

Trade Exchange **tfp**

THE BIENNIAL MAGAZINE
ALL ABOUT THE EBRD'S
TRADE FACILITATION PROGRAMME

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EDITOR'S LETTER

The EBRD's Annual Meeting and Business Forum gathers together investors, governments and business leaders from all countries where the EBRD invests, and this year it takes place in Warsaw, Poland on 14 and 15 May 2014.

The TFP Annual Event and Awards Ceremony is always the most anticipated and oversubscribed associated event and will be attended by our most active partner banks, the World Trade Organization and the ICC Banking Commission. The TFP team already knows the winners of the TFP Awards for 2013 and we cannot wait to share the news with you!

And, of course, the long-awaited feature of this issue is the annual list of top 25 graduates from our award-winning Trade Finance e-Learning Programme. The 2014 graduation ceremony was hosted by Exporta as part of its 7th Annual Russia & CIS Trade & Export Finance Conference in Moscow. Our students who travelled from Europe, Central Asia and the southern and eastern Mediterranean (SEMED) received their certificates from the ICC Banking Commission's Senior Policy Manager Thierry Sénéchal and e-Learning Programme supporters Commerzbank, BHF-Bank, BCR Publishing and Coastline Solutions. We also received special prizes for our top students from Banca Popolare di Sondrio and ICC Austria. See page 22 for the full report from the ceremony and the list of the top 25 graduates.

Our colleagues from Belarus, Bulgaria, Moldova and Ukraine have contributed to the regional feature on central and eastern Europe. This will give you an insight into the sector trends that trade finance specialists are facing in these countries.

On page 18 you will find out about our recent technical cooperation workshops in Egypt, Jordan, Morocco and Tunisia, and see pictures of happy trade finance specialists in the SEMED region!

Finally, our Trade Finance Clinic was once again the most discussed and popular section of the magazine and we are proud to present on page 30 the trade finance specialists who have sent us correct answers for all the cases published in the last three issues.

Happy reading!



Kamola Makhmudova

Kamola Makhmudova,
Executive Editor
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TRAINING

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Learn how two of our top e-Learning graduates got on during their training with two German banks, and test your brain in our latest Trade Finance Clinic.

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GET IN TOUCH

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Importers and exporters should contact an issuing bank.

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www.ebrd.com/tfp
TFP e-Learning Programme:
ebrd.coastlinesolutions.com

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NEWS UPDATE



INVESTMENT UPDATE

EBRD delivers strong support to emerging economies in 2013

The EBRD provided strong support to emerging economies in 2013 to help them back to recovery, despite a difficult investment environment.

Total investments for the year across all the regions where the EBRD is active amounted to €8.5 billion compared with €8.9 billion the previous year.

These investments were achieved against a backdrop of general investor reluctance in the face of continued economic fragility.

The EBRD also remains well equipped to continue rolling out investments, after making a net profit in 2013 that is expected to be in line with 2012 earnings of €1.0 billion. The earnings will largely be ploughed back into future financing.

The number of individual projects that the Bank financed in 2013 remained at near historic highs, at 392, compared with 393 in 2012, which was a record year.

The Bank's investments in south-eastern Europe, a region that remained particularly vulnerable to the effects of problems in the eurozone, rose to around €1.65 billion, from €1.5 billion in 2012. Financing was also up in central Europe and the Baltic states, to €1.6 billion, from a previous €1.2 billion.

Particularly difficult economic and investment

conditions in Russia led to a reduction of investments there to €1.8 billion, from €2.6 billion in 2012.

But Russia has been and remains the largest country of operations for the EBRD and the Bank is fully committed to continuing its very deep involvement in the country.

The Bank's investment in eastern Europe and the Caucasus held unchanged last year, at around €1.5 billion, while in Central Asia investment amounted to €550 million compared with €870 million in 2012.

In Turkey, investments remained strong at around €920 million. And 2013 also saw the first full year of investment in the southern and eastern Mediterranean region, with signings in all four countries – Egypt, Jordan, Morocco and Tunisia – across the corporate, financial and energy sectors. Total investments amounted to €450 million.

Raising environmental standards and promoting energy efficiency and the use of renewable energy resources continued to be a high priority for the Bank. Total investments under the EBRD's Sustainable Energy Initiative rose to €2.4 billion, from €2.3 billion in 2012.●

📄 www.ebrd.com/news

OPINION

“While it was a difficult year for investments, the EBRD provided strong support to its countries of operations in 2013. In 2014 we will continue our efforts to contribute to improving the investment climate, reinvigorating growth and kick-starting the transition process.”

