

Abstract

In general, there are several methods of receiving payment for products sold aboard; however a letter of credit is the most popular payment method in the international trade. As new technologies and advances in communications are changing trade logistics and speeding and facilitating transactions, businesses are finding new opportunities and new ways to operate. We know as “electronic letter of credit”.

The payment method between letter of credit and electronic letter of credit are quite similar only the electronic letter of credit exchanges information by electronic document instead of paper.

As in Thailand, the electronic letter of credit is not yet available. So the author has studied the laws that may apply in the certain cases. If there is litigation involve the electronic letter of credit, which law will be applied in this case. Moreover, this study finds out problems that may occur on the application.

In Thailand, the laws and rules that govern the electronic letter of credit are eUCP and UCP 600. Moreover, the electronic letter of credit is the Individual contract and electronic transaction, so the Juristic Acts of the Civil and Commercial Code and the Electronic Transaction Act B.E 2544 (2001) are applicable as well. However, the defined terms and articles of the abovementioned laws are not covered any problem that may occur in using the electronic letter of credit.

From this study, the author found that there are numerous dilemmas occurred when using the electronic letter of credit ; for instance 1) the time period in responding to a notice of refusal 2) the exemption of banks' responsibility 3) the mistake in sending of electronic documents 4) the extension of time for presenting of documents by the beneficiaries 5) banks' responsibility in examining delay 6) examining the bank's documents with caution 7) In case if the agreement in the electronic letter of credit differ from eUCP rules and 8) the address in presenting documents.

From the dilemmas in using of the electronic letter of credit mentioned earlier, the author offers 2 solutions to solve these problems.

The first solution, the contract parties in the electronic letter of credit should write contract clearly to avoid the unclear issues in UCP 600 and eUCP. The other solution is to legislate the laws to apply directly to the electronic letter of credit and the letter of credit. Besides, these solutions encourage the contract parties to know their right and duty.

In the legislating to be applied in the electronic letter of credit, in the author's opinion, it is not necessary to specify every detail of terms and conditions of it. Because the electronic letter of credit is the individual contract which may apply with the Juristic Acts of the Civil and Commercial Code; for instance the formation of contract, the offer, the acceptance, breach and termination.

As mentioned above, the electronic letter of credit is not available in Thailand, and there are several difficulties in using it. Since the process of the electronic letter of credit need collaborate from every related organization that has authority to issue document about the letter of credit such as port, Carrier, Insurance companies and nominated Bank which require high technology to support the usage of the electronic letter of credit.

Although electronic system has been used in Thai business communication and transfers document, but it has been in small scale. So it may require more time for the development in the exchange system of electronic information to be widely recognized.