP600 is a set of rules while UCP500's does not. Second, the latter (10) uses common words in an ordinary expository style while the former (9) is in typically

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<sup>9</sup> Italics (sic.)

<sup>10</sup> Sic. The writers both of UCP500 and UCP600 consider 'The Uniform Customs and Practice for Documentary Credits' a plural concept and they use 'they' to refer to the customs and practice. The treatment is certainly grammatically acceptable; however the fact is that the set of the phrase, 'The Uniform Customs and Practice for Documentary Credits' is practically taken as a proper name like 'The United States' and not a combination of two entities like 'cups and saucers'. "UCP" in (10) seems to be a sign that UCP600's writers followed the manner of UCP500's apparently, but consider the aggregate a proper name and so they treat it by renaming it "UCP".

legalese. The following pair of comparative expressions between the two articles show the difference in style and wording:

- (11) (A1)... ICC Publication No. 500, shall be applied ...  
 (A2)... ICC Publication No. 600 ("UCP") are rules that apply ...
- (11) (B1)... where they are incorporated into the text of the Credit ...  
 (B2)... when the text of the credit expressly indicates that it is subject to these rules ...

The attempt of UCP600 to occasionally inlay everyday words in a prose-like expository style results in two ways: it certainly makes the text appear to be easier than UCP500's, on the one hand; it incurs, however, "surplus words", more instances of "elegant variation" than UCP500. As a result, the UCP600's style carries a kind of dissonance: neither an exposition in plain English nor a rulebook in legal writing; but it is an odd patchwork of them. With all the UCP600's attempt, the sentence construction of (10) is almost the same as (9). The sentence contains five clauses, and roughly speaking, it has five propositions. The number of words used is as many as forty<sup>11</sup> even if the subject part (15 words) is counted as one. In addition, the sentence covers two topics: documentary credit and standby credit. A tentative rewrite in plain English I suggest is (12)

- (12) Article 1 Application of UCP  
*The Uniform Customs and Practice for Documentary Credits, 2007 Revision*<sup>12</sup>, ICC Publication No. 600 ("UCP") are rules that apply to any documentary credit ("credit") with an express indication that it is subject to UCP. Credit includes any standby letter of credit to which

UCP<sup>13</sup> is applicable.

The example (12) consists of two sentences. The first has 20 words if only the subject part is counted as one. The part is an unavoidably long phrase of the official name, and subsequently it should be renamed as UCP. Once the rules are called UCP, the acronym should be used every time without referring to it otherwise; it keeps a simple and easy identification and the economy of language. Pronouns and other substitutes including elegant variations bear occasional ambiguity and often sacrifice brevity.

The first sentence deals with one proposition, which defines what UCP is. The second sentence of 12 words only refers to the relations of "any standby letter of credit" with UCP. A problem might be how to handle the original phrase "to some extent to which they may be applicable". Sir Ernest Gowers' solution is this: "You can usually replace *to the extent that* by *if* or *when*."<sup>14</sup>

#### 1.4. Shorthand names and acronyms

UCP500, written in a conventional legal writing style, uses capitalized names such as "Credit(s)" and "Documentary Credit(s)". UCP600, by contrast, does not capitalize these names. By capitalization UCP500 means special key words/phrases in the text, while UCP600 gives parenthetical shorthand names or acronyms to the key words/phrases like "credit" and "UCP".

Anyway, it seems that both the writers of UCP500 and UCP600 find necessary some special treatments for the terms. I argue for some special treatments of key words/phrases despite Bryan A. Garner's warning

<sup>11</sup> "Keeping your average sentence length to about 20 words" is "Plain English" promoters' maxim. See, for example, Garner (2001)

<sup>12</sup> Italics (sic.)

<sup>13</sup> As discussed in the footnote 10, I treat UCP as singular, just as USA.

<sup>14</sup> Gowers (1986), p. 228

against shorthand names and acronyms.

Garner (2001) criticizes legal writers' conventional use of technical designation such as "Plaintiff" and "Defendant" instead of referring to people and companies by name<sup>15</sup>. Garner also warns would-be plain English writers against habitual use of parenthetical shorthand names like "the money-laundering inquiry (hereinafter 'the Inquiry'))" and "the Bank of New York (hereinafter 'the Bank'))"<sup>16</sup>, and so does he against acronyms like "SQHUW" for "small-quantity handlers of universal wastes", where the acronym is singular in form but plural in sense<sup>17</sup>.

In UCP, however, no particular person nor company is referred to, and "Issuing Bank", "Applicant" and the rest of the designated names are the key words/phrases and hence it is impossible to call them by specific names. Garner's warning covers a practical and specific legal case while UCP is a set of general rules. Hence, he would not reject the use of "Credit" for "any documentary credit", considering it is a keyword. In fact the text is all about the term. Should you refer to the key concept as "any documentary credit (including, to the extent to which they may be applicable, any standby letter of credit)" repeatedly and every time, even Garner would surely suggest the use of "credit" for the long phrase of 18 words. The same can be said with the representation by "UCP" for "The Uniform Customs and Practice for Documentary Credit".

My complaint against UCP600's way of handling of "credit" and "UCP" is the fact that neither of the quotation marks or the acronym apparently exercises the functions in the text. Nor used apparently as key words/phrases are the other key words/phrases such as "applicant", "beneficiary",

<sup>15</sup> Garner (2001), pp. 44-45

<sup>16</sup> Garner (2001), pp. 45-47

<sup>17</sup> Garner (2001), pp. 47-48

and "advising bank" either. They are all used as common words/phrases and often substituted by pronouns and other ways of reference. Because I regard UCP as a rulebook, a kind of legal document, I suggest UCP should be written in the manner of legal writing in plain English. Accordingly, I prefer Richard C. Wydick's comment on elegant variation (13)<sup>18</sup> and his instruction (14)<sup>19</sup> to avoid it. The example (12) calls Credit "Credit" and UCP "UCP" once they are so defined and renamed.

