

Will You Be PAID?



Letters of credit are often used in international transactions to ensure that payment will be received. Due to the nature of international dealings including factors such as distance, differing laws in each country and difficulty in knowing each party personally, the use of letters of credit has become a very important aspect of international trade.

Examine and understand the terms and conditions in a Letter of Credit (LC) - Avoid and resolve discrepancies. Understand the uses, mechanics and risks of LC

LETTER OF CREDIT - OPERATIONS

OBJECTIVES

Upon the completion of the program, participants will be able to:

- ✓ understand the different modes of settlement in international trade
- ✓ list the common documents used in trade
- ✓ recognize the various types of LCs available from banks
- ✓ identify the values and creative uses of LCs
- ✓ complete LC Applications and impose terms and conditions to beneficiaries correctly
- ✓ interpret SWIFT LCs and messages on LCs
- ✓ recognize the differences between conventional and Islamic LCs
- ✓ understand the international rules governing LCs

COURSE OUTLINES

1. Introduction to International Trade

A general introduction will be given on international trade, establishing and discussing:

- ✓ The parties involved
- ✓ The different terminologies used for each of the parties in the transaction.

2. INCOTERMS

The functions of the main INCOTERMS are explained showing at which point delivery is made and the costs and risks involved to the buyer and to the seller at each stage of the transaction

3. Trade Documents

As banks are involved in handling Letters of Credits (LCs), also known as Documentary Credits (DCs) and deal in documents only and not in the goods, it is of paramount importance that they and the traders themselves must fully understand the different types of trade documents and their purpose.

Explanations will be given on the functions and features of the Bill of Exchange / Proforma invoice / Commercial Invoice / Bill of Lading / Certificate of Insurance and other documents the relevant ICC Rules applicable to them.

4. Methods of Payment (how traders pay each other).

The four methods of payment in international trade covered by: - Prepayment, Open Account, Documentary Collection and Documentary Credits and 'sight' and 'usage' terms are explained.

2012

March

21 March 2012 (Wed) **TIME** 9am - 5pm **VENUE** Sunway Hotel, Seberang Jaya, Penang

5. Documentary Credits (DCs) or Letters of Credit (LCs)

Documentary Credits are defined and the various LC trade cycles are explained viz: Sight / Usance / Irrevocable / Confirmed / Transferable / Back to Back / Red Clause / Revolving & Standby LCs.

6. Various uses of LCs

- ✓ Special types of LCs used to fulfill specific requirements such as Standby, Revolving, Red Clause, Transferable and Back to Back are discussed in full, and the benefits are highlighted.
- ✓ How to transfer LCs
- ✓ How to use an LC for Back to Back purposes

7. Benefits of LCs to both buyers and sellers are explained

8. SWIFT LCs

The features of 'Mail' and 'SWIFT' LCs are highlighted and explained

9. How to apply for an LC

Briefing and exercise on the completion of an LC Application and issuance of the LC, based on a sample of a 'pro-forma' invoice. How LC may be available and the issuance of the LC is to test the participants understanding of the basic features of an LC.

The procedures for the application, issuance and advising of the LC and the standard documents required are explained.

The requirement of the following standard:

- Instructions to exporter
- Instructions to Negotiating Bank
- Instructions to Reimbursing Bank, are also discussed
- A checklist for LC Applicants will be provided

10. Some innovative uses of LCs

Some LC are used for purposes other than originally intended, these are being examined. How to transfer an LC

11. Questions and Answers

TRAINER'S PROFILE

NOEL VONG is our Senior Trainer and Senior Management Consultant. He has 40 years of banking experience with over 20 years in International Trade Finance. His experience in International Trade and Trade Finance includes the setting up of the Trade Bill Centers, customising Trade Finance manuals, developing Islamic Banking Trade Bill Products, centralizing trade processing activities, supervising marine and export-import operations, training staff and conducting Trade Seminars for public and bank customers.

He is a retired Manager of a local & a foreign bank and has worked in all major towns in Malaysia. He has also worked in Banks in The Philippines, Cambodia, Hong Kong and Vietnam.

Noel is an accomplished trainer cum consultant. Over the past 20 years, he has conducted many in-house and public Trade Finance courses in Malaysia and the Asean Region. For Islamic banking, he has rendered his expertise in developing and drafting Islamic Trade Finance products for commercial banks.

WHO SHOULD ATTEND?

This course is designed for the Entrepreneurs; Managers; Account Executives; Import / Export and Sales & Marketing personnel who require knowledge of the operations of the various types of Letters of Credit (LC).



Register Online

Download Registration Form



COURSE FEES

RM 750.00 per person
Includes Lunch, Tea-Breaks,
Course Notes and
Certificate of Completion



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