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## Top 10 LC Discrepancies

Extracted from  
LC Survey by  
Standard Chartered Bank



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## Top 10 Discrepancies

<b>Discrepancy</b>	<b>Reason</b>	<b>Responsibility</b>
<b>1.Inconsistent data</b>	<b>Different information between the different documents.</b>	<b>Exporter</b> FREQUENCY :5
<b>2.Absence of documents</b>	<b>Documents required by the letter of credit are missing</b>	<b>Exporter</b> FREQUENCY:1



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<b>Discrepancy</b>	<b>Reason</b>	<b>Responsibility</b>
<b>3. Partial shipment effected</b>	<b>Shipment done partially whereas L/C prohibits</b>	<b>Exporter</b>
<b>4. Late presentation</b>	<b>Documents presented later than 21 days after shipment or after numbers days stated in LC</b>	<b>Exporter</b> FREQUENCY:4 POINT TO NOTE: ALWAYS CHECK WHERE THE LC IS EXPIRING



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<b>Discrepancy</b>	<b>Reason</b>	<b>Responsibility</b>
<b>5. Carrier not named and signing capacity</b>	<b>The name of the carrier on the transport doc is missing/ unspecified signing capacity</b>	<b>The transport provider</b> FREQUENCY: 4 POINT TO NOTE: B/L SHOULD NOT INDICATE 2 CARRIER'S NAME (OCCURRED TWICE)
<b>6. Incorrect data</b>	<b>Information on the set of documents is not in conformity with the LC</b>	<b>Exporter</b> FREQUENCY:20



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<b>Discrepancy</b>	<b>Reason</b>	<b>Responsibility</b>
<b>7. Letter of credit expired</b>	<b>Documents presented after the letter of credit has expired</b>	<b>Exporter</b> FREQUENCY:1
<b>8. Incorrect goods description</b>	<b>The goods description on the documents differs from that on the letter of credit</b>	<b>Exporter</b> Frequency :2



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## Top 10 Discrepancies

<b>Discrepancy</b>	<b>Reason</b>	<b>Responsibility</b>
<b>9. Incorrect or absence of endorsement</b>	<b>BL, Insurance certificate or bill of exchange not endorsed by the exporter or other party</b>	<b>Exporter or insurance company</b>
<b>10.Late Shipment</b>	<b>Goods shipped after the last date given for shipment</b>	<b>Exporter/carrier FREQUENCY:2</b>



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## Consequences of Non-Compliance

- **Additional processing cost**
- **Delaying clearance of goods**
- **Potential loss of business**



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**Majority of the discrepancies could be dealt with by exporter**

- Well planned strategy for dealing with LC and well trained staff
- Training is also an important part of ensuring smooth and efficient letter of credit. One very important issue that should be dealt with on training courses is UCP600 & ISBP