(13) Elegant variation is particularly vexing in technical legal writing. The reader of a legal document is entitled to assume that a shift in terms is intended to signal a shift in meaning.

(14) Do not afraid to repeat a word if it is the right word and if repeating it will avoid confusion.

## 2. Some problems in UCP600 from perspectives of legal writing in plain English

As discussed in Chapter 1, UCP600 makes some attempts to write the text in plain English, but the attempts do not seem to run beautifully. Praiseworthy are the schemes of giving UCP definitions to key words/phrases and of providing UCP interpretations for such everyday-use but indefinite terms as "beginning", "middle" and "end" of a month: They are respectively "the 1st to the 10th", "the 11th to the 20th" and "the 21st to the last day of the month, all dates inclusive", according to the interpretations<sup>20</sup>. Occasional use of familiar words/phrases instead of might-be technical but high-sounding counterparts helps appear easier to read; yet in fact, the result is creaky prose, a hotchpotch of some plain

<sup>18</sup> Wydick (1998), p. 74.

<sup>19</sup> Wydick (1998), p. 74.

<sup>20</sup> See Article 3 of UCP600.

words and vexing sentence constructions.

## 2.1. UCP600 is a patchwork

I do not think that UCP600's writers intended to produce a patchwork, putting together a rather perfunctory adoption of plain English and conventional expressions which seem to have been carried on since the first UCP version. Whatever the intention is, the practice or the process of drawing up UCP600 is tantamount to a mishmash. Apparently the co-authors portioned out the articles to write among them: one took charge of the first several articles, another drafted some, and so forth. The inference of mine comes from the following facts.

### 2.1.1. "Must" gives way to "shall" at Article 10 and thereafter.

From the Article 1 through Article 9, "must" is used where "shall" was used in UCP500 and its predecessors; however, "shall" suddenly appears in Article 10 and the succeeding. The writer of the articles 1-9, in my assumption, might have followed a trend of the British Commonwealth view: "Don't use *shall* for any purpose."<sup>21</sup> From the Article 10 on, different writers might have taken their turns of drafting UCP.

### 2.1.2. Multi-tense/modal conventions undermine the present-tense principle.

Articles 1-9 appear to follow one of Wydick's maxims: "In rule drafting, use the present tense unless you can articulate a sound reason for using the past, future, or other tense"<sup>22</sup>. "One reason for using a tense other than the present tense," he argues, "is to set up a time relationship in the rule."<sup>23</sup> In

<sup>21</sup> See Wydick (1998), pp. 66-67.

<sup>22</sup> See Wydick (1998), p. 65

<sup>23</sup> See Wydick (1998), p. 66

other word, propositions in a rule should be all timeless, as far as the rule goes. Wydick (1998) gives the following "Do This" and "Not This".

(15) Do This	Not This
If contrary information <i>becomes</i> available, a supplemental response <i>is required</i> .	If contrary information <i>has become</i> available, a supplemental response <i>will be required</i> .

It may be a matter of course that Articles 2 and 3 use the present tense because both of the articles are those for definitions of key words/phrases and for UCP interpretations of practical but tricky words/phrase in business. Definition is the act of providing a rule that "credit" is/means "documentary letter of credit" that is subject to UCP", for example. UCP articles are all UCP rules and every sentence that states a rule or rules should be written in the present tense. Yet, Article 10 and the succeeding articles are rich in tenses and modal verbs. The excerpts (16) and (17) from UCP600 are examples for evidence of my claim. The group of sentences in (16) are found in Articles 1-9 while those in (17) are typical ones in the rest of UCP600. (The underlines are mine.)

- (16) (a) Banks are in no way concerned with or bound by such contract, ...  
(Article 4)
- (b) Banks deal with documents and not with goods, services, ... (Article 5)
- (c) An issuing bank undertakes to reimburse a nominated bank ...  
(Article 7)
- (17) (a) As of that amendment the credit will be amended. (Article 10)
- (b) An authorized teletransmission of a credit or amendment will be deemed to be the operative credit or amendment, and any subsequent mail confirmation shall be disregarded. (Article 11)
- (c) Clauses in a bill of lading stating that the carrier reserves the right to transship will be disregarded. (Article 20)

Incidentally, you might perhaps wonder whether there might be any practical difference between "will be disregarded" and "shall be disregarded" in (17) (b) and (c). The practice of using a variety of modal auxiliary verbs is typically that of UCP500's and the predecessors'. Hence I regard the UCP600 manners of drawing up as a mishmash or patchwork.

### 2.1.3. The active voice vs. the passive voice

In addition to the tense/modal choice, interesting is the fact that Articles 1-9 prefer the active voice to the passive, while the succeeding articles use a great deal of the passive voice. The (16) and (17) shows the tendency, though partly. "Prefer the active voice" is a common and fundamental principle of plain English<sup>24</sup>.

