

# Trade Exchange **tfp**

THE QUARTERLY MAGAZINE ALL ABOUT THE EBRD'S **TRADE FACILITATION PROGRAMME** SEPTEMBER 2013

**NEWS**  
TFP scoops  
industry awards  
\_06

**IN-DEPTH**  
A steady climb to  
success in the South  
Caucasus region  
\_08

**TRAINING**  
First TFP workshops  
in SEMED  
\_24

**THE TFP**  
in facts  
and figures  
\_7



**TFP Annual Event  
and Awards  
Ceremony**  
\_12

## Contact the TFP team

Banks interested in participating in the Trade Facilitation Programme (TFP) can contact us at the address below or email us at [TFPOps@ebrd.com](mailto:TFPOps@ebrd.com)

### MIRJANA ZALAR

Tel: +44 20 7338 7762

Email: [zalarm@ebrd.com](mailto:zalarm@ebrd.com)

### REBECCA SUKZENKO

Tel: +44 20 7338 6476

Email: [suknenkr@ebrd.com](mailto:suknenkr@ebrd.com)

### KELLIE CHILDS

Tel: +44 20 7338 6991

Email: [childsk@ebrd.com](mailto:childsk@ebrd.com)

### JENNY STEPHENSEN

Tel: +44 20 7338 6136

Email: [stephenj@ebrd.com](mailto:stephenj@ebrd.com)

Importers and exporters should contact an issuing bank.

### TFP web site

[www.ebrd.com/tfp](http://www.ebrd.com/tfp)

### TFP e-Learning Programme:

[ebrd.coastlinesolutions.com](http://ebrd.coastlinesolutions.com)



European Bank  
for Reconstruction and Development

European Bank for Reconstruction  
and Development (EBRD)  
One Exchange Square  
London EC2A 2JN  
United Kingdom  
Tel: +44 20 7338 6000  
Fax: +44 20 7338 6119

Trade Exchange is sponsored by  
TaiwanBusiness-EBRD TC Fund

**Taiwan**  
THE HEART OF ASIA

© All figures are as of 30 June 2013



**Executive Editor:** Kamola Makhmudova

**Editor:** Philippa Moore

**Associate Editor:** Maria Mogilnaya

**Picture Editor:** Dermot Doorly

**Contributors:** (in addition to those already acknowledged): Daniel Bolschun, Brian Chin, Bill Huang, Loretta Martikian, Philippa Moore, Marco Nindl, Angela Thompson

**Images:** EBRD and selected image libraries

**Designed by:** bn1creative

**Printed by:** Leycol

**Published by:** EBRD Communications

One Exchange Square,

London EC2A 2JN

United Kingdom

Tel: +44 20 7338 6000

Fax: +44 20 7338 6100

**Subscriptions and feedback:** [www.ebrd.com](http://www.ebrd.com)

© EBRD 2013. All material is strictly copyright and all rights are reserved. Reproduction in whole or in part without the written permission of EBRD is strictly forbidden. The greatest care has been taken to ensure accuracy of information in this magazine at the time of going to press, but we accept no responsibility for omissions or errors. The views expressed in this magazine are not necessarily those of EBRD.

## NEWS

4-7

Reports on the TFP's 2013 events and news from the EBRD's Annual Meeting in Istanbul

## IN-DEPTH

8-23

Learn more about the importance of market intelligence and education in trade finance and also about the biggest and most famous Taiwanese exports

## TRAINING

24-27

Get the latest Trade Finance Clinic brain-teaser and pit your wits against the experts



# EDITOR'S LETTER

Welcome to the latest issue of *Trade Exchange*. I am particularly thrilled to announce our new feature "Close Up", a series of profiles to celebrate the big achievers of trade finance and inspire young professionals to pursue a rewarding career in the sector. The first interview is Per Fischer, Head of Financial Institutions at Commerzbank in charge of Central and Eastern Europe, CIS and Baltics. We are delighted to be the first to exclusively profile his impressive career to launch this exciting new series. You can also see the accompanying video interview with Per Fischer on the TFP web site – it is definitely worth a look!

Our regional focus stories this issue discuss interesting insights of trade finance business in the South Caucasus region. This issue also features 2012's most active issuing and confirming banks as well as a photo report from this year's TFP Annual Event and Awards Ceremony.

Over the summer I have been working with my colleague Clarissa Dann, Editor of *Trade and Forfeiting Review*, on trade finance education – turn to pages 20-21 to find out about

Clarissa's thoughts on crucial education trends in the sector.

The TFP team is also very proud of the achievements of our e-Learning students. Nataša Eftimovska from Komercijalna Banka Skopje in FYR Macedonia won the ICC Banking Commission's prize as one of the best graduates in the 2012 intake. Her prize included attendance at the historic ICC Banking Commission Meeting in Lisbon in April 2013. She reports on this once-in-a-lifetime opportunity exclusively for *Trade Exchange* on page 26.

Our Trade Finance Clinic was once again of great interest this year. I would like to express regret that we were only able to publish two brain-teasers in 2013 as the TFP team has been extremely busy managing the high demand for TFP support in our countries of operations. I very much enjoy reading your ideas and have noted the higher quality of submissions in comparison to the first brain-teasers published in 2011 and 2012.

I look forward to hearing your thoughts on this issue!



**Kamola Makhmudova,**  
Executive Editor  
makhmudk@ebrd.com



## Missed or misplaced an issue of *Trade Exchange*?

You can now download back issues from December 2011 onwards at [www.ebrd.com/tfp](http://www.ebrd.com/tfp)

PS. If, like me, you are greatly anticipating the 2014 Trade Finance e-Learning Programme Graduation Ceremony in Moscow on 19 February 2014, we have a real treat for you. Our most active German and Italian banks, as well as our long-standing partner the ICC Banking Commission, will soon be announcing their prizes for the best students of 2013. Follow the TFP on Facebook, LinkedIn or Twitter to keep up to date!

# NEWS UPDATE



## FOCUS ON

# Turkey turns it on for EBRD Annual Meeting

The European Bank for Reconstruction and Development (EBRD) held its Annual Meeting of the Board of Governors and Business Forum in Istanbul, Turkey on 10-11 May 2013. This was the first time an Annual Meeting was held outside the “traditional” EBRD region of post-communist countries. The meeting focused on the economic challenges in the region from Europe to southern and eastern Mediterranean (SEMED), where the Bank is now also active, and on ways to return to growth – be it through technological and financial innovation, increasing competitiveness, supporting dynamic small and medium-sized enterprises (SMEs) or better opportunities for entrepreneurial talent, such as women business owners. The keynote addresses emphasised the need for ongoing reform in countries of operations so that growth can continue.

Speakers at the event included political leaders from Turkey and the four emerging Arab democracies (Egypt, Jordan, Morocco and Tunisia) where the EBRD is now investing, EBRD governors and management and renowned experts from across the region of the Bank’s operations and shareholder countries.

