**URR 525**

ENERAL PROVISIONS AND DEFINITIONS

**Article 1**- Application of URR. The Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits ("Rules"), ICC Publication No. 525, shall apply to all Bank-to-Bank Reimbursements where they are incorporated into the text of the Reimbursement Authorization. They are binding on all parties thereto, unless otherwise expressly stipulated in the Reimbursement Authorization. The Issuing Bank is responsible for indicating in the Documentary Credit ("Credit") that Reimbursement Claims are subject to these Rules.
In a Bank-to-Bank Reimbursement subject to these Rules, the Reimbursing Bank, acts on the instructions and/or under the authority or the Issuing Bank.
These Rules are not intended to override or change the provisions of the ICC Uniform Customs and Practice for Documentary Credits.

**Article 2**- Definitions. As used in these Rules, the following terms shall have the meanings specified in this Article and may be used in the singular or plural as appropriate :
a. "Issuing Bank" shall mean the bank that has issued a Credit and the Reimbursement Authorization under that Credit.
b. "Reimbursing Bank" shall mean the bank instructed and/or authorized to provide reimbursement pursuant to a Reimbursement Authorization issued by the Issuing Bank.
c. "Reimbursement Authorizations" shall mean an instruction and/or authorization independent of the Credit, issued by an Issuing Bank to a Reimbursing Bank to reimburse a Claiming Bank, or, kf so requested by the Issuing Bank, to accept and pay a time draft(s) drawn on the Reimbursing Bank.
d. "Reimbursement Amendment" shall mean an advice from the Issuing Bank to a Reimbursing Bank stating changes to a Reimbursement Authorization.
e. "Claiming Bank" shall mean a bank that pays, incurs a deferred payment undertaking, accepts draft(s), or negotiates under a Credit and presents a Reimbursement Claim to the Reimbursing Bank. "Claiming Bank" shall include a bank authorized to present a Reimbursement Claim to the Reimbursing Bank on behalf of the bank that pays, incurs a deferred payment undertaking, accepts draft(s), or negotiates
f. "Reimbursement Claim" shall mean a request for reimbursement from the Claiming Bank to the Reimbursing Bank.
g. "Reimbursement Undertaking" shall mean a separate irrevocable undertaking of the Reimbursing Bank, issued upon the authorization or request of the Issuing Bank, to the Claiming Bank named in the Reimbursement Authorization, to honour that bank's Reimbursement Claim provided the terms and conditions of the Reimbursement Undertaking have been complied with.
h. "Reimbursement Undertaking Amendment" shall mean an advice from the Reimbursing Bank to the Claiming Bank named in the Reimbursement Authorization, stating changes to a Reimbursement Undertaking.
i. For the purposes of these Rules branches of a bank in different countries are considered separate banks.

**Article 3**- Reimbursement Authorization Versus Credits. A Reimbursement Authorization is separate from the Credit to which it refers, and a Reimbursing Bank is not concerned with or bound by the terms and conditions of the Credit, even if any reference whatsoever to the terms and conditions of the Credit is included in the Reimbursement Authorization.

B. LIABILITIES AND RESPONSIBILITIES

**Article 4**- Honour of a Reimbursement Claim. Except as provided by the terms of its Reimbursement Undertaking a Reimbursing Bank is not obligated to honour a Reimbursement Claim.

**Article 5** - Responsibilities of the Issuing Bank. The Issuing Bank is responsible for providing the information required in these Rules in both the Reimbursement Authorization and Credit and is responsible for any consequences resulting from noncompliance with this provision.