### 2.1.4. Overlook? Or omissions through open seams of the patchwork?

Despite the great principle of furnishing the purposeful glossary of UCP's key words/phrases, one of the most important keywords is overlooked. It is "draft" which stands for "bill of exchange". "Draft" in the meaning of "bill of exchange" is technical in financial and commercial terms, and far from being everyday use. In fact, No current learner's English dictionaries, but a few if any, carry the meaning. Yet, the term has been for long one of the commonest words in the commercial and financial world. It has been used as if "draft" were the official name for "bill of exchange". Actually, a lot of conventional L/C templates prefer "draft" to "bill of exchange". The following sentence is from the specimen of L/C on the page 161 of *OXFORD HANDBOOK OF Commercial Correspondence* by A. Ashley. (The underline is mine)

<sup>24</sup> See Garner (2001), pp. 24-27; Cutts (1995), pp. 48-55; Charrow et al (1995), pp. 159-162; Wydick (1998), pp. 29-33.

(18) IN ACCORDANCE WITH INSTRUCTIONS RECEIVED FROM THE DOWNTOWN BANK & TRUST CO. WE HEREBY ISSUE IN YOUR FAVOUR A DOCUMENTARY CREDIT FOR GBP4106 (FOUR THOUSAND ONE HUNDRED AND SIX POUNDS STERLING) AVAILABLE BY YOUR DRAFTS AT SIGHT ...

Certainly the relationship between them is noted in Article 2, the glossary section; however, the description is a mere fraction of the definition of "honour". To show an easier comparison, I repeat (1), the definition of "honour", renumbering it as (19) with the underlined part. (The underline is mine.)

(19) = (1)

**Honour** means:

- a. to pay at sight if the credit is available by sight payment.
- b. to incur a deferred payment undertaking and pay at maturity if the credit is available by deferred payment.
- c. to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

Speaking of technical terms, "draw" needs UCP's definition. The word is certainly the commonest verb to collocate "draft" in the financial and commercial world. In the context, the meaning of the verb is too obvious for the people in the world. So is the meaning of "negotiation", which is a very familiar to the financial dealers. However, the meanings of the words in the financial/commercial world are peripheral and hardly inferable from their meanings for everyday use.

The indifferent treatment of "draft" seems to go hand in hand with that of the meaning of "credit". In contrast to UCP600, UCP500 gives one full article, a full account of the meaning of "credit" and the relations of the keywords/phrases. See (20).

## (20) Article 2 Meaning of Credit

For the purposes of these Articles, the expressions "Documentary Credit(s)" and "Standby Letter(s) of Credit" (hereinafter referred to as "Credit(s)"), mean any arrangement, however named or described, whereby a bank (the "Issuing Bank") acting at the request and on the instructions of a customer (the "Applicant") or on its own behalf,

- i. is to make a payment to or to the order of a third party (the "Beneficiary"), or is to accept and pay bills of exchange (Draft(s)) drawn by the Beneficiary,
- or
- ii. authorises another bank to effect such payment, or to accept and pay such bills of exchange (Draft(s)).
- or
- iii. authorises another bank or negotiates, against stipulated document(s), provided that the terms and conditions of the Credit are complied with.

For the purposes of these Articles branches of a bank in different countries are considered another bank.

The expatiation appears bloated and vexing in style, but the content is essential and fundamental to UCP. UCP600, on the other hand, seems to neglect the importance of a "bird's-eye view" of the relations of UCP key words/phrase, which are main technical terms and parties concerned. Takei (2003) suggests as a tentative conclusion "General Provisions and Definitions", which comprise four articles in Takei (2003)'s revision. They are "Article 1: Application of UCP", "Article 2: Parties Concerned with Credit", "Article 3: Meaning of Credit" and "Article 4: Meaning of Credit Operations: Credits v. Contracts". With these articles Takei (2003) attempts to give the user/reader a general outline of the UCP world in which who are main parties concerned and what they transact with each other, when dealing with "credit". The attempt proves that it is worth furnishing a general view of the relations and roles of the parties concerned before the meaning of "credit". The general view affords a better understanding of the

meaning of "credit", and of an overall perspective of UCP as well. The Article 2, a rough plot of UCP, furnishes a logical basis on which the following article of "meaning of credit" (22)<sup>25</sup> plays the appointed role successfully:

## (21) Article 2. Parties Concerned with Credit

## 2.1. Main Parties: Applicant; Beneficiary; Issuing Bank; Advising Bank

The main parties concerned with Credit are Applicant, Beneficiary and Issuing Bank, Advising Bank. Based on an agreement with Beneficiary and Applicant, Applicant requests Issuing Bank to issue a Credit for Beneficiary on the instructions by Applicant. Advising Bank, by accepting Issuing Bank's request and authorization, advises Beneficiary of the Credit after reasonably careful checking of the apparent authenticity of the Credit. The detailed roles and liabilities of the main parties are stated in the subsequent articles.

## 2.2. Other Parties: Nominated Bank; Confirming Bank; Reimbursing Bank; Transferring Bank.

To facilitate Credit transaction, Issuing Bank may nominate and authorize another or other banks including branches of Issuing Bank in different countries.

## (i) Nominated Bank

Nominated Bank, by accepting Issuing Bank's nomination, carries out for Issuing Bank such transactions as stated in the subsequent relevant articles. Advising Bank, Confirming Bank, Reimbursing Bank and Transferring Bank are each Nominated Bank by the definition. Only Issuing Bank and Nominated Bank can operate Credit.

## (ii) Confirming Bank

Confirming Bank, by accepting Issuing Bank's request and authorization to confirm Credit, carries out such transactions as stipulated in Article 6 and assumes the same liabilities as Issuing Bank does as stated in Article 6.

...

