



PRESENTS
LETTER OF CREDIT

Background

Banking is an integral part of international businesses, where Trade Finance is one of the most lucrative businesses to any bank. Trade finance includes various kinds of loans, advances and facilities required for imports and exports deals that are made on foreign trade, and involve foreign exchange transactions. Letters of credit (LC) are most often used in international trade, governed by the Uniform Customs and Practice for Documentary Credits (or UCP), the rules of the International Chamber of Commerce. As we know that a letter of credit is a document issued by a third party that guarantees payment for goods or services when the seller provides acceptable documentation. Letters of credit are usually issued by banks or other financial institutions.

Letter of Credit (LC), as we know it, is one of the major lines of business of commercial banks. Employees working in the bank must have a comprehensive knowledge of this product for minimizing the risk involved, facilitating the customers, providing relevant and true information to the customers and also doing necessary operating activities for conducting various LC related activities.

Objectives:

- Upgraded knowledge and skills of the employees of the bank
- Help bank to create a core LC team
- Increased bank's non-funded income with minimizing the risk.

Program Details:

Date: & Time: 6th August 2022 (9:30am – 4:45pm)

Duration: 4 sessions/ 6hrs (1 session=1.5hrs)

Venue: NBI Hall, Kathmandu

Target Audience: Trade Finance staff, Corporate & SME Relationship Managers, Branch Managers, Audit & Compliance officers.

Level: Assistant/Officers/ Managers

Program Details

SESSION PLAN

Session I (1.5hrs)

- International Trade and Different Modes of Payment including LC Introduction.
- Parties involved in LC.

Tea/Coffee/Cookies Break (15 mins)

Session II (1.5hrs)

- Types of Letters of Credit and their different Purposes [Including Standby Letters of Credit (SBLC)]

Lunch Break (45 mins)

Session III (1.5hrs)

- Glimpses on some International rules related to LC – UCPDC, URR & Incoterm.
- Short discussion on Recent circulars related to LC by NRB.

Tea/Coffee/Cookies Break (15 mins)

Session IV (1.5hrs)

- Documents, Handling Discrepancies, LC Settlement. Case Studies and Discussions.

Facilitator's Profile

Mr. Arun K. Sigdel

Former Trade Finance Manager

Agricultural Development Bank Ltd.

Mr. Sigdel was former trade finance Manager at Agricultural Development Bank Ltd. since 2015 He has also worked at Asian Development Bank, Manila as a Specialist in Trade Finance. He has also worked as a Manager, Deputy Manager, Assistant Manager and Senior Assistant at Nepal Bank Ltd. at various departments such as Trade Finance, Credit Department and Operation since 1983 to 2005. He also has experience in Banking with National and International agencies like Price WaterHouse Coopers, World Bank, ICCMT, ADB. He has conducted trainings for different organizations including NRB, NBL, RBB, ADBL, Bank of Bhutan etc on Letter of Credit, Guarantee, Forex, Credit Accounting, Remittances, Investments and other subjects while his expertise are on Letter of Credit, Bank Guarantee, Credit Documentation and Trade Finance.

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