Trade-Finance-Academy

Outline of Online Training Modules
A new era is emerging in the world of Trade Finance. Technology continues to transform the environment and reduce the need for paper. In such a world it is important to implement innovative training solutions.

With the challenges faced today, it has never been more important to ensure that trade finance practitioners are ready to face future change and complexity. Possession of key knowledge skills and a wide awareness of potential hurdles are critical in order to protect your business and mitigate risk.
Online training solution for the financing of trade

+ Collaborative delivery, working in tandem with your training needs
+ From beginner to intermediate to advanced
+ Modularised
+ Includes coverage of international rules
+ Online presentation & assessments linked to each module or sets of modules
+ Relevant and specific 60-90 minute modules updated as practices and rules develop
+ PDU's for CDCS and CDGS
Key Benefits

- Special attention has been made to the visual experience of each trainee

- Interactive to the extent that each area of the training will allow a trainee to raise questions direct to Trade-Finance-Academy

- Dedicated question and answer section that is available to a trainee for the entire duration for which they are registered for one or more modules. These will be general questions raised by trainees (no names or organisations are displayed)

- Assessments can be taken up to 3 times (organisation choice). The highest score, when more than one assessment is chosen, will be shown on a final certificate; but the reporting will show each individual score

- Each assessment can be set (by the organisation) by a pass mark, open scoring i.e., no set figure, and/or the assessment may be subject to a time limit

- The platform provides trainees with access to the latest trade information (again for the duration of which they are registered for one or more modules)

- Reporting will drill down to individual trainee level giving a complete history of the modules they have taken, assessment scores, pass marks, time taken for undertaking an assessment (if applicable), when the training was commenced and concluded, etc.
Further modules will be introduced in line with market requirement and developing solutions.
Individual Modules per subject

ISBP 745

- General Principles: Paragraphs A1 – A20
- General Principles: Paragraphs A21 – A41
- Drafts and Calculation of Maturity Dates
- Invoices
- Separate Modules for each Transport Document
- Insurance Document and Coverage
- Certificate of Origin; Packing List; Weight List; Beneficiary’s Certificate; Other Certificates

Assessment with 50 random questions
Individual Modules per subject

Bank Payment Obligation (BPO)

- BPO in practice
  - From past to present
  - What is a BPO?
  - How does it work?
  - Interactions
  - Lifecycle
  - Components & Flows
  - Capital & Accounting Treatment

- URBPO
  - Development & Background
  - Article-by-Article

Assessment with 30 random questions
Individual Modules per subject

- Article 1-6, 11, 13
- Articles 7-10, 12
- Articles 14 & 15
- Article 16
- Articles 19-25, 26, 27
- Articles 17, 18, 28, 14(f)
- Articles 29-37
- Articles 38 & 39

* Article structuring is subject to change
Individual Modules per subject

Letters of Credit

- Creation of LC application / Sales contract
- Issuance & Amendment
- Advising, Confirmation & Amendment
- Transfer & Assignment of Proceeds
- Document Preparation
- Document Examination
- Discrepant Documents
- Sanctions, Fraud etc.
- Honour, Negotiation & Financing
- Key ICC Opinions

Assessment with 50 random questions
Individual Modules per subject

- Chapters 1-13 in single and combined modules (e.g., Chapters 4 & 5 as a single module)
- Assessment based on CDCS examination style – Multiple Choice and Case Study
Individual Modules per subject

- 2013 Approved ICC Opinions
- Annual release of new Opinions each year
Individual Modules per subject

Guarantees

- URDG Rules
- Characteristics, sample texts and how guarantees work subject to local law or URDG

Assessment with 25 random questions
Individual Modules per subject

Collections

- URC 522 Rules
- Types, responsibilities and how collections work, etc.

