

Risk Management For Letters Of Credit

By Olivia Chan



Decide with Confidence

To provide participants with the knowledge and skills to reduce risks for L/C proposals.

On completion of the 2 days course, participants will be able to:

- Participants will be able to explore and understand the basic issues in LCs (transferable, back-to-back, SBLC) and demand guarantee and bond in trade financing
- Mitigate the risk and avoid major pitfalls and costly mistakes in transferable, back-to-back, SBLC)

Course Contents

Introduction/Decision Criteria

1. Overview of Letters of Credit –
 - Transit Risk
 - Country Risk
 - Bank Risk
 - Currency Exchange Risk
 - Commercial Risk
 - Documentation Risk
 - Political Risk
 - Money Laundering – techniques that utilize Documentary Credits
 - Principle Of Autonomy
 - Fraud and Fraudulent Documents
2. Import L/C
 - Bank Exposure – Issuance and Operational
 - Risks to Issuing Bank
 - How issuing bank can reduce its risks under L/Cs
 - How to minimize credit risk of customer – transaction profile
3. Export L/C
 - Risks to:
 - Advising Bank
 - Nominated Bank
 - Confirming Bank
 - Negotiating Bank
4. Transferable L/C
 - Risks, Rights, Responsibilities and Obligation of parties involved
5. Back-to-Back L/C
 - Risks of issuing bank issuing second credit
 - Reducing and Resolving Risk Factors
 - Risks, Rights, Responsibilities and Obligation of parties involved

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Import & Export Financing

Risks of Trade Financiers

- Bank Services to reduce Importing Risks/Exporting Risks
- Trust Receipt
 - Risks assumed by banks
- Forfaiting – Risks of Forfeitor
 - Political Risk
 - Transfer Risk
 - Currency Risk
 - Commercial Risk
- Purchasing/Discounting export receivables
- Commodity Financing
 - Risk: country risk, sovereign/ transfer risk
 - Risk for banks in 'escalation clause'
 - Mitigating Risk for banks in 'escalation clause'
 - Mitigating Risk for banks in 'escalation clause'

About The Trainer – Mrs. Olivia Chan

OLIVIA CHAN, Fellow of the Chartered Institute of Bankers and a MBA graduate in Finance from University of Leeds, is a seasoned documentary credit specialist of over 30 years. She joined Natwest Group in 1977 and was with this Group for about 20 years and her last position was Manager of its Trade Finance Unit. She is a Certified Documentary Credit Specialist, a qualification jointly issued by the Chartered Institute of Bankers (UK) and the International Financial Services Association (USA) and endorsed by the International Chamber of Commerce based in Paris, France. Olivia also served as a Treasury Manager with a Singapore based top research and development organisation from 1997 to 2002.

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Date: 28 & 29 June 2012, 9am – 5pm

Venue: TBA

Fee: [] S\$880 (before GST) for D&B Subscriber [] S\$990 (before GST) for Non-subscriber
(Includes materials, refreshments and lunch)

EARLY BIRD – Fax in your registration before 28 May to receive a 10% off regular fee
Or, GROUP SAVINGS – Send 2 or more participants to enjoy a 10% off regular fee

Fax the completed registration form to 6778 3853

Participant(s) Information

Name 1: _____ **Job Title:** _____
Email: _____ **(DID):** _____
Name 2: _____ **Job Title:** _____
Email: _____ **(DID):** _____
Name 3: _____ **Job Title:** _____
Email: _____ **(DID):** _____

Company's Information

Name of Company: _____
Address: _____ **(Postal Code)** _____
Telephone: _____ **Fax:** _____
Liaison Officer: _____ **Job Title:** _____
Email: _____ **(DID):** _____

Payment Information

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Cancellation Policies

1. A seat will be reserved upon receipt of completed registration form, and confirmation of seat upon payment received.
2. A substitute participant is welcome at no charge should you not be able to attend. Please provide the necessary details. Only cancellation made 7 working days before commencement is entitled to full refund of seminar charges (only applicable to cheque or credit card payment). No refund thereafter including no show during day of commencement. A complete set of materials will however be sent to you.
3. For D&B subscribers opting to pay through D&B subscription units, deductions would be made upon receipt of completed registration form. In the event of any postponement/cancellation of seminar by D&B; or withdrawal from seminar by participant(s), units deducted would not be credited. However, a replacement of seminar (of same value) would be given and to be utilized within 6 months.
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