Phil Bennett, EBRD First Vice President



TRADE FINANCE CONFERENCE

Expanding opportunities in Ukraine

With trade finance developing rapidly in Ukraine, it was no surprise that a conference in Kiev to discuss opportunities in this area proved extremely popular.

More than 150 participants from 15 countries gathered on 12-13 September



FACTORING WORKSHOP

Factoring training in Armenia

The EBRD's TFP team has started a new technical cooperation (TC) project aimed at developing the factoring market in Armenia.

A two-day workshop on structuring factoring transactions took place in Yerevan on 11-12 February 2014. The workshop, opened by Mark Davis, the Head of the EBRD's Resident Office in Yerevan, and His Excellency Traian Hristea, Head of the EU Delegation to Armenia, brought together 39 representatives from nine Armenian banks and two companies.

The workshop is part of a two-year factoring advisory services TC project, which has been designed to introduce local banks and companies to factoring and to include it in the product range they offer to corporate clients. Advisory services will be tailored to the

2013 for the first international conference on trade finance in Ukraine organised by Worldwide Expert in partnership with the EBRD.

Ukrainian and international representatives from banking, insurance and law attended the two-day event, which was chaired by the EBRD.

A variety of panel sessions sparked lively debate among the audience of market professionals. Topics discussed included the changing relationship between Ukrainian banks and their foreign partners and the availability and accessibility of funds for trade finance in Ukraine.

Particularly popular – but not surprising given the global economic climate – was the session examining opportunities to raise finance not only from Europe but also from Arab countries and Asian markets.

By gathering professionals from banking and corporate circles, supported by an experienced EBRD team, this conference provided an excellent platform for trade finance specialists seeking to do business in Ukraine and the surrounding region.●

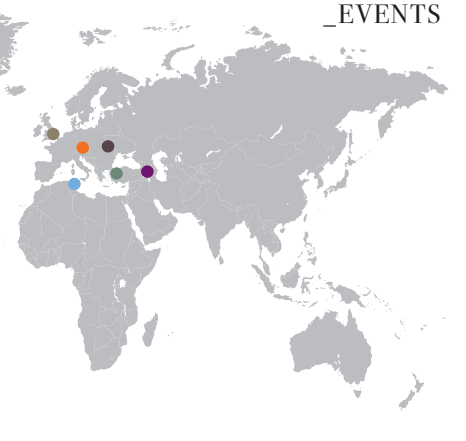


Ambassador Traian Hristea, EU Delegation to Armenia, and Mark Davis, EBRD

needs of each bank and factoring company to support them in building and optimising their factoring operations.

Armenia has been developing its factoring market since 2008, and several Armenian banks offer both domestic and international factoring. Of the nine Armenian banks that took part in the workshop, only six include factoring in their trade finance products.

The factoring advisory services project is funded by the EU Neighbourhood Investment Facility (NIF).●



Future Events



WARSAW 2014

EBRD Annual Meeting and Business Forum

14-15 MAY 2014

WARSAW, POLAND

For more information visit www.ebrd.com/am

TFP Annual Event and Awards Ceremony

16 MAY 2014

WARSAW, POLAND

The TFP's Annual Event and Awards Ceremony will take place in Warsaw the day after the EBRD Annual Meeting and Business Forum (see above). This year's event will also host an awards ceremony for the most active participating banks of 2013. Attendance by invitation only. **Contact the TFP team for more information.**

TFP Trade Finance Forum

22-23 SEPTEMBER 2014

LONDON, UNITED KINGDOM

Contact the TFP team for more information.

Trade and Investment Forum

22 OCTOBER 2014

TUNIS, TUNISIA

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

Contact the TFP team for more information.

ICC Banking Commission Meeting

3-7 NOVEMBER 2014

ISTANBUL, TURKEY

Contact Paulina Martinez for more information at paulina.martinez@iccwbo.org.

SEMED SIGNINGS

New partner banks in a new region

Since the start of the EBRD's expansion into the southern and eastern Mediterranean (SEMED), the EBRD has welcomed seven new issuing banks into its new area of operations.



19 FEBRUARY 2014
National Bank of Egypt, Egypt | US\$ 50 million



18 MARCH 2013
Cairo Amman Bank, Jordan | US\$ 35 million



10 DECEMBER 2012
Société Générale Maroc, Morocco | €5 million



24 FEBRUARY 2014
Crédit du Maroc, Morocco | US\$ 40 million



3 JUNE 2013
Banque Centrale Populaire, Morocco | US\$ 50 million



7 MARCH 2013
BMCE Bank, Morocco | US\$ 75 million



30 SEPTEMBER 2012
InvestBank, Jordan | US\$ 30 million



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www.facebook.com/ebdrtfp

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.