Assessment with 25 random questions
Individual Modules per subject

- ISP98
- ISP98 Rules
- Standby practice and process (ISP vs. UCP)

Assessment with 25 random questions
Individual Modules per subject

Supply Chain Financing

- Credit Insurance; Pre/Post Shipment Financing; Warehouse Financing; Receivables Financing; Payables Financing

Assessment with 15 random questions
Individual Modules per subject

Reimbursements

- URR 725 Rules
- Process under URR & UCP, roles, etc

Assessment with 25 random questions
Individual Modules per subject

Incoterms

Assessment with 20 random questions

+ Incoterms 2010
Individual Modules per subject

- Forfaiting
  - URF 800 Rules
  - Roles, responsibilities and how forfaiting works

Assessment with 15 random questions
Trade-Finance-Academy.com

SAMPLE SCREEN SHOTS FROM THE ISBP TRAINING MODULE
International Standard Banking Practice – ICC Publication 745

A selection of screens from the 12 segments of the ISBP module.
Foreword

The screens that follow are a sample taken from an ISBP module that forms part of an extensive training suite covering basic, intermediary and advanced elements of Trade Finance that is being established. These modules will be available to anyone who wishes to learn more about Trade Finance. Whether involved in Operations, Sales or Product Management, students will gain benefit from the content. The modules will also represent an invaluable aid to companies that import or export, and logistics companies alike.

The ISBP online training consists of a suite of 12 training modules covering each section of ICC Publication 745 (there are 2 modules covering the General Principles section).

The training environment is both structured and comprehensive. Users may track their progress as they work through the course and return, at any time, to a previous position. Each suite of modules will have an associated assessment to determine the level of knowledge that has been achieved. A minimum pass mark, and the number of times an assessment may be taken, can be set for each group of students that have been selected by their bank or company to undertake the training. A certificate will be issued once the assessment process is concluded. CDCS PDU’s have been requested for the training. We expect 10-12 for this ISBP module.

These screens provide samples of the training material for indication purposes only. Each module concludes with a summary of the key issues that have been covered. Each module is between 23 and 43 screens (most with 30+).

This training suite is jointly developed by Gary Collyer (Collyer Consulting) and David Meynell (TradeLC Advisory)
Knowledge of, and adherence to, the General Principles enshrined in ISBP 745 will not only greatly increase global understanding of the correct application of UCP 600 but also help to avoid common and repetitive problems associated with document preparation and examination.

Whilst the various document sections provide specific details of the practices that apply to those documents, the General Principles section refers to practices that cover a wide range of documentary issues and one or more will be applicable to most presentations under letters of credit.

**Learning objectives:**

- recognise the impact of using virgules and commas when describing certain key features in a letter of credit when no context is given to their use;

- understand when corrections and alterations require authentication and by whom;

- understand the examination requirements for copy transport documents and transport documents not covered by **UCP 600 articles 19-25**; and

- be able to articulate (i) the signing requirements for documents; (ii) when a document is to be dated and (iii) the requirements for determining an original document.
Virgules (a ‘slash’ mark) and commas are commonly seen in letters of credit when describing optional places of receipt or delivery; ports of loading or discharge; or airports of departure or destination. They are also seen with regard to details given in respect of the origin of the goods, or their colour, type or components.

As can be seen in the extracts opposite, the use of both a virgule and a comma have been given a similar interpretation. Use of either, in the circumstances described above, and without any context being expressed in the letter of credit, will allow a beneficiary the option of using any one or more of the alternatives that are stated, and not necessarily all of them.

It is advisable for an applicant or issuing bank to be specific when only one of the options is to be used i.e., by the use of “or” between each of the alternatives, rather than the use of a virgule or comma.
Paragraph A19
Definition of “shipping company”

Nowhere in UCP 600 is there any reference to ‘shipping company’, yet in a large number of letters of credit you will regularly see a documentary requirement such as “Shipping company certificate stating .......”.

As UCP 600 only refers to a carrier, master, owner, charterer or any of their agents, in the context of the entities that may issue or sign transport documents, who would be the intended issuer or signing entity for such a document?

ISBP 745 paragraph A19 (f) provides the answer and the options are shown opposite.