Among the many events were investment outlook sessions and a presentation of the EBRD’s Sustainable Resource Initiative that focused on the success story of Turkey’s sustainable energy development. The EBRD also published its latest economic forecast for the region, including SEMED.●

## OPINION

“Our Annual Meeting took place at a crucial time. The issues related to inclusive economic growth, financial sector reforms, banking reforms, private sector development and, in particular, SME lending are at the top of the international policy agenda. I believe that the debate on these issues will continue, and that all shareholders on the international stage must strive to contribute actively to take them forward.”

*Sir Suma Chakrabarti, EBRD President*



## VIENNA WORKSHOP

# Free training for partner banks

The EBRD was delighted to welcome 25 trade finance bankers from 13 of its countries of operations to attend a week-long Trade Facilitation Programme (TFP) workshop which was held at the Joint Vienna Institute (JVI) on 17-21 June 2013.

The aim of the workshop was to provide participants with a deeper understanding of the dynamics, risks and product structures that are available to assist corporate clients with their international trade business requirements.

The JVI is an international training

Participants at the TFP workshop in Vienna



organisation based in Vienna and was originally established by a consortium of international financial institutions in September 1992 to meet the considerable training needs of officials and managers from the countries of the former Soviet Union undergoing transition.

The EBRD is proud to have been a founding member of the JVI when it was established 21 years ago and today as a contributing member sponsors an average of four workshops each year mainly on management skills development. These workshops are also an opportunity for the EBRD's banking teams to promote their work, to advise on EBRD procedures and for participants from different countries to share mutual work-related experiences in their specialised industries. Needless to say, the EBRD workshops at the JVI are valued highly by the participants.●

## NEW WORKSHOPS

## Update workshops to help "tick the boxes"

With the launch of the 2013 edition of the ICC's International Standard Banking Practice (ISBP) earlier this year, the TFP initiated a new series of workshops to inform and update trade finance specialists of participating issuing banks about the new rules.

Launched in 2002, the ISBP is a checklist of best practices worldwide for checking documents under the UCP which has helped to dramatically reduce the number of discrepancies between banks dealing with documentary credits.

In light of comments from users, the ICC decided to both update and expand the ISBP to take in a range of new topics such as transfers and amendments that were not covered in the older 2007 version.

The one-day workshop, carried out by Vincent O'Brien, Chair of the Market Intelligence Group at the ICC Banking

Commission and a TFP TC consultant, is tailored to provide a general overview about ISBP and address the updated rules. The first workshops were held in Ulaanbaatar in May, Tbilisi in July and Minsk, Kiev and Moscow in September, all of which have received immensely positive feedback. The next workshops are scheduled as follows:

- Almaty, Kazakhstan – Monday 4 November 2013
- Dushanbe, Tajikistan – Wednesday 6 November 2013
- Bishkek, Kyrgyzstan – Friday 8 November 2013
- Baku, Azerbaijan – Thursday 21 November 2013

There are also ISBP workshops in the pipeline for Ashgabat, Baku, Belgrade, Chisinau, Tirana, Skopje, Yekaterinburg and Yerevan as well as Amman, Cairo, Casablanca and Tunis.●

## Future Events

### ICC Banking Commission Meeting

21-25 OCTOBER 2013

VIENNA, AUSTRIA

Contact Paulina Martinez at [paulina.martinez@iccwbo.org](mailto:paulina.martinez@iccwbo.org) for more information.

### Trade and Investment Forum

6 NOVEMBER 2013

TUNIS, TUNISIA

EBRD's Trade and Investment Forum will offer a unique chance to learn about the investment opportunities in the southern and eastern Mediterranean (SEMED) region and share trade finance banking expertise. Attendance by invitation only.

Contact the EBRD TFP team for more information.

### Trade Finance e-Learning Programme Graduate Ceremony

19 FEBRUARY 2014

MOSCOW, RUSSIA

EBRD's Trade Finance e-Learning Programme Graduation Ceremony will take place during the 7th Annual Russia and Eurasia Trade and Export Finance Conference organised by Exporta. All students who have successfully completed the programme by 29 December 2013 will be eligible to attend the 2014 Graduation Ceremony. Conference attendance is free of charge but participants are expected to cover travel and accommodation costs.

Contact the EBRD TFP team for more information.





Top: Rudolf Putz and Kamola Makhmudova, EBRD TFP, receiving the 2012 GTR Leaders in Trade award  
Above: Rudolf Putz, EBRD TFP, receiving the award from *Trade Finance Magazine*

TOP INDUSTRY AWARD

## EBRD awarded Best Global Development Financial Institution

In 2013 the EBRD has once again won the the Best Global Developmental Financial Institution Award in this year's *Trade Finance Magazine* Awards for Excellence.

Commenting on the award, Rudolf Putz, Head of the TFP, said: "We are delighted that the readers of *Trade Finance Magazine* have once again recognised the EBRD's achievements."

He added that the awards were important because they could help to raise donor funds from EBRD shareholders and attract additional risk-taking capacity from international development agencies. "All of our trade finance conferences, our e-Learning Programme, training courses and consultancy projects are sponsored by international donors," he explained. "They, along with other development agencies such as FMO and OFID, also provide us with additional risk-taking capacity in countries where the demand for trade finance exceeds the EBRD's own ability to take risk."●

For more information on the *Trade Finance Magazine* Awards for Excellence 2013 go to [www.tradefinancemagazine.com](http://www.tradefinancemagazine.com)

# Facts & figures

## A brief history

Launched in 1999, the Trade Facilitation Programme (TFP) aims to promote foreign trade to, from and among the EBRD countries of operations through a range of products.

Through the Programme, the EBRD provides guarantees to international confirming banks and short-term loans to selected issuing banks and factoring companies for on-lending to local exporters, importers and distributors.

# €9.5 billion

**TOTAL TRANSACTION VALUE SINCE 1999**



You can follow us on Twitter  
[www.twitter.com/ebdrtrade](http://www.twitter.com/ebdrtrade)

