A Comparative Study of Low and Duties Inauguration of Letter Credit and banks in Iran and International Law

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Abstract

In most civil and commercial contracts, the promise to ensure fulfillment of the obligations of the Parties to apply the collateral or guarantor, Guarantees the incidental and ancillary to the principal obligation. In addition to mortgage or guarantee contract, types of credit and bank guarantees that have been the norm for international trade Also as guarantee obligations or domestic law enforcement, they used these have been accepted and used in domestic and foreign trade. The case of mortgages and guarantee Iran’s rights and the rules of civil law and commercial law and some of the differences that are sometimes difficult to make. The differences between the rules of international trade and domestic law are the same. Today, by letters of credit, goods and services and guarantee the rights and privileges are. Perhaps the best and best wishes of the parties that the seller or owner of the rights, privileges, or services in exchange for goods or services as long as they did not receive their salaries. Or receive not guarantee it will still be dominant on their property and the buyer before the payment is done, Purchased goods could be sold or traded the rights to exploit the benefits and services. In this article, we tried according to the law and the foundations for the comparative to study the existing problems of credit and bank users inauguration rights and obligations in international law in Iran.

Keywords: Letter of Credit, International Business, Letter of Credit guarantee, Letter of guarantee, International law.
Introduction:

Human beings have a civic and social nature, which means that individual life, away from human society, can be difficult and almost impossible. Each person to work longer, and meet the requirements for mutual relationships creates a varied and diverse.

1) Problem Statement:

This article has sought legal nature, whether domestic or international credit accounts. It specifies opening the legal aspects of it that may occur and what would happen if the differences among these are not resolved. No doubt the commitment of the main goals of each contract is a contract. Commercials know each other, as well as the distance, the instability of the currency and the parties from the outset to seek adequate supply without any worry and anxiety in a safe context of a commercial activity.

2. The importance and necessity of research

IC is the most common legal entity in business relationships which are common. The importance of these concepts in international relations traders is more than its effects. This is particularly important due to the lack of familiarity and trust between merchants from different countries as well as from the parties' lack of familiarity with the laws of other countries. Rules relating to credit; the central focus of this research topic will be discussed.

4) Research questions:

4-1) The main question:

4.1.1) what is international law on the rights of existing legislation regarding the protection of documents and bank credit recent opening?

4-2) subsidiary questions:

2.2.1) what are the common commercial rights in international law rules Iran in the recent opening letters of credit and banks, according to business needs Iran and their procedures?

2.2.2) what are the suitable ways of filling gaps in the recent opening letters of credit and banks in Iran?

5) Assumptions

5-1) The main hypothesis:

5.1.1) there are appropriate legislation regarding the protection of rights of recent opening documents and bank credit in international law.

5-2) hypotheses:

3.2.1) there are laws on the rights of participants in the opening letters of credit and banks, according to business needs and practices of conventional international trade law.
3.2.2) there are mechanism for filling gaps in the recent opening letters of credit and banks in Iran.

**The first issue - the definition of credits:**

Letters of credit are documents issued by banks on behalf of their customers to the person or business that you are in charge of the Bank or administrators to the bank account under the conditions stipulated in the letter of credit to take effect. The term "credit" from the viewpoint of uniform regulations, under any name and refers to any arrangement whereby the bank is to provide additional credit opener against certain documents provided that the credit terms and conditions have been met

1) paid to a third party or to transfer him to do or bills of exchange drawn by the beneficiary to pay or accept.

(2) To allow other banks to do the payment or acceptance of such bills to pay or trade (Article 2 of Regulation uniformity). So it can be seen that credits of the customer demand are set typically in three sides:

1-bank credit

2. The client or applicant

3-beneficiary or the seller: the payment is valid in accordance with the credit agreement.

The second topic - Benefits credit: Advantages over other methods of payment include credit guarantees, funding and financial resources and close enough concessions in international trade is crucial.

First paragraph - Guaranteed: Letters of credit, payment to the exporter as soon as the required documentation will be ensured. So ensuring the differences were due to the base (sale) that is not weakened.

Section Second - providing liquidity and financial resources:

In addition, ensure that the credit mechanism brings the parties to the importer and the exporter's liquidity and financial resources mainly provide for transport.

Section third - credit risks:

However, letters of credit as well as international business help. But this mechanism does not harm delays, high costs and fraud of credit which are the most important current problems. The processing of documents are very time consuming of all other methods. They are more expensive and subject to fraud.

First paragraph - Delays:
In the case of credit delay occurs for two reasons:

First, the mechanism of credits required to transfer paper documents. Basic principles of law are that the documents should strictly comply with the terms of the letters of credit (strict observance of the principle of documents). So, the differences and discrepancies in the documents are causing the delay.

Section Second - Cost:

Due to the high volume of credit operations, banks are doing the work and undertake risks and responsibilities and commitments that are assigned. The system is expensive pay letters of credit.

The fourth topic - the importance and benefits of credit in e-commerce:

Only three credits will lose their benefits and significance which would be superfluous or redundant:
1. A call for letters of credit no longer existed.
2. There is an alternative way to meet these needs.
3. In the case of credit in the electronic environment is impractical.

First paragraph - guaranteeing and electronic documents:

It is worth noting that the credit provides assurance of payment to the seller to ensure the reliability of the importer of the goods in accordance with the safe and guaranteed repayment to banks issuing credit, authenticator and negotiating bank is for you.

The second paragraph - cash and electronic documents:

Patterns of trade finance in developing countries have changed. Demand trading partners also seek liquidity changes in finance, has changed

Section Second - near the age of e-commerce:

As economies globalize, the need to close the technology gap has become less important in world markets. International information networks with high speed and integrity in the public and information about the countries and foreign companies are more and more achievable.

Section Five - legal nature of credits:

The current method of payment in international credit agreements for the sale of goods and services, the provisions relating to the issuance by the International Chamber of Commerce as "uniformity of procedures and regulations of credit" have been developed.
The way of accepting credit banks with a representation of the parties to the contract basis, the surrender and the development of basic responsibility, which are the subject of letters of credit in the amount of the contract is based on the obligation for committed beneficiaries to pay and thereby Contract for that amount is considered paid.

Sixth issue - types of credits:

Letters of credit are not only a means of payment, but also making credit too. The letters of credit are divided into two main types: commercial and standby letters of credit.

**Conclusion:**

Commercial letter of credit is a specific tool for a specific product and process international trade courts so that over time it has been recognized by the evolution of Commerce. With regard to what has been discussed so far is the following we can conclude:

1-Credit is a particular establishment trade that is different from any other tool.

2-Draft is the most important international payment methods in that the bank guarantees the interests of both parties to make their concerns addressed. In no way is this size not fixing the problems.

3. Advantages over other methods of payment include credit guarantee transaction, providing liquidity and proximity to the proceedings. But delays, high costs and fraud are the most important problems in the credit.

4. By virtue of Article 1 of the UCP, the law is able to collect funds that the parties to the contract are included as stipulation.
References:


