

NOTICE	When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank decides to refuse to honour or negotiate, it must give a single notice to that effect to the presenter.
THE NOTICE MUST STATE	<ol style="list-style-type: none"> 1. that the bank is refusing to honour or negotiate 2. each discrepancy, and 3. disposal of documents
TIME	no later than the close of the fifth banking day following the day of presentation.
MEANS	by telecommunication or, if that is not possible, by other expeditious means.**
Art. 16 c UCP 600 ICC:	<p>c. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank decides to refuse to honour or negotiate, it must give a single notice to that effect to the presenter.</p> <p>The notice must state:</p> <ol style="list-style-type: none"> i. that the bank is refusing to honour or negotiate; and ii. each discrepancy in respect of which the bank refuses to honour or negotiate; and iii. * <p>a) that the bank is holding the documents pending further instructions from the presenter; or b) that the issuing bank is holding the documents until it receives a waiver from the applicant and agrees to accept it, or receives further instructions from the presenter prior to agreeing to accept a waiver; or c) that the bank is returning the documents***; or d) that the bank is acting in accordance with instructions previously received from the presenter.</p>
Art. 16 e UCP 600 ICC:	e. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may, after providing notice required by sub-article 16 (c) (iii) (a) or (b), return the documents to the presenter at any time.
Art. 16 f UCP 600 ICC:	f. If an issuing bank or a confirming bank fails to act in accordance with the provisions of this article, it shall be precluded from claiming that the documents do not constitute a complying presentation.

*: three options are for the nominated bank acting on its nomination and for the confirming bank. Four options are for issuing bank.

This chart is intended to offer a general overview. For further details, please consult the official UCP 600/ISBP publications and ICC Opinions. The content has been prepared with care and to the best of our knowledge; however, no liability is assumed for its timeliness, completeness, or accuracy.

****:** *MT 734 Advice of Refusal:* This message is sent by the issuing bank to the bank from which it has received documents related to a documentary credit. It may also be sent by the bank nominated to pay/accept/negotiate/incur a deferred payment undertaking to the bank from which it has received documents. The Sender considers the documents, as they appear on their face, not to be in accordance with the terms and conditions of the credit and that, consequently, it refuses them for the discrepancies stated.

Field 77B MT 734: Disposal of Documents Codes:

HOLD Documents held pending further instructions from the presenter

NOTIFY Documents held until the issuing bank receives a waiver from the applicant and agrees to accept it, or receives further instructions from the presenter prior to agreeing to accept a waiver

PREVINST Acting in accordance with instructions previously received from the presenter

RETURN Documents being returned to you

*****:** A bank stating that documents are being returned is obliged to return them promptly, otherwise is breach of its obligation to return.

ART. 16 UCP 600 ICC: Discrepant Documents, Waiver and Notice

- a. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank determines that a presentation does not comply, it may refuse to honour or negotiate.
- b. When an issuing bank determines that a presentation does not comply, it may in its sole judgement approach the applicant for a waiver of the discrepancies. This does not, however, extend the period mentioned in sub-article 14 (b).
- c. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank decides to refuse to honour or negotiate, it must give a single notice to that effect to the presenter.

The notice must state:

- i. that the bank is refusing to honour or negotiate; and ii. each discrepancy in respect of which the bank refuses to honour or negotiate; and
 - iii. a) that the bank is holding the documents pending further instructions from the presenter; or
 - b) that the issuing bank is holding the documents until it receives a waiver from the applicant and agrees to accept it, or receives further instructions from the presenter prior to agreeing to accept a waiver; or
 - c) that the bank is returning the documents; or
 - d) that the bank is acting in accordance with instructions previously received from the presenter.
- d. The notice required in sub-article 16 (c) must be given by telecommunication or, if that is not possible, by other expeditious means no later than the close of the fifth banking day following the day of presentation.
 - e. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may, after providing notice required by sub-article 16 (c) (iii) (a) or (b), return the documents to the presenter at any time.
 - f. If an issuing bank or a confirming bank fails to act in accordance with the provisions of this article, it shall be precluded from claiming that the documents do not constitute a complying presentation.
 - g. When an issuing bank refuses to honour or a confirming bank refuses to honour or negotiate and has given notice to that effect in accordance with this article, it shall then be entitled to claim a refund, with interest, of any reimbursement made.