Join the TFP LinkedIn networking group  
[www.linkedin.com/groups?gid=4667852](http://www.linkedin.com/groups?gid=4667852)

or find us on Facebook  
<https://www.facebook.com/ebdrtdfp>

CONFIRMING BANKS OPERATE  
IN 77 COUNTRIES

**TOP 10 CONFIRMING BANKS**  
*January-June 2013*

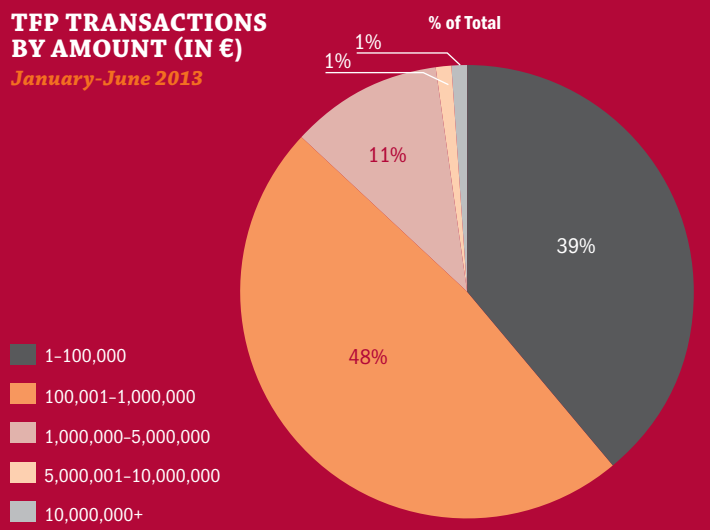
Bank	Country
1 Commerzbank	Germany
2 UBS	Switzerland
3 Deutsche Bank	Germany
4 UniCredit Bank Austria	Austria
5 ING Bank	Netherlands
6 Raiffeisen Bank International	Austria
7 WGZ BANK	Germany
8 Skandinaviska Enskilda Banken	Sweden
9 Intesa Sanpaolo	Italy
10 JP Morgan Chase Bank	United States

**TOP 10 COUNTRIES  
BY NUMBER OF  
TRANSACTIONS**  
*January-June 2013*

Country
1 Russia
2 Belarus
3 Armenia
4 Ukraine
5 Georgia
6 Azerbaijan
7 Moldova
8 FYR Macedonia
9 Kazakhstan
10 Turkey

**TFP TRANSACTIONS  
BY AMOUNT (IN €)**  
*January-June 2013*

*January-June 2013*



**NUMBER OF CONFIRMING  
BANKS OPERATING  
IN 77 COUNTRIES**  
*see map above*

**800+**

**14,500+**

.....  
**TOTAL NUMBER  
OF TRANSACTIONS  
SINCE 1999**

**103**

**NUMBER OF  
ISSUING BANKS IN  
23 EBRD  
COUNTRIES  
OF OPERATIONS**



# IN DEPTH



 TBC BANK, GEORGIA

## UNLOCKING NEW OPPORTUNITIES

### Georgia's TBC Bank excels as a confirming bank under the TFP



**T**BC Bank was one of the first banks in Georgia to join the EBRD's Trade Facilitation Programme (TFP) in 1999.

The EBRD became a guarantor of our trade operations among all the EBRD's confirming banks worldwide for up to US\$ 2 million as a starting limit. Our trade finance business has grown significantly since then. The TFP has played a crucial role in enhancing our capabilities in partnering with leading commercial banks worldwide, attracting additional clean lines and in offering a more diverse product portfolio to our client base.

Demand for trade finance products among our corporate clients has increased significantly as they become more comfortable doing business using documentary operations. In order to efficiently accommodate the growing

demand, TBC Bank employees actively participate and excel in the conferences and training workshops organised by the EBRD.

The EBRD's support during the 2008 crisis was crucial and as a result we were able to service our clients even without the availability of commercial clean lines. In fact, TBC Bank was so active and efficient in its partnership with the TFP that the EBRD recognised us as the most active

**“Current market trends dictate that we need to attract longer-term resources at competitive prices.”**

issuing bank in Georgia in 2009, the year following the financial crisis.

Current market trends dictate that we need to attract longer-term resources at competitive prices. Becoming a confirming bank in 2013 has made our trade finance services especially flexible for our valued customers. IDS Borjomi, one of the largest exporters of world-famous Georgian mineral water, was the very first company to be financed by TBC Bank under the confirming bank agreement with the EBRD.

The company continues to use our services due to the speed of execution with almost same-day confirmation of LCs, simplified procedures and attractive pricing.●

*Keti Gamgoneishvili, Head of Settlements and Correspondent Banking, TBC Bank*



 ARMECONOMBANK, ARMENIA

\_09

# CLOSE COOPERATION

## One of Armenia's leading banks flourishes with the TFP's support



The Armenian economy suffered huge losses after the collapse of the USSR in 1991 as all projects and industry support ceased and only a few operating enterprises remained. Economic reforms were needed to help Armenia rebuild its former centralised economy. The EBRD has been one of the outstanding investors in Armenia from the very start of these economic reforms as it carried out more than 100 projects in financial, corporate, energy and infrastructure sectors. Armeconombank was both the first bank registered with the Armenian Central Bank and one of the first banks to cooperate with the EBRD.

In 2000 Armeconombank signed a US\$ 1 million loan agreement to be financed by the EBRD without a state guarantee which was a historic move forward for the Armenian banking sector. The bank was also the first in Armenia to organise an international banking conference on trade finance jointly with the EBRD in 2006 where a range of Armenian and international banks participated. The close cooperation with the EBRD, a 25 per cent shareholder of Armeconombank, still continues.

As the major player in trade finance in Armenia, the EBRD greatly supports the improvement of Armeconombank's trade finance specialists' qualifications through various training projects. This not only expands our staff's knowledge base but also increases their motivation and profound interest in trade finance. Flourishing under such guidance and support, Armeconombank continues to play an important role in small and medium-sized enterprise (SME) financing in Armenia.

Armeconombank's trade finance specialists learn many interesting and impressive details of the underlying trade transactions, which in turn allows them to better understand the businesses



**“The bank was the first in Armenia to organise an international banking conference on trade finance.”**

of their SME clients. For example, Armenians drink up to two cups of the famous “Armenian coffee” per day but very few of them really know the process of how the coffee bean gets to their cup. The process encompasses growing, garnering, processing, storing and packaging. One of Armeconombank's loyal clients is a coffee retailer and thanks to a detailed knowledge of the process, the trade finance specialists handling that account not only better service that customer but also enjoy their coffee more than ever before.●

*Astghik Manrikyan, Head of International Operations Department, Armeconombank*

# A STEADY *CLIMB* TO SUCCESS



The Bridge of Peace, Tbilisi

## The TFP enjoys growing popularity in the South Caucasus region

The EBRD's Trade Finance Programme (TFP) has proved to be one of the most successful facilities offered to the local partner banks in the South Caucasus region. It has become a much sought-after product in the region's banking industry. With its growing success in 2012, this trend is expected to continue in 2013 and the foreseeable future. The TFP is one of the biggest instruments for the financing of small and medium-sized enterprise (SME) activities and therefore offers a large contribution to the enterprise sector development in the region. The TFP also

offers, through its technical cooperation funds, much needed training for local trade finance professionals.

The results so far speak for themselves – the total volume of trade supported since the TFP's inception has reached €107 million in Armenia, €292 million in Azerbaijan and €768 million in Georgia. The success of the TFP in this region has also been helped by the strong and mature banking systems in the South Caucasus countries.●

*Bruno Balvanera, Director for Caucasus, Moldova and Belarus, EBRD*

## UNICREDIT, ITALY

The interest of Italian exporters in the Caucasus region started developing only in recent years and is still relatively new for us at UniCredit, Italy.