<sup>25</sup> A revision of the tense is given to (22). Takei (2003) goes: "Credit guarantees that Issuing Bank pays Beneficiary"; however here, "will pay" is replaced by the present tense "pays", in accordance with Wydick's maxim.



## 2.3. To be Unconcerned with Credit

Although nominated, requested or authorized by Issuing Bank, banks may opt to be unconcerned with Credit by informing without delay Issuing Bank of the intention not to accept the nomination, request or authorization.

## (22) Article 3. Meaning of Credit

Credit guarantees that Issuing Bank pays Beneficiary if Beneficiary meets the terms and conditions stipulated in the Credit. The ways Issuing Bank fulfills the guarantee are these:

- a. to pay to or to the order of Beneficiary or to accept and pay bills of exchange (Drafts) drawn by Beneficiary;
- b. to authorize Nominated Bank to pay to or to the order of Beneficiary or to accept and pay bills of exchange (Drafts) drawn by Beneficiary; and
- c. to authorize Nominated Bank to negotiate.

The detailed liabilities for payment are stated in Article 6.

## 2.2. UCP600 lacks a grand design

To sum up the above, the patchwork of UCP600 lacks a grand design. The blending of the conventional way and the half-meant adoption of plain English accompanies slips and omissions on the one hand, and tedious but confusing repetitions on the other. As a result, the mixture forces the user/reader to make frequent reference to one article to another. The next section discusses what a poorly organized rule book brings about.

## 2.2.1. Inadequate definitions of the main parties and surplus articles in UCP600.

One of the purposes or effects of providing definitions of key words/phrases is to economize wording in the rest of the text. Inadequate definitions often need redefinitions with some additional information. They are subject to revision from different perspectives, and hence bring about surpluses and needless repetitions.

Among the definitions given in UCP600's Article 2, whose title is "Definitions", those of "complying presentation", "confirmation", "honour" and "negotiation" are satisfactory; however, not only the definition of "credit", which is the essential keyword, but also those of the "main parties" of the credit transaction are by no means exhaustive. One of the essential keywords, "draft", is left out of the list, as referred to above.

The main parties concerned with "credit", include "advising bank", "applicant", "beneficiary", "confirming bank", "issuing bank", and "nominated bank". To cite an example, let me take the definitions of "issuing bank", "credit" and "honour" of Article 2, and the description of Article 7: "Issuing Bank Undertaking". (The underlines are mine.)

(23) **Issuing bank** means the bank that issues a credit at the request of an applicant or on its own half.

(24) **Credit** means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation.

(25) = (19) = (1)

**Honour** means:

- a. to pay at sight if the credit is available by sight payment.
- b. to incur a deferred payment undertaking and pay at maturity if the credit is available by deferred payment.
- c. to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

(26) Article 7: Issuing Bank Undertaking

- a. Provided that the stipulated documents are presented to the nominated bank or to the issuing bank and that they constitute a complying presentation, the issuing bank must honour if the credit is available by:
  - i. sight payment, deferred payment or acceptance with the issuing bank;
  - ii. sight payment with a nominated bank and that nominated bank does not pay;
  - iii. deferred payment with a nominated bank and that nominated

- bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
- iv. acceptance with a nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
  - v. negotiation with a nominated bank and that nominated bank does not negotiate.
- b. An issuing bank is irrevocably bound to honour as of the time it issues the credit.
  - c. An issuing bank undertakes to reimburse a nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the issuing bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not the nominated bank prepaid or purchased before maturity. An issuing bank's undertaking to reimburse a nominated bank is independent of the issuing bank's undertaking to the beneficiary.

Both (23) and (26) state the essential roles of "issuing bank" in UCP. "Issuing bank" is not merely "the bank that issues a credit at the request of an applicant or on its own behalf", but also the bank that makes the undertakings described in (24) and (26). To fully understand (24) and (26), "honour" is the keyword, and its definition is given in (25).

The passages above separately refer to "credit", "issuing bank" only to some extent, and to particulars of "honour" and of "issuing bank's undertakings". As a result, (24), (25) and (26) overlap. The same can be said with "complying presentation" in Article 2 and in Article 15 whose heading is "Complying Presentation" and which describes the phrase in terms of banks' obligation in "credit" transaction:

- (27) Article 15: Complying Presentation
- a. When an issuing bank determines that a presentation is complying, it must honour.

- b. When a confirming bank determines that a presentation is complying, it must honour or negotiate and forward the documents to the issuing bank
- c. When a nominated bank determines that a presentation is complying and honours or negotiate, it must forward the documents to the confirming bank or issuing bank.

They not only overlap in the content but overdo the wording, and consequently increase the user/reader's effort to integrate the jigsaw pieces into a picture of the whole.

The way of giving meanings and the choice of definitions in UCP600 need strategic and systematic policy. The scanty definition of "issuing bank" (23) merely mentions one of the essential roles of "issuing bank", and the role is easily figured out by the name. On the other hand, the other essential role of the issuing bank, which is to carry out the undertakings in the "credit" transaction referred to in (23), is hardly worked out by the name. The information about the second role is far more important than the first for the UCP user/reader, who would not be puzzled at all without (23). In this sense, (21) is yet to be a satisfactory article; it does not cover the undertakings of "issuing bank". Necessary for the UCP user/reader is a comprehensive "picture" that depicts the basic roles and relations of the UCP main parties in connection with "credit" and "honour", as suggested in Chapter 3.

### 2.2.2. A welter of separated and dislocated surpluses

As discussed above, the incomplete list of key words/phrases and the poorly organized articles make a UCP labyrinth. Part of the maze is the following excerpt (28).

