

*“When trade stops, war comes”*  
*Jack Ma*

# Master-Class: Documentary Credits, Financial Crime, Fraud and Trade-Based Money Laundering

## OVERVIEW

Despite increased digitalization, Documentary Credits still play a pivotal role in International Trade, particularly for commodities and developing markets. This intensive seminar will provide a practical and interactive analysis of regulation, practice and risk in International Trade and Documentary Credits with particular focus on commodity finance.

This two-day Master-Class will provide a detailed overview of the use of Documentary Credits in the financing of International Trade, with discussion of the fraud risks to be considered at various stages, and of the impact of current and proposed regulatory changes.

## WHO SHOULD ATTEND?

The course is aimed at members of bank management and staff involved in Trade Finance and associated fraud, Anti Money Laundering, and Counter Terrorist Financing issues.

It is therefore relevant for management and staff working in Trade Finance and Documentary Credit Departments, managers in supervisory or executive roles, Internal Auditors and bank personnel newly appointed to any of these areas.

*sharing knowledge, developing skills*

# OUTLINE

## OBJECTIVES

Participants in the course will come away with:

- A clear understanding of what constitutes current best-practice in managing Trade Finance transactions in banks
- An understanding of how this could, and probably should, be implemented in their bank
- Appreciation of areas where Trade Finance transactions can go wrong in banks, and how appropriate internal policies and procedures can help anticipate and avoid those problems
- Knowledge of what is needed to meet the requirements of Global Regulators when operating in the field of International Trade Finance

## COURSE DELIVERY

- This is a two-day course totaling **14 hours of delivery time**.
- It consists of **nine tutorial modules** providing a total of 10 hours of instruction.
- A further four hours of the schedule is dedicated to **intensive group work and exercises, underpinned by case studies**, all facilitated by the instructor.
- All hand-outs and instruction will be in English; participants should have a good working knowledge of English.
- The course is **customised** to the specific needs of the client, to ensure maximum relevance and benefit.
- Because the course involves participative group work on case studies, and considerable interactivity during tutorials, the number of participants is limited to **no more than 20**.

### TRAINING NEEDS ANALYSIS & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

# OUTLINE

## MODULE 1: THE FINANCING OF INTERNATIONAL TRADE

- ⇒ The parties, their roles and contractual relationship and their legal obligations and responsibilities under the Uniform Customs & Practice for Documentary Credits (UCP).
- ⇒ The risk ladder - effective use of trade instruments from a cost v risk perspective.
- ⇒ Assessment of the risks – what are the safeguards?
- ⇒ Analysis of the key trade instruments and payment mechanisms?

## MODULE 2: DOCUMENTARY CREDITS AND UCP 600

- ⇒ UCP 700 - arguments for and against a revision. Is it needed – if so why?
- ⇒ Use of Documentary Credits in international trade – practical problems, key risks, potential solutions.
- ⇒ Key legal cases on documentary credits and the UCP<sup>[1]</sup><sub>[SEP]</sub>

## MODULE 3: STANDBY CREDITS AND GUARANTEES

- ⇒ How do they work and why are they needed?<sup>[1]</sup><sub>[SEP]</sub>
- ⇒ How do they compare with guarantees?
- ⇒ Risks to consider when dealing with standby credits.
- ⇒ Comparison of Guarantees with Standby Credits.

## MODULE 4: SPECIALISED DOCUMENTARY CREDITS

- ⇒ Transferable Credits
- ⇒ Back-to-Back Credits
- ⇒ Letters of indemnity in oil transactions

## MODULE 5: INTERNATIONAL PRACTICE FOR THE EXAMINATION OF DOCUMENTS UNDER UCP 600 (ISBP 745)

- ⇒ Importance in reducing discrepancies
- ⇒ Use in disputes between traders and banks
- ⇒ Key provisions and how to use them

## MODULE 6: REQUIREMENTS OF GLOBAL REGULATORS IN THE FIELD OF INTERNATIONAL TRADE FINANCE

- ⇒ Wolfsberg, ICC and BAFT Trade Finance Principles January 2017
- ⇒ Analysis of updates to the 2011 Wolfsberg Rules
- ⇒ Structure and broadening of scope of the rules in an “ICC” style to extend their reach and use

## MODULE 7: WOLFSBERG CORE PRINCIPLES

- ⇒ Wolfsberg Structure
- ⇒ Core Principles

## MODULE 8: UK FINANCIAL SERVICES AUTHORITY (FCA) THEMATIC REVIEW OF TRADE FINANCE

- ⇒ Key recommendations and conclusions
- ⇒ What it means to banks, traders and corporates
- ⇒ Local regulators’ guidance and directives
- ⇒ FATF 40
- ⇒ Joint Money Laundering Steering Group (JMLSG)
- ⇒ EU Money Laundering directives
- ⇒ Red Flags - what to look for
- ⇒ Segregation of compliance and front and back office
- ⇒ Need for effective communication between Front Office, Middle Office and Compliance functions

## MODULE 9: HOW TO BALANCE THE AUTONOMY PRINCIPLE OF DOCUMENTARY CREDITS WITH THE CHALLENGES OF REGULATION, COMPLIANCE AND FRAUD

- ⇒ The autonomy principle - is it still valid and workable?
- ⇒ How to reconcile the impact of regulation and compliance with the traditional UCP focus ‘banks deal with documents not goods’.
- ⇒ How to avoid being deceived by fraudsters
- ⇒ Examination of actual fraud cases - lessons to be learned

# DETAILS

## TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate to make a tangible improvement to policy and practice in their own bank.

## TERMS & CONDITIONS

Total fee cost for the off-site delivery of the two-day course as described is US\$ 8,800 (eight thousand eight hundred United States Dollars). This is EXCLUSIVE of:

- Flights (discounted business class);
- Accommodation (min. 4★) for every night required off-site;
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course on-site at or near our London headquarters for an all-inclusive fee of US\$ 10,560 including VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants.

A 60% deposit is payable one-month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings.

For more information or to arrange a booking, please contact Johnny Rizq at:

[johnny.rizq@gbrw.com](mailto:johnny.rizq@gbrw.com)

# INSTRUCTOR



**John Turnbull**  
Director, Trade  
Finance  
GBRW Expert Witness  
Ltd

John Turnbull is a 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 and documentary credit transactions.

John was until recently Global Head of SMBC's Structured Trade & Commodity Finance Group, responsible for trade and documentary credit business strategy, as well as client and risk appetite worldwide across 8 regional hubs, 30 global trade locations and 300 staff.

John is also Chairman of the ICC UK Banking Committee, UK representative and Co-Chairman of the International Chamber of Commerce Consulting Group for the revision of UCP 500 (new UCP 600) and Co-Chairman of the International Chamber of Commerce Consulting Group for the revision of the International Standard Banking Practice for the Examination of Documents under UCP 600 (ISBP 745).

He is a regular Chairman, moderator and panellist at international trade conferences and seminars, a long-standing member of the ICC Banking Commission in Paris and a member of the ICC Banking Commission global Financial Crime Committee and the joint ICC/Wolfsberg guidance rules.

## ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

For more information, visit our website at:

<http://www.gbrw.com/training>

To discuss your specific requirements email us at:

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