**46A: Documents Required**

+ CERTIFICATE ISSUED BY THE SHIPPING COMPANY INDICATING THAT THE VESSEL IS OPERATING ON A REGULAR LINE

- The carrier ✓
- The master ✓
- The owner (when a charter party bill of lading is required or allowed) ✓
- The charterer (when a charter party bill of lading is required or allowed) ✓
- Any agent acting for (or on behalf of) any of the above, irrespective of whether it issued or signed the transport document. ✓
Paragraph A35
Signatures by electronic means

Documents may be signed “electronically”. However, care should be taken in how such “signature” should be applied and accepted.

46A: Documents Required
+INSPECTION CERTIFICATE ISSUED BY ZYX INSPECTION COMPANY CERTIFYING THAT LAPTOPS ARE IN ACCORDANCE WITH SPECIFICATIONS AGREED BETWEEN BENEFICIARY AND APPLICANT

Signed in accordance with UCP 600 article 3. However, banks will not access such website to verify or obtain authentication.

Not an electronic signature. Document requires a signature in accordance with UCP 600 article 3.
Paragraph B2
Establishing the tenor of a draft

When transhipment has occurred, it can be the case that a document such as a bill of lading will indicate two on board notations. The first in respect of loading at a specific port of loading named in a credit, or at a port within a geographical area or range of ports as indicated in a credit. The second will be in relation to the reloading at the port of transhipment. Banks are only concerned with an on board notation in respect of shipment that occurs from the port of loading as described in the credit.

When a credit requires shipment from a geographical area or range of ports, transhipment could occur at ports within the same area or range. In this case, either date appearing in an on board notation can be used for the calculation of the maturity date. Logic will dictate, however, that the earliest date will be used as this will provide an earlier maturity date for the beneficiary.
Paragraph C3
Goods description to correspond

It is a requirement of **UCP 600 sub-article 18 (c)** that a description of the goods, services or performance appearing in an invoice is to correspond with that shown in the credit.

**ICC Opinion R584 (TA564rev)** indicates that there is no requirement for a mirror image.

The description of the goods, services or performance need not be restricted to one area of an invoice. Provided that the data collectively corresponds with that in the credit, the description will comply.

In the extract opposite, the main goods description and the references to the order number and to the trade term are separate, but collectively comply with the description in the credit.
Paragraph C8
Evidence of trade term

A goods description in a credit will very often include a trade term as an integral part of its wording. In such circumstances, the invoice is to reflect that trade term.

Furthermore, when the goods description in a credit also indicates the source of that trade term i.e., Incoterms 2010, this must be accurately reflected in the invoice.

When a trade term is stated in the credit without a source e.g., no mention of Incoterms 2010, the invoice may make reference to the trade term with the inclusion of the source.

See ICC Opinions R236 and R237
Paragraph D2
Application

The phrase “multimodal transport document” when used in ISBP 745 (and this module) also includes “combined transport document”.

A transport document need not necessarily be titled “multimodal transport document” or “combined transport document” as long as the document fulfils the required functionality. This is the case even when a credit provides the title of the required document.

When goods are to be shipped by more than one mode of transport, a credit should indicate such routing by the completion of either fields 44A and B; or 44A, E, F and B; or 44A, E and F; or 44E, F and B of an MT700. When only fields 44E and F are completed, such fields should indicate the location of a port or airport and a multimodal transport document should not be the required transport document.

46A: Documents Required
+FULL SET MULTIMODAL TRANSPORT DOCUMENTS ISSUED TO ORDER OF GLOBAL BANK LTD, MARKED NOTIFY APPLICANT AND FREIGHT PREPAID

<table>
<thead>
<tr>
<th>Bill of Lading</th>
<th>√</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Combined Transport or Port-to-Port Shipment</td>
<td></td>
</tr>
<tr>
<td>Through Bill of Lading</td>
<td>√</td>
</tr>
<tr>
<td>Combined Transport Document</td>
<td>√</td>
</tr>
</tbody>
</table>
Clean transport documents

A multimodal transport document is not to include wording that expressly declares a defective condition of the goods or their packaging.

Even when a credit includes a condition for a multimodal transport document to be marked “clean on board” or “clean”, there is no necessity for the word “clean” to actually appear on the document.

