

INTRODUCTION TO STANDBY LETTERS OF CREDIT

ICC
ACADEMY

Level 1

Duration 3 learning hours

Language English

Price US\$150

Credits 3

Credits category GTC Elective

Course code TF 101-12

Author: BUDDY BAKER

Target audience

General practitioners working in banks, corporates, or financial institutions in functions such as Relationship Management, Credit, Compliance, etc. but with an interest in trade finance.

Course objectives

This course will provide participants with essential knowledge of the process flow and industry practices involving Standby Letters of Credit. In this course you will gain an understanding of how the basic principles that apply to Documentary Credits of all kinds apply to Standbys as well as the

ways in which Standbys differ from other types of Documentary Credits. This course will close out with a look at how industry practices pertaining to Standbys differ from those pertaining to Demand Guarantees; and how these are reflected in the rules governing each.

Course outline

- Module 1 How Standby Letters of Credit Evolved from Documentary Credits
- Module 2 How Standby Letters of Credit Differ from Commercial Letters of Credit
- Module 3 Uses of Standby Letters of Credit
- Module 4 Standbys vs. Guarantees & Bonds
- Module 5 Using Standby L/Cs to Arrange Local Guarantees
- Module 6 Capital Adequacy (Solvency) Regulations and Letters of Credit
- Module 7 Tips, Tricks, and Facts regarding Standbys
- Module 8 Case Study
- Module 9 Assessment



INTRODUCTION TO STANDBY LETTERS OF CREDIT ABOUT THE AUTHOR

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BUDDY BAKER

Walter (Buddy) Baker has more than 30 years of experience in working with companies to finance and insure their trade receivables. His professional experience includes stints with Atradius Trade Credit Insurance, ABN AMRO Bank, Bank of America, Wachovia Bank, and The First National Bank of Chicago.

Buddy owns the consulting firm Global Trade Risk Management Strategies, which specializes in both online and on-site educational training, and designed the online training/certification programs used by the Association of International Credit and Trade Finance Professionals (ICTF) and by the Association of Trade and Forfeiting in the Americas (ATFA) and the trade finance sections of the certification program used by the Finance, Credit and International Business Group (FCIB) of the National Association of Credit Management (NACM). Mr. Baker has authored

numerous magazine articles and the books Users' Handbook to Documentary Credits under UCP600 (ICC publication no. 694), Documentary Payments & Short-Term Trade Finance, and The Regulatory Environment of Letters of Credit and Trade Finance. As a member of the Commercial Letter of Credit Committee of the Bankers' Association for Finance and Trade, the Advisory Council of the Institute for International Banking Law and Practice, and the Council for International Standby Practices, Mr. Baker is actively involved in establishing national and worldwide standard practices for both commercial and standby LCs. He also serves on the Board of Directors of the Association of International Credit and Trade Finance Professionals, a multinational association of export credit managers.

Buddy earned his undergraduate degree at Yale University and his MBA at Northwestern University.

Assessment

This eLearning course will include a self-assessment tool to help you prepare for the Global Trade Certificate (GTC) Final Examination if you choose to obtain this Certificate. The passing grade for the Final Examination is set at 70%.

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