- (28) Article 6: Availability, Expiry Date and Place for Presentation
- a. A credit must state the bank with which it is available or whether it is

available with any bank. A credit available with a nominated bank is also available with the issuing bank.

- b. A credit must state whether it is available by sight payment, deferred payment, acceptance or negotiation.
- c. A credit must not be issued available by a draft drawn on the applicant.
- d.i. A credit must state an expiry date for presentation. An expiry date stated for honour or negotiation will be deemed to be an expiry date for presentation.
  - ii. The place of the bank with which the credit is available is the place for presentation. The place for presentation under a credit available with any bank is that of any bank.  
A place for presentation other than that of the issuing bank is in addition to the place of the issuing bank.
- e. Except as provided in sub-article 29 (a), a presentation by or on behalf of the beneficiary must be made on or before the expiry date.

Certainly the title of the article indicates that the article does not focus on a particular subject, but it seems like a catchall that contains different matters which are left out of the definition of "credit". The welter of Article 6 is, therefore, rather distracting to grasp the gist.

The article's purport seems to be more than two. One of them is about the essential contents of a credit. They are (a), (b), and (d.i). On the other hand, neither of (c) and (d.ii) is what a credit must state in it. The effect of (c) is a necessary condition for a "draft" to be drawn under "credit", and (d.ii) states the relations between the place for presentation and that of the bank or banks with which the "credit" is available. The sub-article (e) should fit in (d.i) as an additional note. Even within the article, statements about "expiry date" are separated and as a result, perplexing. An integrated "expiry" sub-article might be (29).

- (29) d.i. A credit must state an expiry date for presentation. An expiry date stated for honour or negotiation will be deemed to be an expiry date for presentation. Except as provided in sub-article 29 (a), a presentation by or on behalf of the beneficiary must be made on or before the

expiry date.

Compared with the separated descriptions about "expiry date" in (28), (29) should be much easier to comprehend.

The underlined part of a. of (28) is tautological because of the definition of "Nominated bank" given in Article 2 of UCP600, which goes as follows:

- (30) **Nominated bank** means the bank with which the credit is available or any bank in the case of a credit available with any bank.

The statement of the sub-article c. of (28) (underlined by me) should be added to the definition of "credit" to consolidate the description like (31):

- (31) **Credit** means any arrangement, however named or described, that is irrevocable, thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation. A credit must not be issued available by a draft drawn on the applicant.

The consolidated example (31) not only enables the user/reader to grasp the matters about "credit" but also dispenses with surplus like the sub-articles in (28).

The same goes with (d.ii) in (28). Bringing together the part (underlined and rearranged from the original by me) and the definition of "presentation" in Article 2 would result in a more comprehensible version (32):

- (32) **Presentation** means either the delivery of documents under a credit to the issuing bank or nominated bank or the documents so delivered. The place for presentation is the place of the bank with which the credit is available. The place for presentation under a credit available with any bank is that of any bank. A place for presentation other than that of the issuing bank is in addition to the place of the issuing bank.

### 3. Some suggestions for a plain-English version of UCP

By "plain English" Cutts (1995) means the following maxim<sup>26</sup> (33):

- (33) The writing and setting out of essential information in a way that gives a co-operative, motivated person a good chance of understanding the document at first reading, and in the same sense that the writer meant it to be understood.

It is a generally applicable maxim, and the guidelines<sup>27</sup> provided are almost all applicable to writing a UCP. However, because UCP is a rulebook, some special principles are necessary in addition to the general guidelines. Basically I follow those provided by Wydick (1998).

#### 3.1. Some general and basic principles in writing a plain UCP

No matter whether it may be a general document or legal one, these are general and basic principles:

- (34) (A) When writing a sentence,  
 (a) Write a sentence that states one main thought.  
 (b) Keep the average sentence length to about 20 words.  
 (c) Prefer the active voice unless there is a good reason for using the passive voice.
- (B) Organizing the information in a way that helps the reader to grasp the gist.

In addition to those above, I suggest a special treatment for the key names, words and phrases of UCP, such as "applicant", "beneficiary", "credit", "draft", "issuing bank" and so forth. I claim that one of the important

<sup>26</sup> Cutts (1995), p. 3

<sup>27</sup> Cutts (1995), pp.9–10 displays a summary of guidelines.

principles in writing a rulebook is to avoid elegant variations. See (13) and (14) in 1.4. Also worth applicable here is Wydick's rule of preferring the singular number and the present tense. See 2.1.2 and (15).

#### 3.2. A special treatment for the key names, words and phrases.

##### 3.2.1. Once so named, keep it.

Section 3.1. refers to the introduction of the principle of "calling UCP UCP", and so does Section 1.4. Once so defined, so called by shorthand name or acronym, the name/word/phrase must not be referred to by any other expressions. Compare the examples (35) and (36). (The underlines are mine).

#### (35) Article 1 Application of UCP

*The Uniform Customs and Practice for Documentary Credits, 2007 Revision*, ICC Publication No. 600 ("UCP") are rules that apply to any documentary credit ("credit") (including, to some extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules.

They are binding on all the parties thereto unless expressly modified or excluded by the credit.

#### (36) Article 1 Application of UCP

*The Uniform Customs and Practice for Documentary Credits, 2007 Revision*, ICC Publication No. 600 ("UCP") are rules that apply to any documentary credit ("credit") with an express indication that it is subject to UCP. Credit includes any standby letter of credit to which UCP is applicable.

UCP is binding all the parties concerned unless Credit expressly modifies or excludes any of the parties.

