

THE OPERATIONAL MANAGEMENT OF THE DOCUMENTARY CREDIT

To control the principles of working of the documentary credit to facilitate the operational management within the company

PUBLIC

Bank executives, administrative executives or financial collaborators of the export departments wishing to initiate or look further into this technique of payment

OBJECTIVES

To master the operational management of a the documentary credit

To know the general mechanism, the risks and the possible dysfunctions of this technique of payment

To initiate oneself with the standby L/C and with the special documentary credits (revolving L/C, transferable L/C, back-to-back...)

To master the various types of documents of transport and in particularly the B/L

To know how to draft the documents in order to avoid the reserves of the banks

To familiarize oneself with Incoterms and to know the links between the documentary credit, the Incoterms and the documents to be presented

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.

DURATION: 2 days

PROGRAM

I Principal methods of payment used in the international trade

Payment in advance

Open account

Documentary collection

Documentary Credit

II The documentary credit

General mechanism

Actors, the role of the various banks

Concept of confirmation, various forms of negotiation

Deadlines

Conditions of operativity

Impact of the RUU600

Contents of the L/C and requested documents

The SWIFT openings

Examples of L/Cs (case studies)

Risks of the procedure for the purchaser and the seller

Instructions of the applicant for the opening of the L/C

Precautions to be taken by the beneficiary with the notification of the L/C?

What to make in the event of reserves of the bank?

III Incoterms

The 4 families, the distribution of the risks and the expenses

Links between Incoterms and the L/C

The choice of the documents according to Incoterm

IV special documentary Credits

L/C Red clause and revolving L/C

Transferable L/C

Back-to-back

V The standby L/C

General mechanism

Differences between traditional L/C and standby L/C

Advantages and disadvantages

Examples of standby L/Cs

VI Analysis of the documents of transport

Different types of documents of transport

Advantages and disadvantages of the main documents of transport

VII Analysis of the B/L

Fundamental functions of the B/L

Various types of B/L

The reserves, the LOI

Checking of the B/L by the beneficiary of the L/C

Analysis of B/Ls

VIII Analysis of the other documents

The document of insurance (amount? guarantees? ...)

The commercial invoice

Other documents

INTERVENING: Ange Cubeddu - Consultant

Contact: ange.cubeddu@adelformation.com