

# How to Handle Letters of Credit

1 Day HHLC

## OVERVIEW

This course will enable participants to understand the mechanics of handling letters of credit in simple terms from the exporter's point of view.

Fifty percent of documents presented under letters of credit are rejected by the banks because of discrepancies. Participants learn what they can do, in practical terms, to improve letters of credit performance, and ensure good management and collection mechanisms.

## DESIGNED FOR

Suitable for anyone who wants to learn about letters of credit or who wants to improve their skills.

## LEARNING OUTCOMES

By the end of this course participants will be able to:

- Distinguish the benefits of the main forms (Irrevocable and Confirmed) and know when to use them.
- Use a formula to help buyers improve the content of letters of credit opened in their favour.
- Check incoming letters of credit, using a reliable checklist.
- Appreciate how bills of exchange work with letters of credit.
- Understand how UCP600 supports the exporter.

## TOPICS COVERED

### Forms of Letters of Credit

- Learn the difference between Revocable, Irrevocable and Confirmed Irrevocable letters of credit
- How to choose the appropriate form
- Identify the types of letter of credit
- Learn when to use the different types

### Understanding the Letters of Credit Process

- The parties involved
- The document flow
- The costs involved

### Using Letters of Credit

- What are the advantages and disadvantages?
- Understand the precise documentation demands
- Learn how to check an incoming letter of credit using a checklist
- How to help buyers improve the contents of letters of credit opened in the exporter's favour
- Presenting documents to the bank
- Dealing with discrepancies
- Improving letters of credit performance

### Bills of Exchange

- What are bills of exchange and who are the parties to them?
- When and why would you use them?
- Negotiating bills of exchange
- Forfeiting procedures and availed bills of exchange
- Learn how bills of exchange work with letters of credit

### UCP 600

- The Uniform Customs and Practice for Documentary Credits, publication 600 explained
- The importance to the exporter
- The key points contained in UCP600 and how they support the exporter



## EXTRA NOTES

*Further Development:*  
*Advanced Letters of Credit Workshop (ALCW)*