Deletion of the word “clean” on a multimodal transport document does not expressly declare a defective condition of the goods or their packaging.

The extract at the top contains a clause indicating a defective condition of part of the packaging. The one at the bottom, whilst stating that the packaging may not be sufficient for the carriage, does not declare a defective condition at the time of receipt of the cargo.

<table>
<thead>
<tr>
<th>Marks and Nos.</th>
<th>No. of packages</th>
<th>Description of packages and goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPUTER ACCESSORY DUBAI 123/TAG/4590 1-10 ON PALLETS</td>
<td>10</td>
<td>500 APPLE MACBOOK PRO WITH RETINA DISPLAY AND ACCESSORIES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 PALLETs SHOW WATER DAMAGE MARKS ✗</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marks and Nos.</th>
<th>No. of packages</th>
<th>Description of packages and goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPUTER ACCESSORY DUBAI 123/TAG/4590 1-10 ON PALLETS</td>
<td>10</td>
<td>500 APPLE MACBOOK PRO WITH RETINA DISPLAY AND ACCESSORIES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PACKAGING MAY NOT BE SUFFICIENT FOR SEA JOURNEY ✓</td>
</tr>
</tbody>
</table>
When a bill of lading is signed by a named branch of the carrier, the signature is considered to have been made by the carrier.

See ICC Opinions R752 (TA748) and R754 (TA750rev)

A bill of lading will normally be signed by the carrier, the master, or an agent that is acting for or on their behalf. However, a recent trend, adopted by a couple of carriers, has seen the introduction of the concept of signing by a branch of the carrier. This manner of signing is the subject of the two referenced ICC Opinions. In the respective conclusions, it was decided that a branch signing on behalf of an office located in the country of domicile of the carrier would be the equivalent of the carrier itself signing the document.

Signed
By: SAILING LINE, UNITED KINGDOM, BRANCH OF SAILING LINE, CHINA AS CARRIER

Adam Owens
non-negotiable sea waybill

A requirement in a credit for the presentation of a non-negotiable sea waybill, covering a port-to-port shipment only, i.e., a credit that contains no reference to a place of receipt or taking in charge or place of final destination

UCP 600 article 21

For the purpose of this module, the abbreviation “NNSW” will be used rather than repeating “non-negotiable sea waybill” in all applicable places.
Paragraph G2

Charter party

When a transport document contains any indication or reference to a charter party, then it is considered to be a charter party bill of lading, no matter how it is titled.

Furthermore, when a transport document includes phrases such as “freight payable as per charter party dated (with or without mentioning a date)” or “freight payable as per charter party”, it is also considered to be subject to a charter party.

The two extracts opposite provide separate indications that the relevant transport document is subject to a charter party. In the first, the title of the document refers to “to be used with charter-parties” and in the second, that freight is payable according to the terms and conditions of a charter party dated 15 July 20XX.
An air transport document may be issued by any entity other than a carrier provided it complies with UCP 600 article 23.

A condition in a credit stating “Freight Forwarder’s air waybill is acceptable” or “House air waybill is acceptable” or words of similar effect, allows an air transport document to be signed by the issuing entity without it being necessary to indicate either the capacity in which it has been signed or the name of the carrier.

See ICC Opinion R639 (TA651rev)
Signatures, stamps or notations on a RRIW transport document are to appear to have been made by:

(i) the carrier, identified as the carrier; (ii) an agent for [or on behalf of] the carrier, with both the agent and carrier identified and named; or (iii) a railway company or railway station of departure.

There is no need for the word “carrier” to be stated on the signature line when the document appears to be signed by the carrier or a named agent for [or on behalf of] the carrier, and the carrier is identified elsewhere in the document.

A rail transport document may bear a date stamp of the railway company or railway station of departure without indicating the name of the carrier or a named agent signing for [or on behalf of] the carrier.
A requirement in a credit for an insurance document to be presented indicates that such document is to be issued and signed by:

- an insurance company, or,

- an underwriter, or,

- their respective agent or proxy.