C. FORM AND NOTIFICATION OF AUTHORIZATIONS,
AMENDMENTS AND CLAIMS

**Article 6.** - Issuance and Receipt of a Reimbursement Authorization or Reimbursement Amendment. a. All Reimbursement Authorizations and Reimbursement Amendments must be issued in the form of an authenticated tele-transmission or a signed letter.
When a Credit, or amendment thereto which has an effect on the Reimbursement Authorization, is issued by tele-transmission, the Issuing Bank should advise its Reimbursement Authorization or Reimbursement Amendment to the Reimbursing Bank by authenticated tele-transmission.
The tele-transmission will be deemed the operative Reimbursement Authorization or the operative Reimbursement Amendment and no mail confirmation should be sent. Should a mail confirmation nevertheless be sent, it will have no effect and the Reimbursing Bank will have no obligation to check such mail confirmation against the operative Reimbursement Authorization or the operative Reimbursement Amendment received by tele-transmission.
b. Reimbursement Authorizations and Reimbursement Amendments must be complete and precise. To guard against confusion and misunderstanding, Issuing Bank must not send to Reimbursing Banks :
i. a copy of the Credit or any part thereof or a copy of an amendment to the Credit in place of, or in addition to, the Reimbursement Authorization or Reimbursement Amendment. If such copies are received by the Reimbursing Bank they shall be disregarded ;
ii. multiple Reimbursement Authorizations under one tele-transmission or letter, unless expressly agreed to by the Reimbursing Bank.
c. Issuing Bank shall not require a certificate of compliance with the terms and conditions of the Credit in the Reimbursement Authorization.
d. All Reimbursement Authorizations must (in addition to the requirement of Article 1 for incorporation of reference to these Rules) state the following :
i. Credit number ;
ii. currency and amount ;
iii. additional amounts payable and tolerance, if any ;
iv. Claiming Bank or, in the case of freely negotiable credits, that claims can be made by any bank. In the absence of any such indication the Reimbursing Bank is authorized to pay any Claiming Bank ;
v. parties responsible for charges (Claiming Bank's and Reimbursing Bank's charges) in accordance with Article 16 of these Rules.
Reimbursement Amendments must state only the relative changes to the above and the Credit number.
e. If the Reimbursing Bank is requested to accept and pay a time draft(s), the Reimbursement Authorization must indicate the following, in addition to the information specified in (d) above :
i. tenor of draft(s) to be drawn ;
ii. drawer ;
iii. party responsible for acceptance and discount charges, if any.
Reimbursement Amendment must state the relative changes to the above.
Issuing Banks should not require a sight draft(s) to be drawn on the Reimbursing Bank.
f. Any requirement for :
i. pre-notification of a Reimbursement Claim to the Issuing Bank must be included in the Credit and not in the Reimbursement Authorization ;
ii. pre-notification of a Reimbursement Claim to the Issuing Bank must be indicated in the Credit.
g. If the Reimbursing Bank is not prepared to act for any reason whatsoever under the Reimbursement Authorization or Reimbursement Amendment, it must so inform the Issuing Bank without delay.
h. In addition to the provisions of Articles 3 and 4. Reimbursing Banks are not responsible for the consequences resulting from non-reimbursement or delay in reimbursement of Reimbursement Claims, where any provision contained in this Article is not followed by the Issuing and/or Claiming Bank.

**Article 7** - Expiry of a Reimbursement Authorization. Except to the extent expressly agreed to by the Reimbursing Bank, the Reimbursement Authorization must not have an expiry date or latest date for presentation of a claim except as indicated in Article 9.
Reimbursing Banks will assume no responsibility for the expiry date of Credit and if such date is provided in the Reimbursement Authorization it will be disregarded.
The Issuing Bank must cancel its Reimbursement Authorization for any unutilized portion of the Credit to which it refers, informing the Reimbursing Bank without delay.

**Article 8**- Amendment or Cancellation of Reimbursement Authorizations. Except where the Issuing Bank has authorized or requested the Reimbursing Bank to issue a Reimbursement Undertaking as provided in Article 9 and the Reimbursing Bank has issued a Reimbursement Undertaking :
a. The Issuing Bank may issue a Reimbursement Amendment or cancel a Reimbursement Authorization at any time upon sending notice to that effect to the Reimbursing Bank.
b. The Issuing Bank must send notice of any amendment to a Reimbursement Authorization that has an effect on the reimbursement instructions contained in the Credit to the nominated bank or, in the case of a freely negotiable Credit, the advising bank. In the case of cancellation of the Reimbursement Authorization prior to expiry of the Credit, the Issuing Bank must provide the nominated bank or the advising bank with new reimbursement instructions.
c. The Issuing Bank must reimburse the Reimbursing Bank for any Reimbursement Claims honoured or draft(s) accepted by the Reimbursing Bank prior to the receipt by it of notice of cancellation or Reimbursement Amendment.

