

## Case Study 1

30th September 2025

Dear Commissioner

We are writing to congratulate you on your appointment to the ICC Banking Commission. We are so proud of you. We have a big problem, and we would like you to present our case to your commission for their advice.

As you know our business Nuts Farms Ltd has been doing quite well. Since we started the farm, 20 years ago, our nut production has grown remarkably. Every year we improve on tonnage. Today, we are the leading exporters of groundnuts in West Africa. The fertile lands we acquired in the Western Region have served us well. So have the new sample nuts we acquired from Brazil. Now all the European food processors buy from us. We recently engaged Inoitall Consultancy Ltd (a firm that specialises in assessing the credit worthiness of companies) to screen all these buyers to ascertain their credit worthiness so that as soon as we ship the groundnuts, we are certain of receiving our money.

European processors have because of my groundnut production come together to set up a factory in the southernmost Port of Spain where my nuts can reach them in 8 days by sea for processing. This is food my brother and they perish quickly. As for the quality of my nuts, the Europeans say it is the best. We are expanding the business, and we have recently taken out a loan with Cash Bank to buy more land, tractors and fertilizer.

We have entered into written contracts with the buyers and have agreed to send to their bankers the documents covering the shipment once shipped for payment. Our banker Best African Bank processes the documents on a collection basis. Our clear instruction to them is to release the documents to our buyers 'cash against documents'.

On this occasion we shipped nuts worth 2million Euros. We sent the following documents to Best African Bank Ltd with our usual clear instruction 'please release documents against cash payment'

- Full set Bills of Lading 'blank endorsed'
- Commercial Invoices
- Inspection Certificate
- Phytosanitary Report
- Analysis Certificate
- 2 Drafts

The drafts, included in this presentation, were drawn at sight and covered the principal value of the goods and the freight paid for the carriage of goods from Tema Port to Malaga Port separately. The collection was to be made under the Uniform Rules for Collection ICC Publication No 522. Unfortunately, the intern in our office in processing the collection order to the bank did not specify the number of days by which the documents must be taken up by the buyer.

On receipt of the documents Best African Bank promptly scheduled them and couriered them to my buyers bankers, Europa Hop Less Bank. The documents were couriered by Fast Track Couriers, engaged by Best African Bank. Delivery of the documents was delayed by one week by Fast Track.

The buyer is Cracker Nuts Europe. As the collection order was to collect against cash payment the presenting bank called in the Chief Payment Office of Cracker Nuts to review the documents and give instructions to pay. A new young officer of the bank then mistakenly gave the original documents to the Chief Payment Officer without their instructions to pay us.

In the meantime, the vessel carrying my nuts was delayed because of the difficulties in Libya and did not arrive at the Spanish port until 14 days after its expected arrival time. There should be nothing wrong with my nuts though. Cracker Nuts have in the meantime sourced some nuts from Brazil which turns out to be cheaper than mine. Instead of paying me they have returned the documents to Best African Bank arguing that they never intended to pay for them (moreover the goods will not be of the quality envisaged under the contract) and that the bank made a mistake in releasing the documents to them without payment.

We have asked that all the parties including the bank attend or send a representative to the Spanish Port to witness the inspection of the nuts by the Spanish Food Agency to establish the fitness of the nuts for human consumption. The Banks have refused.

The presenting bank, Europa Hop Less Bank, is now arguing that their duty was to present the documents to the buyer, which they have done. The documents were never taken up by the buyer and that the mistake in releasing the documents is neither here nor there.

As for the remitting bank, my bankers, Best African Bank, I have heard nothing useful from them so far. Their manager has intimated that he will ascertain what is happening and let me know. He says they have no evidence that that the documents were released to the buyer by mistake and in any case, they can do nothing until payment is made.

The trouble is the market has started to fall, and I stand to lose a great deal if we are not paid for this consignment on time. Cash Bank will call in their loan if we do not make repayments in time. This situation has severely set us back.

1. Who are the parties to this documentary collection
2. Identify the issues in this case and what are the obligations and liabilities of each party.