

Summary

My thesis is focused on documentary credit and collection, that are used very often in international trade. Most of them were evolved by the common law. In order to decrease the risk level and the intensity of cash payments, there were developed some new instruments, which should make the process of payments for goods easier. Both types of payments are intermediated by banks, because of their credibility and ability to meet their liabilities duly. It is also necessary to detect the character of the trading partner, his financial situation and power, reliability and trading experiences, that is why several forms of documentary credit and documentary collection were discussed and porovnany.

Documentary collection is a special kind of payment instrument. First the bank takes over from exporter the documents, necessary for disposal with the goods, and a collecting order. Then it sends these documents to the foreign bank (assumedly in importer's country), where they are taken over by the importer against his payment or acceptance of the bill of exchange. This payment instrument does not also provide any provision of exporter's claims (he does not have any guarantee that the accepted bill of exchange will be cleared or the sent goods handled). In my opinion the documentary collection should be furthermore secured by the bank guarantee.

A standard, commercial letter of credit is a document issued mostly by a financial institution, used primarily in trade finance, which usually provides an irrevocable payment undertaking. It is addressed to a beneficiary, setting out an undertaking to honor a specified demand for payment if and when such demand is made by the letter of credit's beneficiary. A letter of credit transaction involves, as the issuer, a bank or a financial institution which issues credit in favour of a designated beneficiary at the instructions of a given applicant for credit. The applicant is usually a customer or account party of the issuer, and must have a contractual relationship with the issuer.

In addition to the issuing bank, there may also be an intermediary advising bank, which gives written notification of the issuance of a letter of credit by the issuing bank to the beneficiary and disburses funds for the account of the issuing bank, and/or a confirming bank, which may undertake that it will honor a credit issued by the issuing bank or that such a credit will be honored by the issuer or by another bank (such as a subsidiary of the confirming bank).

In the case that the beneficiary wishes to draw on the letter of credit, the beneficiary must make a documentary demand for payment in accordance with the formal terms of the letter of credit. Such a demand for payment will be honored by the issuer only upon satisfaction of the terms for making a demand, as set forth in the letter of credit. This may include the presentation by the beneficiary of certain evidentiary documents, such as title deeds, invoices, certificates, notices and receipts.

The beneficiary's legal right to receive payment upon demand under the letter of credit under specified circumstances, and the issuer's obligation to pay upon such demand under the letter of credit, arise upon the issuance of the letter of credit and remain in effect per the terms and effective period of the letter of credit. However, only upon a satisfactory demand for payment by the beneficiary is the issuer obliged to make actual payment to the beneficiary.

Article 2 of the UCP 600 defined credit as "any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honor a complying presentation." The concept is articulated more fully in UPC 500, which contains in article 2 the following definition: "For the purposes of these Articles, the expressions "Documentary Credit" and "Standby Letters of Credit", mean any arrangement, however named or described, whereby a bank (the issuing bank) acting at the request and on the instruction of a customer (the Applicant) or on its own behalf,

1. is to make a payment to or to the order of a third party, or is to accept and pay bills of exchange drawn by the Beneficiary,

or

2. authorizes another bank to effect such payment, or to accept and pay such bills of exchange.

or

3. authorises another bank to negotiate,

against stipulated document, provided that the terms and conditions of the Credit are complied with³⁷.

In this thesis I mentioned what are the historical roots of Documentary Credit and how I see the future development in connection with utilization of internet. Documentary Credit has an English origin and its beginnings reaches to 15th century but this mean of

³⁷ ICC Jednotné zvyklosti a pravidla pro dokumentární akreditivy (UCP 500) a Dodatek k UCP 500 pro elektronickou prezentaci (e UCP) verze 1.0, ICC Česká republika, Praha, 2002, s. 17

payment is still dynamically developing itself and plays very important role in international trade at all in what has very significant merit the International Chamber of Commerce in Paris.

Documentary collection is more secure for buyer and to a certain extent to seller. Subject to ICC's URC 525, sight and usance, for delivery of shipping documents against payment or acceptances of draft, where shipment happens first, then the title documents are sent to the (collecting bank) buyer's bank by seller's bank (remitting bank), for delivering documents against collection of payment/acceptance

Klíčová slova

Akreditiv

Inkaso

Jednotné zvyklosti a pravidla pro
dokumentární akreditivy

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Letter of credit

Collection

Uniform Customs and Practice for
Documentary Credits