

MANAGEMENT OF INTERNATIONAL OPERATION - UNIT 2

To know how to secure financially the import-export operations

PUBLIC

Export managers, managers of international contracts, bank executives, administrative or financial, commercial executives working in import/export companies.

OBJECTIVES

To know and manage the various instruments of payment. To optimize the use of the documentary credit and the standby letter of in the context of the new ISBP 745. To know how to manage the credit insurance and to familiarize oneself with the financing of the international operations. To take into account the need for the contract bonds and the new body of rules URGD 758. To familiarize oneself with the techniques of hedging currency exposure.

PRE-REQUISITE: None

TEACHING METHOD

Technical contributions, talks/discussions, exercises, case studies.

The goal is to make the participants react on concrete cases enabling them to be operational as of their return in the company.

DUREE : 2 days

PROGRAM

I Reminder of the risks in international trade

Identification and chronology of the risks

The techniques of coverage

II Techniques of payment in international trade

Limits of the non documentary techniques of payment

Techniques of payment specific to export (documentary collection, documentary credit, standby L/C)

III Documentary collection

Mechanism, actors

Incurred risks, precaution to be taken

IV Documentary credit

Basic mechanisms

The different types (irrevocable, confirmed)

The different forms of payment (by payment at sight, by acceptance, by negotiation...)

The openings SWIFT MT 700

The applicable rules : UCP 600 and ISBP 745

The exporter's risks

How to avoid and manage the reserves of the bank?

The malfunctionings (traps to be avoided)

Special documentary credits (transferable credit, back-to-back)

V Standby letter of credit

The different uses of the standby L/C

Mechanism and calling

Advantages and inconveniences of the standby L/C

Comparison between standby and classical L/C

VI The alternatives to the documentary credit and the standby L/C

The factoring, the forfaiting

The short-term financing techniques

The middle term and long term funding techniques (buyer's credit, supplier's credit)

VII Credit insurance

The functioning of the credit insurance

The covered risks (risk of contract break, risk of non payment)

The COFACE offer

VIII Contract bonds

The different types (bid bond, performance bond...)

The legal typology of the guarantees (surety bond, guarantee on first demand, standby L/C)

The reduction of the risks for the exporter

Analysis of the different parameters of the guarantees and follow-up

The applicable rules (URDG 758)

IX The cost price

Method for calculation

Calculation of a cost price

X The management of the foreign-exchange risk

Assessment of the foreign-exchange risk

The coverage of the risk by the credit insurance

The banking products

XI The set-up of adapted management tools

The administrative organisation

The payment reminders.

SPEAKER : Ange Cubeddu – Consultant in international trade

Contact : ange.cubeddu@adelformation.com