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GTR Training

Documentary Credits Masterclass: Practical issues, risks and challenges in international trade

Nairobi, Kenya | Windsor Golf Hotel & Country Club
May 10-11, 2017

 #GTRTraining

PART OF

GTRAFRICA

East Africa Trade & Commodity
Finance Conference 2017



Documentary Credits Masterclass: Practical issues, risks and challenges in international trade

Trainer bio

John Turnbull, Director, Certis International
Senior Banker and Trade Finance specialist with 35 years experience of origination, negotiation, structuring, risk management and regulation of the full range of international trade transactions. Formerly Joint General Manager and Global Head of Structured Trade and Commodity Finance at Sumitomo Mitsui Banking Corporation Europe Ltd, Head of Global Trade Finance, London at SBC (now UBS) and Head of Trade Finance at Paribas, London. John has acted as expert witness in a number of high-profile trade finance legal cases. He was Co-Chair of the ICC Commission on Banking Technique and

Practice's Consulting Group on the most recent revision of the UCP. For 10 years since its inception he was the Chair of the Association of Foreign Banks Trade Finance Committee, Chairman of the ICC UK Banking Committee and member of the ICC Banking Commission Global Financial Crime Committee and the joint ICC/Wolfsberg Committee. Representative on many national and international trade committees, including previously a Board Member of the International Energy Credit Association in the USA, a current long-standing member of the IECA European committee and a member of the editorial board of **GTR's** flagship magazine, Global Trade Review.



Despite increased digitisation, documentary credits still play a pivotal role in international trade, particularly in developing markets. This intensive seminar will provide a practical and interactive analysis of regulation, practice and risk in international trade and documentary credits.

Day One

14.00 The financing of international trade

- The parties, their roles and contractual relationships, their legal obligations and responsibilities under the UCP
- The risk ladder: Effective use of trade instruments from a cost vs risk perspective
- Risk assessment: What are the safeguards?
- Analysis of key trade instruments and payment mechanisms: Which are appropriate to use (when and why)?

Documentary credits and UCP 600

- UCP 700: What are the arguments for and against a revision? Is it needed and if so why?
- Use of documentary credits in international trade: Practical problems, key risks and potential solutions
- Analysis of how legal cases have changed the way international trade and documentary credits operate
- Examining changes to the UCP driven by legal precedent

Standby credits

- How do they work and why are they needed?
- How do they compare with guarantees?
- Risks to consider when dealing with standby credits
- When not to use standby credits

15.00 Practical interactive case study: The issuance of documentary credits

15.40 Coffee and networking

16.00 Practical interactive case study *continued*:

16.30 An analysis of specialised documentary credits and their importance in the finance of commodities

Red and green clause credits

- Their use as a pre-export finance tool in commodity finance
- Their role in the market and use as a financing mechanism
- Structural analysis: How to minimize risks

Transferable credits

- Advantages and disadvantages
- What are the risks? When should and when should they not be used?
- Review of key legal cases

Back-to-back credits

- What are they?
- Their importance in commodity financing
- Practical considerations and methodology
- What are the risks and how can they be mitigated?
- Comparison 'front-to-back' and transferable credits

17.30 Practical interactive case study continued

Practical cases, analysis and debate concerning key technical issues addressed by the ICC Banking Commission

18.00 Conclusion and summing up of Day One

Day Two

09.00 International standard banking practice for the examination of documents under UCP 600 (ISBP 745)

09.40 Practical interactive case study: Key elements for document checking

11.00 Coffee and networking

11.30 An update on financial crime, KYC and AML initiatives in international trade

- The new joint Wolfsberg Group, ICC and Baft principles (Jan 17)
- UK FCA thematic review of trade
- Methodology, processes and findings
- Key recommendations
- Industry body discussions and interaction
- What it means to banks and how they need to adapt
- New training and educational initiatives
- Red flags: What to look for!

11.50 How to balance the autonomy principle of documentary credits with the challenges of regulation, compliance and fraud

- Analysis of the autonomy principle: Is it still valid and workable?
- What about fraud exception?
- How to reconcile the impact of regulation and compliance with the traditional UCP focus of 'examination of documents on their face' and 'banks deal with documents not goods'

12.20 Letters of indemnity in oil transactions: Key considerations

- How do they work and why are they needed?
- Key court cases and lessons to be learnt
- What are the risks involved?
- Distinguishing between 'payment' indemnities and 'discharge' indemnities
- Assessing the risk of use with transferable credits

13.15 Conclusion and summing up of Day Two

Pricing details

GTR Training Masterclass (May 10-11) US\$649

• Attendance earns 8 LIBF PDUs / CPD hours for participation on the two-day course and 4 for attendance of just the first day.

Ways to register

Email: events@gtreview.com

Web: www.gtreview.com

Fax: +44 (0)20 8673 8662

Telephone: +44 (0)20 8673 9666

Post: GTR, Exporta Publishing & Events Ltd,
4 Hillgate Place, London SW12 9ER, UK

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