



Documentary Letters of Credit

Course Introduction:

This course is designed to provide participants with a thorough understanding of the mechanisms, processes, and regulations governing documentary letters of credit (LCs). As a vital instrument in international trade, LCs serve to minimize risk for both buyers and sellers by providing assurance that payment will be made, provided certain conditions are met. This course will delve into the various types of letters of credit, the roles of different parties involved, and the legal frameworks that underpin their use.

Course Objectives:

By the end of the training, participants will be able to:

- Understand the fundamental concepts of documentary letters of credit.
 - Identify the different types of letters of credit and their applications.
 - Analyze the roles and responsibilities of parties involved in LCs.
 - Evaluate the documentation requirements and procedures for LCs.
 - Explore the regulatory frameworks governing documentary letters of credit.
 - Develop skills for managing disputes and issues related to LCs.
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Who Should Attend?

This course is designed for all:

- Trade finance professionals and bankers
- Importers and exporters involved in international trade
- Compliance officers and risk management professionals
- Legal advisors specializing in trade finance

Course Outline:

Day 1: Introduction to Documentary Letters of Credit

- **Overview of Letters of Credit**
 - Definition and Purpose of Documentary LCs
 - Historical Context and Evolution of LCs
- **Types of Letters of Credit**

- Revocable vs. Irrevocable LCs
- Confirmed vs. Unconfirmed LCs
- Standby Letters of Credit and Commercial LCs
- **Parties Involved in Letters of Credit**
 - Roles of the Applicant, Beneficiary, Issuing Bank, and Advising Bank
 - Understanding the Relationships Among Parties

Day 2: Legal Framework and Regulations

- **International Guidelines and Standards**
 - Introduction to UCP 600 (Uniform Customs and Practice for Documentary Credits)
 - ICC Rules and Their Application in International Trade
- **Legal Aspects of Letters of Credit**
 - Understanding the Independence Principle
 - Obligations and Liabilities of the Parties Involved
- **Regulatory Compliance**
 - Anti-Money Laundering (AML) and Know Your Customer (KYC) Regulations
 - Trade Compliance and Export Control Regulations

Day 3: Documentation Requirements

- **Essential Documents in LCs**
 - Bill of Lading, Commercial Invoice, and Packing List
 - Certificates of Origin and Insurance
- **Document Examination Process**
 - Criteria for Document Compliance
 - Common Discrepancies and Their Impact on Payment
- **Negotiation and Transfer of LCs**
 - Understanding the Negotiation Process
 - Transferable LCs and Their Implications

Day 4: Managing Letters of Credit

- **Application Process for Letters of Credit**
 - Steps in Applying for an LC
 - Information Required from the Applicant
- **Monitoring and Tracking LCs**
 - Best Practices for Managing Active LCs
 - Communication Strategies Among Parties
- **Risk Management in International Trade**
 - Identifying and Mitigating Risks Associated with LCs
 - Insurance Options for Trade Finance

Day 5: Dispute Resolution and Best Practices

- **Common Issues and Disputes in LCs**
 - Types of Disputes: Document Discrepancies, Non-Payment, or Fraud
 - Strategies for Preventing Disputes
- **Dispute Resolution Mechanisms**
 - Mediation, Arbitration, and Legal Recourse
 - Role of the ICC and Other Bodies in Dispute Resolution
- **Future Trends and Developments in Documentary LCs**
 - Impact of Technology on Trade Finance (e.g., Blockchain, Digital LCs)
 - Evolving Practices in International Trade and Finance

Course Methodology:

A variety of methodologies will be used during the course that including:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods

- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Fees:

To be advised as per course location. This rate includes participant's manual, Hand-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session