**Article 9**- Reimbursement Undertakings. a. In addition to the requirements of sub-Article 6 (a), (b) and (c) of these Rules, all Reimbursement Authorizations authorizing or requesting the issuance of a Reimbursement Undertaking must comply with the provisions of this Article.
b. An authorization or request by the Issuing Bank to the Reimbursing Bank to issue a Reimbursement Undertaking is irrevocable ("Irrevocable Reimbursement Authorization") and must (in addition to the requirement of Article 1 for incorporation of reference to these Rules ) contain the following :
i. Credit number ;
ii. currency and amount ;
iii. additional amounts payable and tolerance, if any ;
iv. full name and address of the Claiming Bank to whom the Reimbursement Undertaking should be issued ;
v. latest date for presentation of a claim including any usance period ;
vi. parties responsible for charges (Claiming Bank's and Reimbursing Bank's charges and Reimbursement Undertaking fee) in accordance with Article 16 of these Rules.
c. If the Reimbursing Bank is requested to accept and pay a time draft(s), the Irrevocable Reimbursement Authorization must also indicate the following, in addition to the information contained in (b) above :
i. tenor of draft(s) to be drawn ;
ii. drawer ;
iii. party responsible for acceptance and discount charges, if any.
Issuing Bank should not require a sight draft(s) to be drawn on the Reimbursing Bank.
d. If the Reimbursing Bank is authorized or requested by the Issuing Bank to issue its Reimbursement Undertaking to the Claiming Bank but is not prepared to do so, it must so inform the Issuing Bank without delay.
e. A Reimbursement Undertaking must indicate the terms and conditions of the undertaking and :
i. Credit number and Issuing Bank.
ii. currency and amount of the Reimbursement Authorization ;
iii. additional amounts payable and tolerance, if any ;
iv. currency and amount of the Reimbursement Undertaking ;
v. latest date for presentation of a claim including any usance period ;
vi. party to pay the Reimbursement Undertaking fee, if other than the Issuing bank. The Reimbursing Bank must also include its charges, if any, that will be deducted from the amount claimed.
f. If the latest date for presentation of a claim falls on a day on which the Reimbursing Bank is closed for reasons other than those mentioned in Article 15, the latest date for presentation of a claim shall be extended to the first following day on which the Reimbursing Bank is open.
g. i. An irrevocable Reimbursement Authorization cannot be amended or cancelled without the agreement of the Reimbursing Bank.
ii. When an Issuing Bank has amended its irrevocable Reimbursement Authorization, a Reimbursing Bank which has issued its Reimbursement Undertaking may amend its undertaking to reflect such amendment. If a Reimbursing Bank chooses not to issue its Reimbursement Undertaking Amendment it must so inform the Issuing Bank without delay.
iii. An Issuing Bank which has issued its Irrevocable Reimbursement Authorization Amendment, shall be irrevocably bound as of the time of its advice of the Irrevocable Reimbursement Authorization Amendment.
iv. The terms of the original Irrevocable Reimbursement Authorization (or an Authorization incorporating previously accepted Irrevocable Reimbursement Authorization Amendments) will remain in force for the Reimbursing Bank until it communicates its acceptance of the amendment to the Issuing Bank.
v. A Reimbursing Bank must communicate its acceptance or rejection of an Irrevocable Reimbursement Authorization Amendment to the issuing Bank. A Reimbursing Bank is not required to accept or reject an Irrevocable Reimbursement Authorization Amendment until it has received acceptance or rejection from the Claiming Bank to its Reimbursement Undertaking Amendment.
h. i. A Reimbursement Undertaking cannot be amended or cancelled without the agreement of the Claiming Bank.
ii. A Reimbursing Bank which has issued its Reimbursement Undertaking Amendment shall be irrevocably bound as of the time of its advice of the Reimbursement Undertaking Amendment.
iii. The terms of the original Reimbursement Undertaking (or a Reimbursement Undertaking incorporating previously accepted Reimbursement Amendments) will remain in force for the Claiming Bank until it communicates its acceptance of the Reimbursement Undertaking Amendment to the Reimbursing Bank.
iv. A Claiming Bank must communicate its acceptance or rejection of a Reimbursement Undertaking Amendment to the Reimbursing Bank.

