

Trade Finance Best Practices Workshop

A one day seminar and practical workshop

The Workshop Objective:

Bank managers will understand the essential elements of global trade finance theory and practice, the impact on their clients business and how trade finance products and services provided by financial institutions and government agencies facilitate global business. Program participants will become better equipped to:

- Understand the finance fundamentals that drive global business from a company's perspective, better apply trade products to clients' global business needs, improve client loyalty, better mitigate their bank's credit exposure and enhance financial performance.
- Understand the unique roles and interdependency of financial institutions, central banks, government agencies, regulators and the International Chamber of Commerce in facilitating trade and global finance.
- Understand and educate their clients on the essential theories and global business practices applicable to, payments, letters of credit, bankers' acceptances and other legacy bank trade products.

CONTENT

Session 1: Global Finance Risks:

- Emerging markets versus developed countries
- Role of central banks
- Drivers of interest rate differences (inflation, deflation, central bank management, etc.)
- Time value of money
- Emerging versus Industrialized country finance management differences
- Fundamentals of foreign exchange
- Credit risk fundamentals including country and bank risk assessment and management



Session 2: Global Trade Finance:

- The sales cycle
- INCO terms
- CFO's perspective on Trade Cycle / Financial Supply Chain
- DSO/DRO versus DPO
- Global cash management principles & payment types (how money moves globally)
- Role of regulators and the International Chamber of Commerce
- Buyer and bank creditworthiness versus country creditworthiness.

Session 3: Global Trade Finance Best Practice:

- Payment methods: open account, cash-in-advance, documentary collections and letters of credit
- Role of banks in global trade finance specifically letters of credit focusing on risk mitigation (confirmation)
- Transaction tenor and bankers acceptances and how banks generate revenue.
- Other methods for trade finance (EXIM Bank(s), other bilateral and multilateral (The World Bank), risk distribution and credit insurance
- Trade payables finance and other emerging supply chain finance concepts.

Session 4: Case Study Applications:

- Apply global finance principles employing trade finance tools to corporate transaction examples and situations
 - (1) Letter of credit sight versus time.
 - (2) Open account using credit insurance
 - (3) Structured trade finance multi-year transaction (bi-lateral agency supported)

Completion of this workshop will earn the participant one credit toward the BAFT / Thunderbird *Certified International Banking Professional* designation.