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ICC's Comments on draft explanatory note on the convention on negotiable cargo documents

1. ICC Global Banking Commission would like to express our great appreciation to the UNCITRAL Secretariat for preparing the draft explanatory note on the convention on negotiable cargo documents. We have the honour of longstanding engagement in UNCITRAL's work in the development of the draft Convention on Negotiable Cargo Documents (NCD Convention).

2. To ensure swift adoption and ratification of the NCD Convention, and to help businesses in our members' countries benefit from the NCD Convention, we sent a "Template Letter to Regulators" on the Convention to our National Committees on 27th November 2025, encouraging our National Committees to adapt and personalize the Template Letter for their jurisdiction, send it to relevant government ministries or regulatory bodies involved in trade, transport, or finance, and share feedback or responses received, so we can track momentum and coordinate follow-up efforts.

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3. We appreciate the considerable explanations reflective of the trade finance practice by banks, for example, in paragraph 3, 17, 54, 60, 79, 83, 85, 87, 98, 105, 116, 139, and 140. We consider most of these explanations very important and valuable in correct understanding the application and use of the Convention.

4. We suggest that the benefits of using an electronic NCD are further elaborated in paragraph 5 about avoiding the risks of multiple paper NCDs mentioned in paragraph 5 and paragraph 75 by cross referencing to paragraph 171.

5. We suggest that a practice example be added in paragraph 171 for supportive evidence regarding the singularity, for example, “ICC eUCP rule is in alignment with MLETR in respect of issues pertaining to electronic transferable records. For an LC issued subject to ICC eUCP rule, any requirement for presentation of one or more originals or copies of an electronic record is satisfied by the presentation of one electronic record.”

6. We fully support the explanatory notes regarding the protection of third party holders by the rule in paragraphs such as 105, 125, 139 and

etc. These paragraphs clearly reflect the importance of sole reliance of the NCD in practice by third party holders, especially for banks in trade finance transactions. This protection principle has been extensively deliberated during the drafting of the Convention by the Working Group. We appreciate the consensus reached by the Working Group to adhere such protection principle of solely reliance on the NCD by third party holders acting in good faith, so as to encourage confidence in the NCD's reliability and facilitates its circulation in commercial and financial markets.