Growth of Italian exports were very impressive for Georgia and Armenia in 2012. Exports to Georgia were €221 million, up 62.7 per cent on 2011, with the industrial machinery, automotive and furniture sectors performing strongly. Armenia also performed well with €120 million in exports, a 17.9 per cent increase on 2011, with the fashion, industrial machinery and industrial vehicle sectors all making a major contribution. In Azerbaijan exports totaled €700 million, with strong performances from the industrial machinery, industrial and agricultural vehicles and fashion garments sectors. Azerbaijan's 2012 results are down 10 per cent on 2011 but outlook remains positive despite this.

The EBRD's Trade Facilitation Programme (TFP) is an essential tool to boost trade finance and help us meet the needs of our small and medium-sized enterprise (SME) customers, who are also crucial to the fabric of the Italian economy.



*Enrico Vaccaro, Trade Finance – Northern and Central Asia, Indian Sub-continent and Philippines, UniCredit*



 DEMIRBANK, AZERBAIJAN

# STRENGTH TO STRENGTH

**How the TFP has helped Azerbaijan's oldest private bank become a major player**

 **D**emirBank is the oldest private bank in Azerbaijan with over 24 years of experience and good practice in the field of documentary business. A large contribution to our success has been the EBRD's Trade Facilitation Programme (TFP). Since joining the TFP in 2002, DemirBank has progressed from small initial transactions to steadily increasing our customer base as well as the geography of our partner banks. Our bank has made its banking terms and conditions more flexible and attractive for customers with the support of the TFP. In 2006 the EBRD became a shareholder in DemirBank which further strengthened our

position in the local market and increased the confidence of foreign partners. With the support of the TFP, we have financed many projects in the agriculture and retail sectors.

**“With the support of the TFP, DemirBank have financed many projects in the agriculture and retail sectors.”**

A significant project of our bank that was made possible with the support of the TFP was the renovation and reconstruction of the luggage compartment and carousel at Baku's Heydar Aliyev International Airport, the busiest airport in Azerbaijan and of the Caucasus. While there were initially some obstacles in the implementation of the transaction, DemirBank was able to issue a documentary letter of credit with the EBRD's guarantee and successfully finalised the transaction. Many credit lines in Azerbaijan and the Caucasus were temporarily blocked or reduced during the recent financial crisis but the success of transactions such as this has given foreign banks more confidence in collaborating with the region again.

The TFP has very much been the catalyst for the increase in our trade finance activities and the whole DemirBank team would like to take this opportunity to thank the EBRD for all their assistance and for creating useful programmes such as the TFP and the Trade Finance e-Learning Programme.●

*Ulvia Jabarova, Trade Finance Specialist,  
DemirBank*



# DS SPECIAL ~ TFP AWARDS

## TFP ANNUAL EVENT AND AWARDS CEREMONY 2013

The Trade Facilitation Programme (TFP) holds its annual award ceremonies at the EBRD's Annual Meeting to honour the most active issuing and confirming banks involved in the Programme. The winners are determined based on the number of guarantee transactions in the previous year.

This year's TFP Event and Awards Ceremony took place on 9 May 2013 in Istanbul, Turkey preceding the EBRD Annual Meeting and Business Forum. The event attracted over 100 bankers and trade finance specialists.

Three agreements were signed at the event: an Issuing Bank Agreement with Bank of Asia, Kyrgyz Republic and Confirming Bank Agreements with Ameriabank, Armenia and T-Bank, Turkey.

The signings ceremony was followed by the traditional awards ceremony for the TFP's most active partner banks in 2012. Awards were presented by Nick Tesseyman, Managing Director for Financial Institutions at the EBRD and Ambassador Lyushun Shen, Taipei Representative Office in the United Kingdom.

*This year's TFP Annual Event and Awards Ceremony could not have happened without generous Taiwanese funding and support.*



Nick Tesseyman, EBRD, Mirjana Zalar, EBRD TFP and Gagik Sahakyan, Ameriabank



Vesela Curilova, Komerčijalna Banka Skopje receiving the award



# CIAL~TFP AWARDS SPECIAL~T

13



Hearing about hot  
trade finance topics



Hamid Imanov, AGBank  
receiving the award



Irakli Gilauri, Bank of  
Georgia and Ambassador  
Lyushun Shen, Taipei  
Representative Office in  
the United Kingdom



Networking at the TFP  
Annual Event



Indira Enkhbayar, Khan  
Bank receiving the award

**“TRADE FINANCE  
KEEPS OUR ECONOMIES  
GOING EVERY DAY”**

Aslan Abasov, Bank  
Respublika receiving  
the award



## TFP AWARDS 2012

Most active TFP issuing banks  
and confirming banks in 2012,  
by number of transactions

Most active confirming bank

**COMMERZBANK** 

Most active issuing bank  
in Armenia

 **AMERIABANK**

Most active issuing bank  
in Azerbaijan

**AGBANK** 

Most active issuing bank  
in Azerbaijan

**Bank Respublika**  
size favdali

Most active issuing bank  
in Belarus

 **BELROSBANK**

Most active issuing bank in  
Bosnia and Herzegovina

 **Raiffeisen  
BANK**

Most active issuing bank  
in FYR Macedonia

 kohercijalna banka ad skopje

Most active issuing bank  
in Georgia

feel the future  **საქართველოს ბანკი  
BANK OF GEORGIA**

Most active issuing bank  
in Kazakhstan

 **CENTERCREDIT**  
ДОСТУПНОЕ КРЕДИТОВАНИЕ  
BANK TRANSACTIONS GUARANTOR

Most active issuing bank in  
the Kyrgyz Republic

 **DemirBank**  
bank for growth

Most active issuing bank in  
the Kyrgyz Republic

 **KICB**  
KYRGYZ INVESTMENT  
AND CREDIT BANK

**DS SPECIAL ~ AWARDS SPECIAL**



Most active issuing bank  
in Moldova



Most active issuing bank  
in Mongolia



Most active issuing bank in  
the Russian Federation



Most active regional  
issuing bank in the Russian  
Federation



Most active issuing bank  
in Serbia



Most active issuing bank  
in Tajikistan



Most active issuing bank  
in Ukraine



Most active issuing bank in  
trade with Taiwanese exporters



Most active Taiwanese  
confirming bank



ICC/EBRD Academic  
Excellence Award



Best Trade Finance Country  
Feature in The European Trade  
Finance Yearbook 2012/2013



feel the future BANK OF GEORGIA

## TFP DEAL OF THE YEAR

The refurbishment and re-commissioning of the funicular railway to Mtatsminda Leisure Park in Tbilisi, Georgia was the 2012 TFP Deal of the Year.

Under the TFP, the EBRD issued two guarantees to support the import of equipment, planning services and installation expertise from Austria and Switzerland for the refurbishment of the railway, which now once again transports passengers up the mountainside of Mt David, 501 metres high.

In this transaction, Bank of Georgia issued letters of guarantee to UBS, Switzerland, and the EBRD guaranteed up to 100 per cent of the political and commercial payment risk.