**Article 10**- Standards for Reimbursement Claims. a. The Claiming Bank's claim for reimbursement :
i. must be in the form of a tele-transmission, unless specifically prohibited by the Issuing Bank, or an original letter. A Reimbursing Bank has the right to request that a Reimbursement Claim be authenticated and in such case the Reimbursing Bank shall not be liable for any consequences resulting from any delay incurred. If a Reimbursement Claim is made by tele-transmission, no mail confirmation is to be sent, In the event such a mail confirmation is sent, the Claiming Bank will be responsible for any consequences that may arise from a duplicate reimbursement ;
ii. must clearly indicate the Credit number and Issuing Bank (and Reimbursing Bank's reference number, if known) ;
iii. must separately stipulate the principal amount claimed, any additional amount(s) and charges ;
iv. must not be a copy or the Claiming Bank's advice of payment, deferred payment, acceptance or negotiation to the Issuing Bank ;
v. must not include multiple Reimbursement Claims under one tele-transmission or letter ;
vi. must, in the case of a Reimbursement Undertaking, comply with the terms and conditions of the Reimbursement Undertaking.
b. in cases where a time draft is to be drawn on the Reimbursing Bank, the Claiming Bank must forward the draft with the Reimbursement Claim to the Reimbursing Bank for processing, and include the following in its claim if required by the Credit and/or Reimbursement Undertaking :
i. general description of the goods and/or services ;
ii. country of origin ;
iii. place of destination/performance ;
and if the transaction covers the shipment of merchandise,
iv. date of shipment ;
v. place of shipment
c. Claiming Banks must not indicate in a Reimbursement Claim that a payment, acceptance or negotiation was made under reserve or against an indemnity.
d. Reimbursing Banks assume no liability or responsibility for any consequences that may arise out of any non-acceptance or delay or processing should the Claiming Bank fail to follow the provisions of this Article.

**Article 11** - Processing Reimbursement Claims. a. i. Reimbursing Banks shall have a reasonable time, not to exceed three banking days following the day of receipt of the Reimbursement Claim, to process claims. Reimbursement Claims received outside banking hours are deemed to be received on the next banking day.
If a pre-debit notification is required by the Issuing Bank, this predebit notification period shall be in addition to the processing period mentioned above.
ii. If the Reimbursing Bank determines not to reimburse, either because of a non-conforming claim under a Reimbursement Undertaking, or for any reason whatsoever under a Reimbursement Authorization, it shall give notice to that effect by telecommunication or, if that is not possible, by other expeditious means, without delay, but no later than the close of the third banking day following the day of receipt of the claim (plus any additional period mentioned in sub-Article (i) above). Such notice shall be sent to the Claiming Bank and the Issuing Bank and the Issuing Bank and, in the case of a Reimbursement Undertaking, it must state the reasons for non-payment of the claim.
b. Reimbursing Banks will not process requests for back value (value dating prior to the date of a Reimbursement Claim) from the Claiming Bank.
c. Where a Reimbursing Bank has not issued a Reimbursement Undertaking and reimbursement is due on a future date :
i. The Reimbursement Claim must specify the predetermined reimbursement date.
ii. The Reimbursement Claim should not be presented to the Reimbursing Bank more than ten (10) of its banking days prior to such predetermined date. If a Reimbursement Claim is presented more than ten (10) banking days prior to the predetermines date, the Reimbursing Bank may disregard the Reimbursement Claim. If the Reimbursing Bank disregards the Reimbursement Claim it must so inform the Claiming Bank by tele-transmission or other expeditions means without delay.
iii. If the predetermined reimbursement date is more than three banking days following the day of receipt of the Reimbursement Claim, the Reimbursing Bank has no obligation to provide notice of non-reimbursement until such predetermined date, or no later than the close of the third banking day following the receipt of the Reimbursement Claim plus any additional period mentioned in (a) (i) above, whichever is later.
d. Unless otherwise expressly agreed to by the Reimbursing Bank and the Claiming Banks,
Reimbursing Banks will effect reimbursement under a Reimbursement Claim only to the Claiming Bank.
e. Reimbursing Banks assume no liability or responsibility if they honour a Reimbursement Claim that indicates that a payment, acceptance or negotiation was made under reserve or against an indemnity and shall disregard such indication. Such reserve or indemnity concerns only the relations between the Claiming Bank and the party towards whom the reserve was made, or from whom, or no whose behalf, the indemnity was obtained.