"These rules" in (35) may be acceptable as a substitute for UCP in a lenient grammar; however a strict and careful writer would not use the demonstrative adjective "these" in the beginning. The demonstrative phrase, strictly

speaking, is used to refer to either the particular things that have been mentioned, or those that are going to be set forth<sup>28</sup>. Hence, the substitutive use of "these rules" for UCP is not very appropriate. More importantly, a comparison of (35) and (36) shows which of the two is easier to understand. Unlike (35), (36) does not cost you any effort to identify "they" and "these rules" with UCP, and "it" with "credit", where UCP is always UCP and so is Credit. Incidentally, not only "these rules" in the introductory phrases (37) of Articles 2 and 3 but also the introductory phrases themselves are awkward.

(37) (A) Article 2: Definitions  
For the purpose of these rules:

(B) Article 3: Interpretations  
For the purpose of these rules:

Considering Article 2 is for the definitions of the key names and words/phrases in UCP, the introductory expression should be one like (A) of (38). Because Article 3 is for UCP's interpretations of the expressions which are usually used in the credit-related documents, Article 3 must make it clear in the introduction such as (B) of (38).

(38) (A) Article 2: Definitions  
The following list is for the definitions of the key names and words/phrases used in UCP.

(B) Article 3: Interpretations  
The following list shows UCP's interpretations of the expressions in the credit-related documents.

<sup>28</sup> See "this" of *MACMILLAN English DICTIONARY*, Second Edition (2007)

### 3.2.2. Treat UCP and Credit as proper nouns.

Article 1 of UCP600 declares that UCP stands for "The *Uniform Customs and Practice for Documentary Credits, 2007 Revision*, ICC Publication No. 600". In accordance with my claim, UCP must be the one and only name and representative for the official name in the rest of the whole text of UCP. UCP is a proper name and goes without any article. UCP is UCP. Article 1 of UCP 600 gives the shorthand term "credit" to "any documentary credit". I suggest here that "credit" should be called "Credit". Then "Credit" stands as the generic term for any documentary credit and any standby letter of credit that are subject to UCP. UCP is a rulebook and the rules do not deal with and are not concerned with a particular "credit", and hence "Credit" does not need any determiner. The example (36) shows the principle.

### 3.2.3. Let "if" be:

UCP600 seems to enjoy a variety of expressions that mean practically and effectively the same like conventional legal documents. Those writers seem to play with "if", "provided", "providing", or "when", by which they "introduce a situation that always has the same result, meaning, or effect"<sup>29</sup>. Let me call it "conditional function". However, "if" has another function: it is the same as "whether" that is "used in indirect question to ask which of the two possibilities is true"<sup>30</sup>. Let me name it "optional function".

Both "provided" and "providing" are the past participle and the present participle of the verb "provide" respectively. The commonest meaning of the verb is the same as that of "give". Accordingly, however, the both words

<sup>29</sup> See "if" of *MACMILLAN English DICTIONARY*, Second Edition (2007)

<sup>30</sup> Compare "whether" of *MACMILLAN English DICTIONARY*, Second Edition (2007)

are ambiguous both in the meaning and function.

To avoid the ambiguity and to make the function clear and simple, necessary is the principle of using only 'if' for the conditional function and only "whether" for the optional function.

### 3.3. The present-tense principle dispels the multi-tense/modal conventions

As Section 2.1.1. refers to, the present-tense principle is suitable for writing a rule book. Because the present tense expresses "what happens regularly" other than "what exists now" and "what is happening now"<sup>31</sup>. If it is ruled that "Credit is irrevocable with or without any indication to that effect", Credit is always irrevocable in the rule. Once so ruled, no longer necessary are such alternatives as "will/shall be" and "be considered to be". Compare (39) and (40). The former is from UCP600 and the latter is mine. (The underlines are mine)

- (39) (a) Branches of a bank in different countries are considered to be separate banks.  
 (b) The expression "on or about" or similar will be interpreted as a stipulation that an event is to occur during a period of five calendar days before until five days after the specified date, both start and end dates included.  
 (c) The terms "first half" and "second half" of a month shall be construed respectively as the 1st to the 15th and the 16th to the last day of the month, all dates inclusive
- (40) (a) Branches of a bank in different countries are separate banks.  
 (b) The expression "on or about" or similar used as the preposition of a certain date means "five calendar days before" and "until five calendar

<sup>31</sup> See "present tense" of *MACMILLAN English DICTIONARY*, Second Edition (2007); see also Leech (1971), pp. 1-2, particularly this: "The Simple Present is suitable for employment in the expression of 'eternal truths', and so is found in scientific, mathematical and other statements made 'for all time'.

days after" the specified date, both start and end dates included. For example, "The sample will reach there on or about 10th September" is interpreted as "The sample will reach there on some day between 5th September and 15th September, both dates included".

- (c) The term "first half" and "second half" of a month mean respectively the 1st to the 15th and the 16th to the last day of the month, all dates included.

I am almost certain that no one could tell any practical difference in the effect between (39) and (40). The underlined example part of (40) (b) helps the user/reader figure out how to interpret the expression.

In the same manner, I also doubt that there should be any clear and effective disparity in the meaning between (41) from UCP600 and (42), which is mine. (The underlines are mine)

- (41) (A)<sup>32</sup> An authenticated teletransmission of a credit or amendment will be deemed to be the operative credit or amendment, and any subsequent mail confirmation shall be disregarded.  
 (B)<sup>33</sup> A document presented but not required by the credit will be disregarded ...
- (42) (A) Credit or amended Credit by authenticated teletransmission is operative. Any subsequent mail confirmation is disregarded.  
 (B) Any document Credit does not require is disregarded...