At the time it was originally built in 1905, the funicular railway was one of the largest and steepest in the world. In 2000 the railway had to be closed after being declared unsafe and subsequently fell into disrepair. Given the renewed importance of this working monument to the city, the successful upgrade and refurbishment was a priority and now offers visitors to Mtatsminda a stunning panorama over Tbilisi.



Ambassador Lyushun Shen



Sergiy Khudiyash,  
Ukreximbank and Nick  
Tesseyman, EBRD

~AWARDS~



# TAIWAN EXCELLENCE AWARDS 2013

## Celebrating excellence in Taiwanese design and manufacturing

Since the 1980s, the Taiwanese government has been at the forefront of boosting product quality and awareness of Taiwanese-made products around the world. The Ministry of Economic Affairs launched a series of initiatives to enhance the competitiveness of Taiwanese manufacturers, including the Taiwan Excellence Awards, first held in 1992. The goal of the awards was to encourage manufacturers to build “innovalue” (innovation and value) into their products. Over 20 years later, the awards are still held annually and the winners are chosen by expert judges based on four different criteria: research and development (R&D), design, quality and marketing. Taiwan Excellence Award winners not only represent the most revolutionary, high quality and value-added Taiwanese products, they epitomise unique and innovative style in the design and manufacture of leading-edge products.

While winning an award is highly desirable, entry alone in the awards is

**“Taiwan Excellence Award winners epitomise unique and innovative style in the design and manufacture of leading-edge products.”**

highly beneficial for these companies. They receive valuable feedback on their product quality and design from both local and foreign experts and excellent press coverage. The eventual winners go on to act as Taiwanese representatives on the international stage. For example, a Taiwan Excellence Showcase was exhibited in Rio de Janeiro, Brazil, in June 2013 to demonstrate top Taiwanese technology and innovative products that will soon be launched and available in Brazil. Last generation ultrabooks and tablets, gaming accessories, folding bikes, photocatalyst mosquito traps and other ecofriendly products were presented during this unique event where Taiwanese representatives and Rio de Janeiro officials were introduced to each other for the first time.

Similar events have been conducted in the UK and India, with the aim of fostering inter-country relationships and promoting brands that are recognised by the Taiwan Excellence Awards.●



## TAIWAN EXCELLENCE PAVILION

Unveiled on 26 December 2011, the Taiwan Excellence Pavilion was the country's first venue dedicated to recognising the research efforts, aesthetic designs, premium quality and international marketing plans behind Taiwan Excellence Awards winners. Located at the Taipei Fine Arts Museum, the pavilion structure, made entirely of glass panels, was constructed during the Taipei International Flora Expo 2010. It offers interactive exhibits to impress visitors from all over the world with the beauty of various Taiwanese technologies as well as sophisticated and innovative products.

The pavilion currently features the 2013 winners of the Taiwan Excellence Awards alongside masterpieces from local designers that have been honored in international contests, such as the German iF Product Design Award and the Red Dot Design Award, the US-based IDEA Awards and the Japanese Good Design Award.





#### CASE STUDY: FIRST COMMERCIAL BANK

First Commercial Bank, founded in 1899, is one of the largest Taiwanese commercial banks. For decades, First Commercial Bank has carried out business in line with the economic development and earned both long-term trust from its customers and an entrenched market position across its major lines of business.

Trade finance has always been the primary source of business for First Commercial Bank. In 2012 their imports and exports amounted to US\$6.9 billion and US\$6.6 billion respectively, reaching a market share of 10 per cent and 9 per cent respectively. These results are supported by an extensive domestic branch network and a wide coverage of overseas branches.

To consistently support the cross-border business of its clients, First Commercial Bank joined the TFP as a confirming bank in 2002. To facilitate its clients' exports of tape production line and reeling machine to Moldova, First Commercial Bank confirmed two letters of credit issued by Moldindconbank, Moldova in the same year. With full international capabilities and solid client relationship built over a century, First Commercial Bank will continue to develop enduring relationship with the TFP's partner banks to the benefit of customers on both sides.





# STRUCTURED SHARING

**Recent publications from the International Chamber of Commerce's Banking Commission stress the growing importance of sharing knowledge and practical know-how in trade finance**

**A**t the outset of the global financial crisis of 2008-09, there was no knowledge management tool at the aggregate industry level that could provide an overview of the pressing needs for accessible trade finance. Only a few global financial institutions had the vision to invest into market intelligence and develop a competitive edge from collecting and analysing some data on trade finance. Apart from some anecdotal data available for a few market segments or particular regions, no global aggregates were available nor did the industry formally document information or experience that could be useful to others. As a result, the key learnings were embedded in a few organisations around the world with little incentive to formally categorise the records and share knowledge or access to databases.

Collecting financial data is a difficult task, especially in trade finance, but with potentially severe consequences for the traders in emerging economies as credit lines disappear, the demand for structured datasets, the concept of data sharing and the gradual emergence of a need for trade finance intelligence has become quite relevant.

In 2009 the ICC Banking Commission established two flagship knowledge products and services - the ICC Global Survey on Trade Finance in its current format entitled "Rethinking Trade and Finance" and the ICC Global Risks in Trade Finance providing analysis of millions of data from an ICC-owned

large-scale trade repository. Since inception in 2009, the ICC Global Survey have become an important knowledge product enabling bankers, traders and government officials to gain an accurate snapshot of the prevailing markets trends and to gauge future expectations in global trade.

## FORWARD THINKING

The ICC Global Risks in Trade Finance assisted the industry in developing a pool of data to evaluate the long-held claim that trade and export finance is a relatively low-risk form of financing. It has also provided a much-needed empirical basis for discussions regarding the treatment of trade financing under the Basel framework.



**“The demand for additional market intelligence that can provide a complete portrait of the trade and finance sector will only increase over the next 15 years.”**

Thierry Senechal





Knowledge regarding the volume of trade and export finance and the likelihood of default for trade and export finance products is vital to crafting fair regulations necessary for a well-functioning global trading and banking system.

The ICC Global Survey on Trade Finance, prepared in partnership with leading multilateral institutions including the EBRD, have brought together some of the most forward-thinking industry experts in the industry to scan the world for signs of change in business and trade and to help our members make sense of emerging patterns and their implications. It is worth noting that the 2013 edition received responses from representatives of 260 banks located in 112 countries, a response rate representing a continued

increase over that of previous reports and allowing us to provide a more diverse view of the global position. Such knowledge products are vital to anyone wishing to make decisions when faced with an abundance of mixed economic messages.

#### KNOWLEDGE HARVEST

The demand for additional market intelligence that can provide a complete portrait of the trade and finance sector will only increase over the next 15 years, as global trade is poised to grow substantially. This need to create more knowledge products and services is made all the more urgent, since a rebound in world trade is essential to propel the continued recovery of the global economy.