TOP 10 CONFIRMING BANKS January-December 2013

Bank	Country
1 Commerzbank	Germany
2 UBS	Switzerland
3 Deutsche Bank	Germany
4 UniCredit Bank Austria	Austria
5 Raiffeisen Bank International	Austria
6 WGZ BANK	Germany
7 BNP Paribas	France
8 ING Bank	Netherlands
9 Citibank Europe	Ireland
10 Intesa Sanpaolo	Italy

105
NUMBER OF
ISSUING BANKS IN
22 COUNTRIES

€9.1
billion

TOTAL TRANSACTION
VALUE SINCE 1999

15,500+
TOTAL NUMBER
OF TRANSACTIONS
SINCE 1999

CONFIRMING BANKS OPERATE
IN 88 COUNTRIES



TOP 10 COUNTRIES BY NUMBER OF TRANSACTIONS January-December 2013

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

NUMBER OF CONFIRMING
BANKS OPERATING
IN 88 COUNTRIES
see map above

800+



 MBANK, POLAND

THE MORE THE MERRIER

New correspondents and new markets are key for a successful business

For over 25 years mBank has specialised in providing services to Polish importers and exporters. For them, central and eastern Europe is an extremely important region in which they have many well-established relationships. But as with any successful business, new contacts are always needed. And if our customers establish new contacts, so do we – widening our correspondent network in markets where we have been dealing already, and pushing into markets less known to us.

And this is where the EBRD comes in. Guarantees provided under the Trade Facilitation Programme covering the political and commercial payment risk enable us to offer instruments such as confirmed letters of credit to our new counterparties.

A recent example of this is a transaction with Belaruskyy Narodny Bank. A letter of credit opened in favour of an mBank client was fully secured by a standby letter of credit issued by the EBRD. This not only made the transaction secure but also earned us a new partner bank in Belarus with which we hope to continue working.

mBank remains fully committed to central and eastern Europe, a region with huge potential. The EBRD and its Trade Facilitation Programme will certainly help us to accommodate rapidly growing demand for trade finance products.

In recognition of our commitment to the highest quality, we were named early this year *Global Finance's* Best Trade Finance Bank in Poland.●

*Jerzy Bujnowski and Tomasz Wójtowicz,
Financial Institutions, mBank*

“mBank remains fully committed to central and eastern Europe, a region with huge potential.”



 THE STATE EXPORT-IMPORT BANK OF UKRAINE, UKRAINE

A HELPING HAND

EBRD resources and methodology improve our key performance

 The State Export-Import Bank of Ukraine (Ukreximbank) is a leading player in the Ukrainian trade finance market. Our experience and highly trained staff have provided a sound base for the dynamic growth of our trade finance business.

Joining the EBRD's Trade Facilitation Programme (TFP) in 2007 gave new momentum to our trade finance business and enabled us to not only increase the number of transactions, but also greatly improve the quality of the services we provided to our clients. We are now able to use a wide range of trade finance products and significantly increase financing for our clients' export operations.

As a top player in the Ukrainian market, we provide excellent documentary and trade finance services to other Ukrainian banks by acting as an advising, nominating, reimbursing or confirming bank, issuing guarantees against counter-guarantees of other banks.

We would like to emphasise the excellence of the EBRD's TFP. The high quality of services, advisory assistance, quick transaction review and finalisation, as well as a friendly attitude, became the characteristics – the “hallmark” – of the TFP team. And since our own trade finance team is guided by the motto “it is never too late to learn”, we take great pleasure in improving our knowledge; eight of our specialists successfully completed the EBRD's impeccably designed Trade Finance e-Learning Programme.

As the banking trade finance market



Ukreximbank's branch in Lviv

is evolving, new products are created and the range of services provided is expanding. We therefore remain open to proposals from, and further cooperation with, our key partner – the EBRD.●

*Olena Kozoriz, Head of Financial
Institutions and Trade Finance Division,
The State Export-Import Bank of Ukraine*

“We are now able to increase financing for our clients' export operations.”

OPENING THE *FLOODGATES* OF TRADE FINANCE

Working with the EBRD has boosted trade finance business beyond expectations

 Belarusky Narodny Bank's core business is private small and medium-sized enterprises (SMEs). The varying types and geography of our customers' import operations means there is a constant high demand for trade finance transactions. But trying to meet customers' needs in light of our foreign counterparties' assessment of Belarusian risk can be difficult.

