



global training center

LETTERS OF CREDIT

and Alternative International Payment Methods

8:30 a.m. to 4:00 p.m. - Seminar

8:30 a.m. to 4:00pm (Central Time) - Webinar

Reference book Letters of Credit in International Trade: A User's Guide

I. INTRODUCTION/DECISION CRITERIA

- Decision Making and Payment Methods
- Risk to International Trade Payment
- Traditional Payment Methods

II. LETTERS OF CREDIT AS METHOD OF PAYMENT

- Parties to the Letter of Credit
- Payments under Letters of Credit
- Costs and Benefits
- Types of Letters of Credit

III. REVIEW OF L/C PROCEDURE AS EXPORTER AND AS IMPORTER

- Quotation
- Instructions for the Letters of Credit
- Checklist for Letters of Credit
- Document Preparation and Presentation
- Discrepancies

IV. LOOK AT VARIOUS TYPES OF L/C's

- Revocable or Irrevocable
- Confirmed and Unconfirmed
- Restricted Letter of Credit

V. SPECIAL TYPES OF LETTERS OF CREDIT

- Variations You Will See
- Revolving - Standby - Transferable
- Red Clause, Green Clause
- Time Drafts and Bankers Acceptances

VI. UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS -- RULES OF THE ARTICLES AND NOTE ON EACH ARTICLE

- International Standard Banking Practices (ISBP)
 - Commentary on the UCC of the United States
- NOTE: Discussion on UCP 600

VII. TRANSACTION REVIEW - EXPORT

- Amendment to the Letter of Credit
- Checklists
- Documents Checklist (Commercial Invoice, Bill of Lading, Packing List, Insurance, etc...)
- Letter of Transmittal to Bank

VIII. TRANSACTION REVIEW - IMPORT

- Parties Agree to Letter of Credit as Payment Method
- Buyer Applies for Letter of Credit
- Seller Receives and Accepts the Credit
- Nominated Bank Review Documents
- Issuing Bank Exchanges Documents for Payment
- Importer Picks up Goods

IX. CASE STUDY ON AN EXPORT LETTER OF CREDIT

X. NON-TRADITIONAL PAYMENT METHODS