

COURSE OUTLINE:

# Moody's Analytics Trade and Commodity Finance Masterclass 3 days 24 CPE Credits

## 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)

## WHY MOODY'S ANALYTICS?

### Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

### Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

### Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

# 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

# Trade and Commodity Finance Masterclass – Agenda (Cont...)

## 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
- » Realising the inventory for repayment in case of need

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

- » What is double financing?
- » Other example of Frauds
- » What lessons can be learnt from experience of frauds

### Session 11: Bringing it all together

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

### Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

### Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

### Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

### CONTACT US

#### AMERICAS

TrainingAmericas@moody's.com  
+1.212.553.4387

#### EMEA

TrainingEMEA@moody's.com  
+44.207.772.1569

#### ASIA

TrainingAsiaPac@moody's.com  
+852.3551.3131

Copyright © 2018, Moody's Analytics, Inc. and/or its licensors and affiliates.