That is where the benefits of being part of the EBRD's Trade Facilitation

Programme cannot be underestimated. Since we joined the TFP in 2011, our volume of trade finance transactions has quadrupled. With the help of the TFP we successfully structure deals that require confirmation, post-financing, discounting of letters of credit as well as counter-guarantee backed issuance of guarantees by some leading foreign banks. We have also acquired 15 new partners among well-known confirming banks from western and eastern Europe, the CIS and Asia. Five of them are listed

in the EBRD's top 10 confirming banks (see page 7).

Through the TFP we can offer our customers a wider range of trade finance services on the most favourable terms. A few years ago, post-financing and discounting of letters of credit were available mainly to large companies through major Belarusian banks that had sufficient direct clean lines from foreign counterparties. Now these tools have become available to SMEs through medium-sized banks, such as Belarusky Narodny Bank, and so we can create new opportunities for our core customers. In particular, businesses importing goods on an advance basis have the ability to reduce their costs with the help of trade finance products backed by the EBRD.

The use of such instruments may also eliminate some legal barriers. For example, restrictions on advance payments in a foreign currency, which exist in Belarus, do not apply to advance payments under documentary credits.

We look forward to further cooperation with the EBRD and are willing to make every effort to jointly promote the development of private SMEs in Belarus.●

Lada Oparina, Head of International Business Division, Belarusky Narodny Bank

“We have acquired 15 new partners among well-known confirming banks from western and eastern Europe, the CIS and Asia.”



“Since 2012, seven forfaiting transactions for a total of around €8.3 million have been completed.”

INNOVATIVE FINANCING FOR AN INNOVATIVE SECTOR

Products for an ever-changing market

 In a world where everything is changing at high speed, being part of the EBRD Trade Facilitation Programme offers us the support and flexibility we need to face the challenges of the international markets.

The innovative information, communication and technology (ICT) sector is part of this rapidly changing world, and in Moldova it is no exception. If local telecommunications companies wanted to stay up to date, they needed to invest in the import of the latest technology and equipment. However, such investments were not affordable and top international suppliers were reluctant to take on Moldovan market risk. However, Mobiasbanca had a solution that was a first on the local market – forfaiting.

Since 2012, seven forfaiting transactions for a total of around €8.3 million have been

completed. The volume planned for 2014 is around €10 million. These transactions would not have been possible without EBRD support.

So Moldova is making good progress in the ICT sector, despite slow economic development. Today the country has one of the cheapest internet connections in terms of price per Mbps, ranking seventh among 186 countries for upload speed, and 17th for download speed, according to NetIndex. The percentage of individuals using the internet is growing quickly year by year, and has more than doubled since 2007, according to the UN's International Telecommunication Union.¹

Since we joined the EBRD's TFP in 2002, our collaboration with the EBRD has gone from strength to strength. As a result we are ready to accept new challenges and offer innovative solutions to our clients, creating opportunities for them to explore new

international markets and negotiate attractive commercial contracts.

Qualified expertise, profound knowledge and competent skills, together with a quick and efficient service, are the pillars of the TFP team that is always ready to accept new challenges. This is what we have in common and what strengthens our collaboration.●

Dumitru Predius, Head of Specialised Financing and Treasury, Mobiasbanca

Lilia Ceban, Head of Trade Finance and Documentary Operations, Mobiasbanca

Mobiasbanca conforms to the requirements of international standard ISO 9001:2008 for quality management systems in relation to trade finance activities.

¹Data are correct at the time of going to print.



Nezavisimost Square in Sofia, Bulgaria

PARTNERING BULGARIAN BUSINESS

Joining the TFP means banks can pass on great benefits to their customers

 Eurobank Bulgaria is a major player in Bulgaria's trade finance business. We offer a wide range of flexible, innovative and often tailor-made products to our customers, some of whom are the country's largest importers and exporters.

By joining the EBRD's Trade Facilitation Programme, we can assure a full range of services for trade finance business: documentary letters of credit, standby letters of credit, demand guarantees, promissory notes, bills of exchange or banker's acceptances. The EBRD's AAA-rated standby letters of credit are a real advantage in negotiating the best possible

“We are the largest provider of factoring services in Bulgaria facilitating foreign business based on open account.”

terms whenever confirmation of a trade finance instrument is necessary.

Being the largest provider of factoring services in Bulgaria facilitating foreign business based on open account, we are pleased to join forces with the EBRD in developing the factoring market in the country.