But, you may ask, what is the point

of capturing such information in trade finance if it only appears in a few reports and is then forgotten? Unfortunately, that is what happens all too often to many publications when they are not properly disseminated. One way to ensure that such knowledge will benefit the stakeholders who need it is to engage them in what we could call a “knowledge harvest”, which is a systematic facilitated gathering and circulation of market intelligence. The ICC is committed to prompt collection and transmission of data and market information to improve the likelihood that trade finance knowledge gets productively and creatively reused.

The key to this approach is to identify, before the “harvest” begins, partner organisations who could use the knowledge and help by analysing big datasets to gather valuable lessons. In past years, the EBRD has been the ICC’s privileged partner in knowledge creation and dissemination with collaboration taking place on strategic surveys, e-learning products and regular exchange of information.

The focus going forward in the EBRD-ICC cooperation should be on education and training. This would respond to a real need in the marketplace and develop a sound offering of knowledge products to strengthen trade finance capacity in the developing world.●

*Thierry Senechal, Senior Policy Manager,  
ICC Banking Commission*

# BACK TO SCHOOL

*Trade Exchange and Trade and Forfaiting Review investigate professional education options for the new trade financier*



**T**rade finance learning was traditionally done on the job and although most trade finance bankers have done the relevant banking examinations, these are more grounded in

retail financial services regulations than the nuts and bolts of documentary credits, structured trade and commodity finance and warehouse receipts.

Trade finance teams are increasingly turning to various forms of structured learning to speed up absorption of the basics in a wide range of disciplines required to be an effective and profitable trade finance banker. While internal programmes still have their place in the larger global banks, these are not usually accessible to the would-be trade finance banker in a local bank of an emerging market so it is important to have internationally recognised qualifications that are available to most if not all in the industry.

The following courses are recognised by employers and have had a transforming effect on the careers of trade finance professionals, particularly in emerging economies.

## **DISTANCE LEARNING COURSES**

Developed in response to demand from banks in emerging economies to supplement on-the-job learning, these courses are grounded in trade finance documentation which underpins all the lending. Although there are a number of commercial trade finance

course providers, the main entry level programmes are:

- ▶▶ The ICC Banking Commission's online trade finance training suite (an enhanced version of which is available with the EBRD, see below)
- ▶▶ The Certificate for Documentary Credit Specialists (CDCS) developed by the Institute of Financial Services (IFS) in the UK and BAFT-IFSA in the US.

## **ICC Online Trade Finance Training Suite**

This course equips trade finance bankers with the skills to issue, process and honour trade products in line with the provisions of the ICC rules in the area of trade finance: URC 552, UCP 600, URDG 758 and ISP 98. Using a building-block approach, the course is divided into five modules and students can sign up for one module or all five.

Learning materials include access to the ICC's library of documentary collections materials, such as full texts of each set of rules, ICC opinions and sample commercial documents. Assessment consists of a multiple choice examination at the end of each module.

## **EBRD's Trade Finance e-Learning Programme**

The ICC online trade finance training suite has been adopted and enhanced by the EBRD to help issuing banks involved in its Trade Facilitation Programme (TFP). Since its launch in May 2010, almost 600 bankers and trade finance specialists from over 130 banks across eastern Europe, Central Asia and the southern and eastern Mediterranean (SEMED) have taken part.

## **The Certificate for Documentary Credit Specialists**

The Certificate for Documentary Credit Specialists (CDCS) is regarded as the benchmark of competency for documentary credit practitioners. It aims to equip practitioners engaged in opening, amending and checking documents prepared and presented under documentary and standby letters of credit. Structured as two separate units, the first covers the basic principles of documentary credits and the second how they work in practice. It includes an examination that, when passed, confers the designatory letters 'CDCS'.

## **Finance of International Trade Certificate Programme**

The other popular learning option is eBSI Export Academy's Finance of International Trade Certificate (FIT). This online learning course is structured across two months comprising 50 hours of interactive supported learning. Each module covers wider aspects of trade finance, such as forfaiting, factoring, export credit agencies, development finance programmes and structured trade finance.

## **FACE-TO-FACE COURSES**

While certification is often all that most bankers and their employers will be looking for, two master's degree qualifications have attracted widespread recognition not only in commodity finance but also in the wider shipping, trading, logistics and risk management sectors.

## **MA in International Trading, Commodity Finance and Shipping, University of Geneva**

This 18-month MA programme was developed in response to a need identified by Geneva's commodity trading, commodity finance and shipping community.

Programme coordinator Eliane Palivoda Herren explains: "Students work and study at the same time and need to secure a long-term traineeship in an organisation relevant to the trade and commodities industry first. They work Monday to Thursday and spend Friday and Saturday in class."

Launched in 2008, there are 114 graduates and students across the first five intakes. Applications for each intake close around February each year for the new term to start in September.





**“Trade finance teams are increasingly turning to various forms of structured learning.”**

**Certificate of Finance in International Trade, University of Malta**

A six-week full-time certificate in trade finance has recently been developed as a joint project between FIMBank, International Factors Group (IFG) and the University of Malta. The programme includes key aspects and developments in international trade, logistics and trade finance. The first intake commences in September 2013.

**MSc in Shipping, Trade and Finance, Cass Business School**

Although very much a shipping research and teaching hub, the MSc in Shipping, Trade and Finance at Cass Business School

has received widespread recognition in trade and commodity finance circles. To qualify for entry, students are required to have obtained the equivalent of an upper second bachelor's degree and some preliminary training and research. The curriculum includes a general grounding in international finance and accounting before more specialised coverage of international commodity trade and shipping and investment finance.●

*Clarissa Dann, Editor,  
Trade and Forfeiting Review*

**EDUCATION IN NUMBERS**

**600**

**BANKERS AND TRADE  
FINANCE SPECIALISTS  
ENROLLED IN  
EBRD'S E-LEARNING  
PROGRAMME SINCE  
MAY 2010**



**200 GRADUATES  
SINCE 2011**

**Outlook for  
trade finance  
education**

As local banks step up to the plate in emerging economies and new non-bank forms of finance continue to evolve, so will the demand for recognised skills and qualifications. Despite a bumpy past 12 months, the trade finance market is set to grow in the medium and long term.



See 'Latest ICC research hopeful of long-term trade finance growth' at [www.tfreview.com/node/9205](http://www.tfreview.com/node/9205) as world trade continues to increase.



The original full version of this article appeared in July/August 2013 issue of *Trade and Forfeiting Review*.

**SEE PAGES**

**14-15**

of the March 2013  
issue of *Trade  
Exchange* for  
more “super  
banker” tips



# CLOSE UP\_PER FISCHER

A series of profiles celebrating the big achievers in trade finance

22



## The EBRD's Philippa Moore meets Per Fischer, Head of Financial Institutions at Commerzbank in charge of Central and Eastern Europe, CIS and Baltics

There is a lot to be said for serendipity. Per Fischer, one of Commerzbank's most admired leaders and a respected figure in the trade finance sector, almost did not become a banker. He did a degree in Russian but by the time he graduated at the end of the 1970s, Russian speakers were not in demand. "I had to begin from zero in a new profession," he reflects as we speak in a terrace garden overlooking the bustling heart of London's financial district. However, his fluency in Russian proved incredibly useful in

his banking career. After retraining in economics, he joined Commerzbank in 1985 and within three years he was Deputy Representative in Moscow where he stayed for four years, until his move to Kiev for a further three years. Since 2003, he has been the Head of Financial Institutions at Commerzbank in Frankfurt where he currently has responsibility for Central and Eastern Europe, CIS and Baltics.