Issuance and signing in the manner of “ISBP Insurance Ltd” or “ISBP Underwriters Ltd” would provide an indication of issuance and signing by an insurance company or underwriter.

In the event that the issuer of a document is identified as “insurer”, there is no need for any further indication that the issuer is an insurance company or underwriter.
Paragraph K10

Effective date

There should be no indication in an insurance document that cover is effective from a date later than the date of shipment.

If an insurance document indicates a date of issuance which is later than the date of shipment, such document will only be acceptable if there is evidence within the document that coverage is effective from a date not later than the date of shipment.

The date of shipment is as defined in UCP 600 articles 19-25.

See ICC Opinion R766 (TA709rev)

The extract above shows a bill of lading with an on board notation dated 20 August 20XX. The insurance certificate is dated 22 August 20XX i.e., later than the date of shipment. However, there is an additional or special condition that indicates cover was effective as of 20 August 20XX.
A credit may include a requirement for a specific type of certificate of origin to be presented.

Such types, although there are a number of other possibilities, can include a certificate of origin titled GSP Form A, which is a document produced by the European Union under a trade arrangement known as Generalized System of Preferences.

When a credit specifically states the type of certificate of origin to be presented, only that specific document should be presented.

The layout of a GSP Form A will vary between different countries but the basic information that is required will remain the same.
Paragraph M5
Inclusion of invoice details

When the issuer of a packing list, or similarly titled document, is not the beneficiary, it may mention a different invoice number, invoice date and shipment routing to that mentioned on other stipulated and presented documents.

In the extract opposite, the invoice number and date quoted in the packing list will relate to Laptop Service Company. The difference in the invoice number and date (to that of UCP Beneficiary Ltd) is not a conflict.
The data contained in a beneficiary’s certificate is not to conflict with the requirements of the credit.

**46A: Documents Required**

+BENEFICIARY CERTIFICATE STATING THAT THEY SENT ONE SET OF COPY DOCUMENTS TO THE APPLICANT BY COURIER SERVICE, WITHIN 3 DAYS AFTER THE DATE OF SHIPMENT

In the extracts shown, the beneficiary has indicated a different means of sending the copy documents, and a different timeline in which the documents were apparently sent.
Paragraph Q8
Status of goods

It may be that a credit will not specifically indicate the wording that is to appear on a certificate with respect to determining the findings of any analysis, inspection or quality assessment.

Statements, including those that may appear detrimental to the goods, may be incorporated on a certificate provided that the wording does not conflict with the credit, any other stipulated document or UCP 600.

46A: Documents Required
+INSPECTION CERTIFICATE ISSUED BY PRIME INSPECTION COMPANY

PRIME INSPECTION COMPANY
201 MAIN ROAD, BEIJING, CHINA 21111

DATE: 20 August 20XX

INSPECTION CERTIFICATE

We certify that the 500 Apple Macbook Pro and accessories that have been shipped on 18 August 20XX are fully in accordance with the requirements and specifications as detailed in order 123/TAG/4590 dated 16 July 20XX.

37 Macbook sets contained plug fittings that will not be appropriate for destination.

For PRIME INSPECTION COMPANY

Charles Atlas

An inspection, analysis, health, etc. certificate is an important document for an applicant. It provides data relating to the goods prior to their shipment and may be enforceable against the issuer in the event of dispute. However, it is often the case that a credit will not indicate the level of inspection or analysis that is to be carried out or the standards against which the goods are to be assessed. Issuing banks and applicants would be well advised to insert specific information relative to the data that is expected to appear in a presented certificate.
Gary Collyer (ex-HSBC / Citibank / ABN Amro) and David Meynell (ex-Deutsche Bank) have joined forces in order to bring to market an online training solution for the financing of trade.

Between us we have over 70 years of knowledge and experience in the trade finance field and this has been applied in the development of a complete suite of trade finance modules.

Suitable for Bankers, importers, exporters, logistics personnel and lawyers

Pricing: Upon request and subject to discounting based on projected number of purchases.

www.trade-finance-academy.com

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