The discussion above demonstrates that the present tense principle works in writing UCP.

### 3.4. Some modals necessary for writing UCP

The present tense principle is for stating general relations and truths in the UCP world. However, UCP needs to express duty, permission,

<sup>32</sup> (A) is from Article 11, a. of UCP600

<sup>33</sup> (B) is from Article Article 14, g. of UCP600

discretion, and entitlement, too. Following Wydick's and other experts in legal writing in plain English, I suggest "must" for duty, "may" for permission, "should" for discretion and "is entitled to" for entitlement. Here never comes "shall" at all<sup>34</sup>.

### 3.5. Make it integrated and coherent.

As referred to in Section 2.2, UCP600 lacks a grand design. To enable or help the user/reader to understand the contents of UCP, necessary is to integrate the co-related articles that describe a certain term into one article such as (21) and (22). They are, however, tentative versions, and need rearrangements in accordance with the discussions above.

This paper confines the scope to UCP600's Articles 1, 2, 4, 5, 6, 7, 8 and 12. It does not attempt to rewrite the whole but aims to suggest some essential principles of writing a UCP in plain English.

The Articles 2, 4, 5, 6, and 7 refer, in one way or another, to the main parties concerned with "credit" and the key words/phrases of the credit transaction. On the other hand, Article 3 is not closely related to the group of articles. It covers UCP600's interpretations of some common expressions that occur frequently on credit-related documents.

The focus of these articles deal with is "credit". Each of the articles "independently" or separately states some relations between "credit" and some parties or some matters. For example, Article 2, already referred to, gives a list of definitions of the main parties and the key words/phrases. Article 4's title is "Credits v. Contracts" and that of Article 5 is "Documents v. Goods, Services or Performance". The both articles can be organized into a sub-section of an article covering "credit". Article 6, already referred to, is about availability, expiry dates and presentation places about "credit".

<sup>34</sup> See Takei (2001). See also Wydick (1998), pp. 66–67 and Garner (2001), pp. 105–107

The article should be, therefore, included in an article that specifies "credit". Articles 7 and 8 explain the undertakings of the issuing bank's and the confirming bank's respectively. Their undertakings are all related with "credit" that is subject to UCP.600.

Considering these all, I suggest a reorganization of these articles. Part of my suggestion is that Articles 2, 4, 5, 6, 7 and 8 can be reorganized into a comprehensive article which focuses on "credit" and the issuing bank.

In the beginning is Article 1 (43), which introduces what UCP is to "credit". It is followed by Article 2 (44), which describes the gist of "credit" transaction, including the definitions of the key words/phrase and the main parties concerned.

#### (43) Article 1: UCP and Credit

*The Uniform Customs and Practice for Documentary Credits, 2007 Revision*, ICC Publication No.600 ("UCP") is a set of rules for any documentary credit with an express indication as follows:

*This documentary credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No.600.*

The documentary credit subject to UCP is referred to as "Credit" in the rest of the UCP articles. Credit includes any UCP-applicable standby letter of credit.

The number of words of the first sentence of (43) is certainly 30, but if you count the first 14 words as one, which is the official name and its acronym, the rest are 15 words. The second sentence consists of 20 words even if the official name is mentioned. The third sentence has 18 words, and the last one is an arrangement of 8 if the hyphenated word "UCP-applicable" is counted as one. The 14-word official name is repeated there though it is given its acronym. It is unavoidable because the first is indispensable, and so is the second, which is the essential part for a "credit"

to be UCP-applicable. In the succeeding articles, the official name is always represented and replaced by UCP.

(44) Article 2. Credit and Parties Concerned

(A) Credit's Properties

- (i) Credit is Issuing Bank's promise to honour a complying presentation. The terms "honour" and "complying presentation" are defined below.
- (ii) Credit is irrevocable, however named and described.
- (iii) Credit is a separate transaction from any contract on which Credit is based. Credit keeps the banks only dealing with the Credit-related documents but not with goods, services or performances to which the documents may relate.

(B) Essential Statements of Credit

- (i) Credit must state nominated banks that deal with Credit.
- (ii) Credit must state whether Credit is available by sight payment, deferred payment, acceptance or negotiation.
- (iii) Credit must state the expiry date for presentation. The expiry date stated for honour or negotiation is the expiry date for presentation.

(C) Special terms used in Credit

- (i) Accept; acceptance  
To "accept" a bill of exchange ("draft") means to agree to pay the draft. "Acceptance" means agreement to pay a draft.
- (ii) Applicant  
"Applicant" means the party that requests Issuing Bank to issue Credit
- (iii) Banking day  
"Banking day" means a day on which a bank is regularly open in the place where Credit transaction is performed.
- (iv) Beneficiary  
"Beneficiary" means the party for whom Credit is issued.
- (v) Complying presentation  
"Complying presentation" means either the delivery of the documents under the terms and conditions of Credit and international standard banking practice or the documents so delivered.
- (vi) Confirmation; Confirming Bank  
"Confirmation" means to honour or negotiate a complying presentation, in addition to that of Issuing Bank. Confirming Bank is the bank that does the act of confirmation.

(vii) Draw

"Draw" a draft means to write a draft.