Per Fischer's career has spanned some of the most turbulent events in banking history, particularly in the parts of the world he has lived and worked in. He was in Moscow at the time of the putsch in August 1991 and then again during the banking crisis of 1998. "A default is something you never forget," he says thoughtfully.

### INTERNATIONAL RELATIONS

Being adaptable is an essential skill in trade finance and it would appear Per Fischer is no exception not just with his natural friendliness but in the international nature of his role with Commerzbank.

He has had to adapt to the practices of different countries he has done business in over the years, something he believes is very important in building successful relationships with foreign partners. "You need to know the countries, how they tick, how they think," he says. "You do not necessarily need to know the language but of course that helps."

Time management, he has found, is completely different in eastern Europe and Central Asia compared to Western Europe and a lot more time has to be devoted to client relationships in those regions. "You cannot rush through meetings there," he laughs.

Therefore, his work over the years has involved a lot of relationship building and getting to know his clients, sometimes a lot better than he bargained for. "There was one incident in January 1988 when I was sent to Moscow," he recalls. "On my very first day, some clients came in to celebrate a deal they had closed that day. When they left, there were about 10 empty vodka





bottles on the table. This was a time in Russia when alcohol was illegal but I was also concerned about making the wrong impression on the local people I was working with who, on seeing all these empty vodka bottles in my office, would probably be obliged to report me! So I thought... what am I going to do with these bottles?! I ended up dropping them in various places on the way back to my hotel. I had to be careful not to be seen by the police! In the end I managed to get rid of them and I was so relieved!"

Per Fischer and his team at Commerzbank have enjoyed an excellent and cooperative relationship with the EBRD over the years. "Germany is, after all, an exporting country and trade plays such an important role for us and our relationship with eastern European countries," he explains. "Commerzbank is the second biggest bank in Germany and heavily involved in trade operations so we benefit intensively from the TFP. By the same token we also have a very widespread correspondent banking network so we can support the EBRD and the TFP's issuing banks. It's a mutually beneficial relationship."

#### THE VALUE OF PATIENCE

A humble and modest man, Per Fischer ascribes his success in banking simply to being patient. "Patience is a very important asset to have in banking," he explains. "You cannot make a client sign an agreement quickly, for example, you need to take the time to understand his motives and his way of thinking."

Per Fischer remains optimistic and positive about the future of trade finance and opportunities within the sector. One piece of advice he has for young bankers moving up the ladder is to prioritise building and maintaining solid long-term relationships with both clients and other banks. "Relationships are a very important asset," he observes.●

See our video interview with Per Fischer online at <http://youtu.be/KeNktMxslCs>



Top: Per Fischer (right) with colleagues in Astana, Kazakhstan. Frankfurt  
Bottom: On the set - Philippa Moore (left) interviews Per Fischer on a London rooftop

## Per Fischer's three tips for success

- 1 A deep knowledge of your products
- 2 Make an effort to understand and participate in the cultural life of your clients and the countries you work in
- 3 Keep up to date with what is happening in the banking sector and the regulatory environment

## A typical day in the life of Per Fischer

"My day starts at seven o'clock where I enjoy breakfast with my wife and four children. The working day then begins around eight o'clock and ends at eight in the evening. I have a lot of meetings during the day but I also have a lot of phone calls with our 14 offices in eastern Europe and the CIS. My work involves a lot of travel as well, sometimes up to two weeks a month, to my countries of operations. I don't like to travel too much these days because spending time with my family is a priority. Most evenings, if the weather allows, the perfect antidote to a day in the office is a game of soccer with my four sons."

**"You need to know the countries, how they tick, how they think."**



# TALL STANDARDS IN SEMED

## The TFP team organises the first TC workshops in Egypt, Jordan, Morocco and Tunisia

Having delivered workshops covering URDG 758, the international rules for demand guarantees, and Incoterms 2010, the new rules for contracts of sale, for the EBRD in 15 countries of operations in succession, one might think that I would be suffering from performance fatigue but nothing could be further from the truth. The enthusiasm of participants in all locations is invigorating and means that the 'show' not only goes on but is enhanced by the unique issues and stories shared with me by experienced trade practitioners in each country. With the expansion of the TFP into the southern and eastern Mediterranean (SEMED) region and trade finance taking the lead in supporting trade and investment in those countries, it was time to pack my bags and head south.

Over my years in trade finance with various banks I have conducted trade deals in all four SEMED countries and was therefore well aware of the high levels of technical expertise of bankers in these markets. However, as a trainer I had a concern that

cultural differences would mean a more reserved audience. I am a small Irishman with tall standards – I want every workshop I deliver to be the best it can be and audience participation is key to achieving that goal.

The TFP organised four workshops and trained a total of 91 bankers and trade finance specialists from 29 banks:

- Cairo, 21-22 April 2013
- Amman, 7-8 May 2013
- Tunis, 30-31 May 2013
- Casablanca, 3-4 June 2013

I am always nervous when I start a workshop and I think it must have showed on my face at the first workshop in Egypt. But as I was getting my laptop out of its case, one of the participants brought me a cup of tea and this friendly gesture immediately put me at

ease, setting the scene for two days of open dialogue and interaction.

The next stop was Amman in Jordan. I had been to Jordan three times before so I knew what to expect. The audience was a mixture of highly experienced professionals and those new to trade finance and we had incredibly lively debates, mostly agreeing, occasionally disagreeing but always focused on sharing knowledge and experiences.

Tunisia and Morocco were flagged in advance as possibly problematic because I was informed that French language skills are a must. But the common language of all enthusiastic trade professionals meant this challenge was easily overcome. A good learning experience should be punctuated with humour and we certainly had this in abundance in both Tunis and Casablanca.

Hot topics during the SEMED workshops included items such as conflict of rule with local law, open-ended guarantees and, significantly, dispute resolution. Time was also spent on explaining the use of customs guarantees and how they can facilitate the smoother operation of complex supply chains.●

**“I want every workshop I deliver to be the best it can be and audience participation is key to achieving that goal.”**

Vincent O'Brien, Chair of the Market Intelligence Group, ICC Banking Commission

These workshops were funded by the EU Neighbourhood Investment Facility (NIF).



