

Syllabus for International Commercial Transactions

Fall 2007

Professor Byrne

[updated as of 24 July 2007]

1. Summary

International Commercial Transactions is an advanced course in commercial law with emphasis on mechanisms of international payments and, in particular, letters of credit. It focuses on issues of private international commercial law as opposed to public commercial law such as tariffs and customs issues.

2. Materials:

(a) Case Materials

The case materials will be contained in a text, Byrne, *Introduction to Letter of Credit Law & Practice*.

Required materials for the course will also include Barnes, Byrne, & Boss, [*ABCs of the UCC: Revised UCC Article 5*](#) (ABA Publication) and a Citibank Introduction to Letters of Credit containing and explaining sample Citibank LC forms.

In addition to the case materials, supplemental materials will be required, namely Guarantee Forms, Letter of Credit Forms, Collection Forms.

From time to time useful supplementary materials will also be assigned and placed on reserve.

(b) Statutes and Rules

It will be necessary to have the following statutory textual materials:

LC Rules & Laws: Institute of International Banking Law & Practice (4th Ed. 2007)

Because of the limited availability of these publications, special arrangements have been made to enable students to obtain them. See the TWEN Assignments site for this course for further information.

(c) Non Assigned Supplemental Materials

There are a variety of treatises and articles on letters of credit. The most comprehensive treatise on US law is Dolan, *The Law of Letters of Credit*, which is useful as a source of reference for cases and articles. The positions taken in the treatise, however, are solely from an abstract academic legal perspective without the benefit of engagement with the larger letter of credit

community. Kololchyk, *Letters of Credit in the Americas*, is dated but a much deeper analysis of the topic.

The Annual Surveys of Letter of Credit Law & Practice (from 1996) contain the important annual literature in the field that is available in English. They are on reserve in the Library.

There is a tutorial on letters of credit at <http://www.law.utk.edu/cle/lessons.htm> that some have found helpful.

3. Objectives

This course will focus on standard international letter of credit and banking practice as a source for rulemaking and explore its advantages and limitations in the context of actual cases and problems. The cases will not be limited to those resolved by US courts but will also involve decisions of courts in other jurisdictions and opinions of the Commission on Banking Technique and Practice of the International Chamber of Commerce.

It will consider rules of practice, including the Uniform Customs and Practice for Documentary Credits (UCP500), its revision (UCP600), effective 1 July 2007, the International Standard Banking Practice (ISBP), and the International Standby Practices (ISP98).

The course will also study positive law contained in [Revised UCC Article 5](#) (letters of credit) and the UN Convention on Independent Guarantees and Standby Letters of Credit.

Substantive topics to be treated include alternative methods of payment, the nature of the doctrine of independence, comparison with dependent undertakings, non documentary conditions, definitions and sources of the law of independent undertakings, obligations and correspondent relationships, examination and refusal of presentations, independent guarantees and standby letters of credit, fraud and exceptions to the independence principle, acceptances and deferred payment undertakings, and transfer and assignment.

The course will be conducted in two parts. The first part will provide a substantive background in the subject and will include a case abstract writing exercise. The second part will consist of the production of a paper on a substantive issue of letter of credit law or practice. In addition, it will involve substantive critique of the written work of another student in the class.

4. Grades & Examination

The basis for grades will be the three exercises assigned, namely the case abstract (15%), the paper (70%), and the critique of another student's paper (15%). The course will also qualify for a writing credit.

5. Class Participation, Assignments, & Outside Assignments

It is expected that students will be regularly prepared for class as part of the attendance requirements. Reading assignments will be given in class and posted from time to time. Each student will be asked to provide an oral brief of a case for each class. The assignments will focus on the pages on which the cases appear but students would be well advised to read accompanying textual material as well. Preparation includes the completion of class assignments.

6. Attendance

A seating chart will be circulated at the first class. Students are responsible for selecting a seat. Attendance will be taken at the beginning of each class based on this chart. Any student not seated in the seat selected at the time class is scheduled to begin will be marked absent. Anyone coming to class after attendance has been taken is responsible after class for advising the instructor of his or her presence. At the discretion of the instructor, an attendance sheet may be circulated for signature in which case it is governed by the Honor Code and only the student named may indicate his or her presence by signing.

The maximum number of absences permitted will be allowed for this course under law school regulations. As it is assumed that all students will conduct themselves as professionals, there is no need to advise the instructor regarding an absence unless assistance is required.

Cancelled classes will be announced in advance in class whenever possible and notices posted in accordance with University policies. To the extent possible, make-up classes will be scheduled as extensions of regularly scheduled classes. Please be prepared to discuss possible make-up classes at the first class session.

7. Notices

Notices will be posted in accordance with Law School regulations. After the first class, TWEN will be used as a system of communication. All notices will be posted on TWEN and students will be required to register for the course on TWEN. Unless a student requests otherwise in writing, all messages will be sent via email. Students are responsible for informing the instructor of a functioning email address or addresses at the first class on the list provided and are responsible for giving written notice of any changes in email addresses.

8. Office Hours and Individual Appointments

Professor Byrne warmly welcomes any questions relating to the course or otherwise. He will be available regularly for office hours during the following times:

30 minutes before and after class

If these times are inconvenient, he is available by appointment. He can be contacted through the Ms. Yen Kha, his faculty secretary at (703) 993-8065 or ykha@gmu.edu.

9. Topics to be studied:

Alternative Methods of Payment
Dependent and Independent Undertakings
The Role and Use of Private Rulemaking
The Role and Limit of Positive and Judicial Rulemaking
Obligations
Procedure
Examination of Documents
Standby Letters of Credits and Independent Guarantees
Fraud and Abuse
Acceptances and Deferred Payment Undertakings

10. Pace of Class Reading Assignments

The class will be conducted with a view toward mastery of concepts and techniques rather than coverage of preset materials at a preordained pace. Assignments will be announced at least a week in advance.