**Article 12**- Duplications of Reimbursement Authorizations. An Issuing Bank must not, upon receipt of documents, give a new Reimbursement Authorization, or additional instructions, unless they constitute an amendment to, or a cancellation of an existing Reimbursement Authorization. If the Issuing Bank does not comply with the above and a duplicate reimbursement is made, it is the responsibility of the Issuing Bank to obtain the return of the amount of the duplicate reimbursement. The Reimbursing Bank assumes no liability or responsibility for any consequences that may arise from any such duplication.

D. MISCELLANEOUS PROVISIONS

**Article 13** - Foreign Laws and Usages. The Issuing Bank shall be bound by and shall indemnify the Reimbursing Bank against all obligations and responsibilities imposed by foreign laws and usages.

**Article 14**- Disclaimer on the Transmission of Messages. Reimbursing Banks assume no liability or responsibility for the consequences arising out of delay and/or loss in transit of any message(s), letter(s) or document(s), or for delay, mutilation or other errors arising in the transmission of any telecommunication. Reimbursing Banks assume no liability or responsibility for errors in translation.

**Article 15** - Force Majeure. Reimbursing Banks assume no liability or responsibility for the consequences arising out of the interruption of their business by Acts God, riots, civil commotions, insurrections, wars or any other causes beyond their control, or by any lockouts.

**Article 16** - Charges. a. The Reimbursing Bank's charges should be for the account of the Issuing Bank. However, in cases where the charges are for the account of another party, it is the responsibility of the Issuing Bank to so indicate in the original Credit and in the a Reimbursement Authorization.
b. When honoring a Reimbursement Claim, a Reimbursing Bank is obligated to follow the instructions regarding any charges contained in the Reimbursement Authorization.
c. In cases where the Reimbursing Bank's charges are for the account of another party they shall be deducted when the Reimbursement Claim is honoured. Where a Reimbursing Bank follows the instructions of the Issuing Bank regarding charges (including commissions, fees, costs or expenses) and these charges are not paid or a Reimbursement Claim is never presented to the Reimbursing Bank under the Reimbursement Authorization, the Issuing Bank remains liable for such charges.
d. Unless otherwise stated in the Reimbursement Authorization, all charges paid by the Reimbursing Bank will be in addition to the amount of the Authorization provided that the Claiming Bank indicates the amount of such charges.
e. If the Issuing Bank fails to provide the Reimbursing Bank with instructions regarding charges, all charges shall be for the account of the Issuing Bank.

**Article 17** - Interest Claims/Loss of Value. All claims for loss of interest, loss of value due to any exchange rate fluctuations, revaluations or devaluations are between the Claiming Bank and the Issuing Bank, unless such losses result from the non-performance of the Reimbursing Bank's obligation under a Reimbursement Undertaking.