(viii) Honour

"Honour" is used as a verb, and also a noun which means the act of the verb. As a verb "honour" means:

- (a) to pay at sight if Credit is for sight payment.
- (b) to guarantee a deferred payment and to pay at maturity if Credit is for deferred payment
- (c) to accept a draft drawn by Beneficiary and pay at maturity if Credit is for acceptance

(ix) Negotiate; negotiation

To "negotiate" a draft means to buy a draft and/or documents under a complying presentation. "Negotiation" is the act of a nominated bank's buying a draft and/or documents under a complying presentation. Negotiation results in advancing or agreeing to advance funds to Beneficiary

(D) Credit Transaction and Parties Concerned

Credit transaction is in general carried out as followed: Based on an agreement with Beneficiary, Applicant requests Issuing Bank to issue a Credit for Beneficiary. Issuing Bank nominates a bank ("nominated bank") or banks that deal with Credit by accepting Issuing Bank's request and authorization. Advising Bank, a nominated bank, advises Beneficiary of the availability of Credit. Under Credit Beneficiary draws a draft and prepares all the documents required to make a complying presentation. A nominated bank honours or negotiate the draft and documents under a complying presentation and forwards to the draft and documents to Issuing Bank, or to Confirming Bank if Credit needs confirmation. Confirming Bank honours or negotiates the draft and documents under a complying presentation and forwards the draft and documents to Issuing Bank.

(E) Reimbursement: Guarantee by Issuing Bank or Confirming Bank to Nominated Bank

Issuing Bank reimburses the nominated bank that has honoured or negotiated the draft and documents under a complying presentation and forwarded the draft and documents to Issuing Bank. If Credit needs confirmation, Confirming Bank reimburses the nominated bank that has honoured or negotiated a complying presentation and



forwarded the draft and documents to Confirming Bank. If Credit is for acceptance or deferred payment, reimbursement is due at maturity, whether or not the nominated bank prepaid or negotiated the draft and documents under a complying presentation. Reimbursement is independent of Credit transaction with Beneficiary.

The suggested Article 2 (44) is certainly voluminous, but it would dispense with Article 7 (45), 8 and 15 of UCP600. The way would not only compact the contents of UCP600 but also streamline the gist of the main parties concerned with UCP. Moreover, Article 7 does not follow the definitions of "honour" and "negotiate". The objects of these verbs, according to their definitions (1) and (2), are "a draft and/or documents", and not "a complying presentation", which is treated as the indispensable condition to fulfill the act of honour and negotiation. In Article 7, however, "a complying presentation" is the object of the verbs, "honour" and "negotiate": the parts are underlined in (45) by me. The fact shows UCP600 lacks consistency in treating key words/phrases.

(45) Article 7: Issuing Bank Undertaking

- a. Provided that the stipulated documents are presented to the nominated bank or to the issuing bank and that they constitute a complying presentation, the issuing bank must honour if the credit is available by:
  - i. sight payment, deferred payment or acceptance with the issuing bank;
  - ii. sight payment with a nominated bank and that nominated bank does not pay;
  - iii. deferred payment with a nominated bank and that nominated bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
  - iv. acceptance with a nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
  - v. negotiation with a nominated bank and that nominated bank does not negotiate.

- b. An issuing bank is irrevocably bound to honour as of the time it issues the credit.
- c. An issuing bank undertakes to reimburse a nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the issuing bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not the nominated bank prepaid or purchased before maturity. An issuing bank's undertaking to reimburse a nominated bank is independent of the issuing bank's undertaking to the beneficiary.

#### 4. Conclusion

As a user/reader of UCP600, I suggest a revision in terms of legal writing in plain English. For writing a more readable and better-schematized UCP, I propose the following guidelines based on the wisdom of such advocates for legal writing in plain English as Dickerson, Garner, and Wydick:

(46) Guidelines for a Revised UCP

- (A) Organize the whole text so that the user/reader may easily grasp what a documentary credit ("credit") in UCP.
  - (a) Give an outline of a typical credit transaction, specifying what roles the main parties concerned with the transaction play and what are key words/phrases with their specific definitions in UCP.
  - (b) Give a heading to every article and sub-article.
  - (c) Give a comprehensive description of credit in an article.
  - (d) Never repeat the same content in a different way in another article.
  - (e) Give a list of UCP interpretations for ambiguous or undefined expressions, such as "the first half of" September. UCP600 gives an article for interpretations.
- (B) When writing a sentence,
  - (a) Write a sentence that states one main thought.
  - (b) Keep the average sentence length to about 20 words.
  - (c) Prefer the active voice unless there is a good reason for using the passive voice.
  - (d) Prefer the singular number and the present tense. Use "must" to express duty, "may" to express permission, "should" to express

discretion and "is entitled to" to express entitlement, when necessary.

- (e) Avoid elegant variation.
- <1> Treat main parties as proper nouns.
  - <2> Treat credit as a proper noun, "Credit".
  - <3> Avoid using pronouns and other substitutes.
  - <4> Keep using one word/phrase for one meaning and never use its substitutes. For example, keep using "if" for introducing a situation that may happen or may be real, and never use "provided" and other substitutes.
  - <5> Give a shorthand form or acronym to a polysyllabic word or a multi-word compound phrase that is frequently used in UCP. An example is UCP that stands for the Uniform Customs and Practice for Documentary Credits. However, minimize the number of such shorthand forms and acronyms for the user/reader to keep them within their memory. The following are very likely to be enough: "Credit" for a documentary credit subject to UCP, "draft" for a bill of exchange, and "UCP" for the Uniform Customs and Practice for Documentary Credits.

In sum, the authors and editors of a new UCP must discuss a grand design and make a coherent set of guidelines for writing a revised version. They must write a new UCP for the user/reader to understand it at first reading and in the same sense that they mean it to be understood.

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