Left: Bouchra Ramiz, BMCE Bank, Halima Genane, BMCI and Hasnaa Touilli, BMCI

Right: Workshop in progress in Casablanca





Left: Vincent O'Brien, ICC Banking Commission and Saad-Eddine Fritt, Crédit du Maroc

Right: Workshop participants in Amman







## INTERNATIONAL *RECOGNITION*

**One of the best graduates in the 2012 intake, Nataša Eftimovska won a place at the historic ICC Banking Commission Meeting in Lisbon in April 2013**

I was the fortunate recipient of the EBRD Trade Finance e-Learning Programme scholarship, awarded annually through my employer Komercijalna Banka Skopje, the TFP's most active issuing bank in FYR Macedonia. It has been a new challenge for me and a great opportunity to learn new skills in the application of the ICC rules in trade finance. I was delighted that my dedication paid off and I was ranked second in the Top 25 graduates of 2012. My prize was fully paid attendance at the ICC Banking Commission Meeting in April 2013 in Lisbon, Portugal.

My attendance at the meeting meant a lot to me. Not only did I have the opportunity to hear discussions about current issues and challenges in trade finance and many ICC projects, but also to be present at the official adoption of two sets of ICC rules – ICC Bank Payment Obligation Rules (URBPO) and the International Standard Banking Practice (ISBP) last revised in 2007 – which I was informed was a first in the history of the Banking Commission.

It was also wonderful to meet with bankers from all over the world and the leading experts from ICC Banking Commission that are actually involved in drafting the ICC rules.

I want to express my gratitude to the EBRD and ICC for enabling me to participate in the EBRD e-Learning Programme, for being part of the fruitful ICC Banking Commission Meeting and for my excellent time spent in Lisbon. I am proud to be an ICC certified expert in the application of the ICC rules in trade finance which has given me international recognition for my proficiency as well as the motivation to continue to learn and progress in my trade finance career.●

**“I had the opportunity to hear discussions about current issues and challenges in trade finance and many ICC projects.”**

## PIT YOUR WITS THE EXPERTS!

**Every issue of *Trade Exchange* will include a brain-teaser, drawn from the real-life trials of a trade finance expert. Here is your chance to demonstrate your ability to disentangle the most involved, contentious or just plain weird combinations of documents and to solve a puzzle in the field of documentary collections.**

## Stamped and signed – double trouble?

Can we have your expert opinion as to whether or not the following situation represents a discrepancy under a documentary credit available with a confirming bank by sight payment?

The credit called for a “**handover certificate to be signed and stamped by both representative of beneficiary and representative of applicant**”.

Upon presentation, the confirming bank examined and then, determining compliance, paid at sight to the issuing bank under authenticated SWIFT advice.

Upon receipt of the documents, the issuing bank observed one discrepancy in respect of the handover certificate and rejected the presentation by SWIFT MT 734 stating the discrepancy:

**“Handover certificate is signed and stamped by representative of beneficiary but is only signed NOT STAMPED by representative of the applicant.”**

Upon examination of the handover certificate, there is no stamp attached at the signature of the



Send your answers to [TF-Expert@ebrd.com](mailto:TF-Expert@ebrd.com) Solutions and



# AGAINST



# SOLUTION

## “Lost – but who is the loser?”

(March 2013 issue)

### ANALYSIS

Thankfully it is rare for documents to get lost between a nominated bank and the issuing bank but it does occasionally happen.

The answer to your question can be found in UCP 600 article 35 where it states “if a nominated bank determines that a presentation is complying and forwards the documents to the issuing bank or confirming bank, whether or not the nominated bank has honoured or negotiated, an issuing bank or confirming bank must honour or negotiate, or reimburse that nominated bank, even when the documents have been lost in transit between the nominated bank and the issuing bank or confirming bank, or between the confirming bank and the issuing bank.”

### CONCLUSION

Put simply, your bank as the issuing bank has an obligation to pay or reimburse the nominated bank.

However, as your query states your account has been debited, you must have provided the nominated bank with a reimbursement authorisation in the credit. It would now be a good idea to have the nominated bank send

photocopies or scanned images of the actual documents presented. These copies should then be checked for compliance.

Remember, UCP 600 article 35 makes specific reference to a presentation that is complying and UCP 600 article 2 defines a letter of credit as a “definite undertaking of the issuing bank to honour a complying presentation”.

It is also recommended when issuing a credit and providing the nominated bank with a reimbursement authorisation that you include a specific instruction to the nominated bank in the credit to advise your bank by authenticated SWIFT when complying documents have been presented and forwarded as instructed in the credit, together with the amount and value date of any reimbursement amount claimed in respect of the documents.

Finally, one or two respondents mentioned that the courier company may be liable in respect of lost documents. While this is true to some extent it is worth remembering that the courier company, like all carriers, have their liability tightly capped at very low amounts so this should not be relied on.●

What do you think?

Provide us with your expert view

representative of the applicant as specifically called for in the credit.

The applicant has since accepted the documents but there remains an issue regarding discrepancy fees. Also, what would have been the outcome had the applicant not accepted?

Can you advise whether you consider this a valid discrepancy or not?

Can you also provide some guidance on how banks should issue letters of credit when customers require signatures of parties representing the beneficiary or the applicant to be verified?



## WINNERS

The bankers and trade finance specialists who answered correctly are (in alphabetical order):

**Wael Ali Abdel Aziz**, Commercial International Bank, Egypt; **Nigar Allahverdiyeva**, Azerbaijan Industry Bank, Azerbaijan; **Innesa Amirbekyan\***, Converse Bank, Armenia; **Ulan Asanakunov**, UniCredit Bank, Kyrgyz Republic; **Lusine Balasanyan**, Ameriabank, Armenia; **Irina Chuvakhina\***, Priorbank, Belarus; **Domenico Del Sorbo**, Studio Del Sorbo, Italy; **Emilija Georgijevska**, Komercijalna Banka Skopje, FYR Macedonia; **Alla Kharchenko**, The State Export-Import Bank of Ukraine, Ukraine; **Igor Kudinov**, Megabank, Ukraine; **Mariia Minaeva**, Locko Bank, Russia; **Katerina Petrovska**, Komercijalna Banka Skopje, FYR Macedonia; **Svetlana Pyatak**, Ukrsofsbank, Ukraine; **Marco Raimondi**, Banca Popolare dell'Emilia Romagna, Italy; **Irakli Shubitidze**, Efes Georgia, Georgia.

\*Special mention by the panel of adjudicators

# Trade Finance e-Learning Programme Graduation Ceremony

Moscow, Russia  
19 February 2014



\*download a free QR reader app from the App Store,  
Google Play Store or Blackberry App World

## CONTACT US

### Join the Trade Facilitation Programme

[www.ebrd.com/pages/workingwithus/trade/join.shtml](http://www.ebrd.com/pages/workingwithus/trade/join.shtml)

### TFP e-Learning Programme

<http://ebrd.coastlinesolutions.com>

### TFP web site

[www.ebrd.com/tfp](http://www.ebrd.com/tfp)

### TFP photo gallery

[www.ebrd.com/pages/news/media/photo/trade\\_facilitation\\_programme.shtml](http://www.ebrd.com/pages/news/media/photo/trade_facilitation_programme.shtml)