



CENTRAL BANK OF EGYPT  
Egyptian Banking Institute

Banking and Finance

# Trade and Commodity Finance



3 days



Virtual

Center of **Excellence** and **Knowledge Hub**

[www.ebi.gov.eg](http://www.ebi.gov.eg)

## Overview

An introduction to the tools and processes of this specialized area of international finance. Participants will assess the risks involved in international trade in a structured manner. They will then learn techniques to mitigate and/or transfer risk between the parties involved in these transactions.

The differing roles and requirements of Importers, Exporters, Traders, Insurers, and Bankers will be explored and explained through a combination of presentations, exercises, and case studies. A practical approach will be taken with many real-life examples throughout the workshop.

## Learning Objectives

Upon completion of this seminar, delegates will be able to:

- Identify the key risks to which Importers and Exporters are exposed.
- Select from among trade finance products those which may best meet customer needs.
- Evaluate the risk mitigation characteristics of the products.
- Propose trade financing structures acceptable to bankers and their clients.

## Who Should Attend

- TCF Managers and support staff
- Credit Analysts
- Wholesale Bankers working in and with the emerging markets
- Internal Auditors
- Letter of Credit staff looking to update their knowledge and expand their product base
- Relationship managers

## Program Level

Program Level: Basic

Prerequisites: Participants should be familiar with the concepts, tools, and techniques of corporate risk analysis.

Advanced Preparation: None

Delivery Method: Group-Live

## Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.nasbaregistry.org](http://www.nasbaregistry.org).

## Trade and Commodity Finance Masterclass - Agenda

### DAY ONE

#### Session 1: Introduction

- What is Trade and Commodity Finance
- Who are the parties involved?  
Overview of risks involved.
- Problems that participants encounter in their day-to-day work with TCF transactions

#### Session 2: Tools and Documents of Trade Finance

- The 'risk ladder'. The range of risk levels in TCF transactions
- Documents used in international trade
- Shipping and Incoterms. What are they and what is their relevance in assessing risk
- Collections
- Documentary Credits (including transferable and back to back)

### Session 3: Tools and Documents of Trade Finance Continued

- Financing under collections and letters of credit. Which are the most common of these facilities
- Standby letters of credit
- Bank Payment Obligations (BPOs)

### Session 4: Understanding the client's business What does your client do?

- What risks are involved? How does your client manage these risks?
- Key issues to understand in currency and price hedging strategies.
- What kind of facilities does your client need? Is the amount clear?
- Compliance issues
- Example of failure by bank to understand business

#### Evening Work:

- Participants will be requested to:
- Summarize their individual key learning points of the day and indicate how these learning points can be used to improve performance and asset quality

### DAY TWO

#### Review

- Discussion on learning and action points from Day 1

### Session 5: Transactional Finance 1

- Self-liquidating, repayment from sales proceeds.
- The roles of the various parties involved
- Lending against collateral. How to decide percentage to finance?
- When should security be taken? What

determines whether it is perfect or imperfect?

- Collateral/security position for goods in transit
- Financing goods in warehouses. What is the process? To what extent can it be viewed as asset-based finance? Can the bank maintain control at all times?

### Session 6: Transactional Finance 2

- What risks are inherent in transactional finance: how can these be mitigated?
- Risk sharing. What are the benefits and drawbacks
- Syndicated facilities. Additional considerations
- Use of financial and non-financial covenants. Do they provide realistic early warning signals and/or protect LGD?
- Should financing be with or without recourse to the client?
- The importance of understanding legal issues at all stages of the transaction
- Financing the supply chain.

#### Evening Work:

- Participants will be requested to:
- Summarize their individual key learning points of the day and indicate how these learning points can be used to improve performance and asset quality

### DAY THREE

#### Review

- Discussion on learning and action points from Day 2

**Session 7: Borrowing Base Facilities**

- How do they differ from 'Transactional Finance'?
- Can they be viewed as self-liquidating?
- How to structure the Borrowing Base.
- What security needs to be taken?
- What are the potential loopholes in protection?

**Session 8: Pre-export finance facilities**

- The structure of a typical pre-export finance transaction
- Risks and mitigants for the Bank
- Examples and exercises

**Session 9: Structured inventory financing**

- The role of the various parties involved

- Mechanics and practicalities
- On and off balance sheet structures
- Benefits for the client and risks for the Bank
- Realizing the inventory for repayment in case of need

**Session 10: Fraud and How to avoid it?**

- What is double financing?
- Other examples of Frauds
- What lessons can be learned from experience of frauds

**Session 11: Bringing it all together**

- Review of major learning points of the workshop
- Final case study presentation.

## Chintan Khanna

Training Consultant

Chintan is a banking professional with a career spanning over 34 years. He has a deep working knowledge and facilitation expertise in disciplines including Trade Finance, Cash Management, Working Capital and Sales skills.



He has a depth of experience facilitating training events in Asia, the Middle East, Africa, Europe and in the Americas to a broad spread of delegates from international graduate trainees through to seasoned banking professionals.

In addition to his role as a global facilitator, Chintan has in the past held several senior level positions in the bank in different areas such as trade finance product management, trade sales and business development, trade operations and as a relationship manager.

He holds an honors degree in Commerce from Delhi University and a post graduate diploma (MBA) in Business Management from Indian Institute of Management, Ahmedabad. He is a certified trainer for SPIN sales methodology program (by Huthwaite). He has also achieved SCB's internal 'advance' level facilitation standards certification.

Chintan has over 15 years of technical content facilitation experience in Standard Chartered bank, where he was responsible for the design, development and delivery of training programs in the areas of trade finance, cash management and working capital management across SCB's network. His programs have consistently received excellent feedback exceeding ASTD benchmarks.

He has over the past 15 years delivered training programs across 5 continents to participants of over 100 nationalities across different levels in SCB as well as its network banks. He has maintained program effectiveness, business relevancy and level appropriateness across a range of delivery modalities –classroom, virtual delivery, digital self-study tools. He has built capability frameworks that encompassed scaled up 'building block' approach to learning solutions.

HOTLINE  
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**Headquarters – Nasr City**

22 A, Dr. Anwar El Mofty St., Tiba 2000  
P.O.Box 8164 Nasr City, Cairo, Egypt  
Tel.: (+2) 02 24054472  
Fax: (+2) 02 24054471

**Working hours:** 9:00 am - 5:00 pm  
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