We are proud to help our customers structure their international business in the best possible way and being part of the TFP enables us to maintain our role as a key partner to Bulgarian businesses.●

Nikolay Stoyanov, Head of Corporate Transaction Banking, Eurobank Bulgaria

Read on the move

SMART
THINKING

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The *Transition Report* is now available both in print and online. Go to the digital version at www.tr.ebrd.com, which features multimedia and 34 country assessments.

FROM FARM *TO TABLE*



Private businesses hold the key to fulfilling food production potential

Until a few years ago in the countries where the EBRD invests, the majority of food products of high quality were likely to have been imported. Today, alongside the international brands, there is a wide range of local products that are competing at the same level of quality – if not better.

The private sector and the EBRD invest along the entire food value chain – from farming, processing and trading to food distribution, packaging and retail. In other words, the Bank is supporting, through sound investments, the upgrade of the food system “from farm to table” in the EBRD region.

With an agribusiness portfolio of around €3.7 billion as of January 2014, the EBRD supports the development of almost 200 private agribusiness companies. The EBRD has a team dedicated to agribusiness, which is one of the largest sector teams in the Bank. Fifty bankers of 20 nationalities, based in London and Resident Offices, work with multinational and local companies and regularly collaborate with external consultants.

MOBILISING INVESTMENTS

The EBRD not only provides direct financing to private agribusiness companies for expansion or modernisation, but it also mobilises financing from domestic and international banks using various co-financing facilities. By looking at the needs of agribusiness



Gilles Mettetal, Director, Agribusiness, EBRD

clients and partner banks, the EBRD is able to offer a wide range of tailor-made instruments. In this context, the Bank also co-finance agribusiness projects for over €100 million every year.

Annual EBRD commitments to the agribusiness sector, including co-financing, amount to around €1 billion in 60 agribusiness projects across 30 countries. About half of these projects are with small or medium-sized companies.

Agribusiness plays a vital role in the economies of countries where the EBRD operates. The food production potential of these countries can only be fulfilled if investments are made to help private companies boost productivity, improve business practices and upgrade their technology.

The EBRD and its partner banks work with private agribusinesses, and if these

companies fulfil certain criteria they can benefit from advisory services financed through grants. In 2013 in the agribusiness sector alone the EBRD committed a cumulative amount of around €3 million to more than 15 grant projects. Companies can receive direct support to increase productivity and resource efficiency, enhance quality controls, conduct financial and legal due diligence, and improve corporate governance.

Appetite for investment in agribusiness is increasing despite the latent effects of the global financial crisis. With this in mind, the EBRD is looking for sound co-financing opportunities with partner banks ready and eager to expand their operations in the EBRD region.●

The EBRD supports the development of almost 200 private agribusiness companies.



CASE STUDY: UKRAINE

Developing the supply chain

The big opportunity for Ukraine's agricultural sector over the next few years is to fulfil its food production potential. Realising this opportunity is only possible with substantial investment along the entire grain value chain.

Nibulon Group is one of the leading agricultural commodity traders and agricultural producers in Ukraine. In 2012 the EBRD arranged a short-term US\$ 125 million loan for Nibulon Group. The proceeds of the loan enabled the company to form a uniform and more stable financing platform, and to further expand the grain collection area, which increased the volumes procured. Value chain developments, in turn, helped Nibulon Group to provide financing to farmers through forward contracts and increase third party farmers' access to grain quality improvement services at the silos.

As one of the largest Ukrainian grain trading companies, Nibulon Group is now in a pivotal position to link opportunities along the grain value chain.



IN NUMBERS

€1bn

The EBRD's annual commitment to about 60 agribusiness projects is around €1 billion.

€100m

Every year the EBRD co-finance agribusiness projects for over €100 million.

CASE STUDY: TAJIKISTAN

Boosting production and employment

Tajik entrepreneurial spirit is flourishing and the number of medium-sized private companies with strong growth potential is rising rapidly. One example is the thriving local businesses of the Yakhmos Group, which produces semi-frozen traditional sambusa (mince pies) and manty (dumplings) for local bakeries and supermarkets.

In 2013 the local Bank Eshkhat, in cooperation with the EBRD, provided its first financing to the Yakhmos Group for US\$ 850,000. The funds have enabled the Group to buy quick-freezing machines and modernise its production process, boost production capacity and increase employment.

With the help of an advisory service grant, the EBRD engaged a consultant to work closely with Bank Eshkhat on the due diligence, risk assessment and loan structuring.

By simultaneously supporting key financial institutions and growing agribusinesses in the EBRD region, the EBRD's co-financing fosters strong partnerships that are able to improve the overall investment climate and ultimately increase sector growth.



AGRICULTURE GOES REMOTE

The high-tech island is taking agriculture to a new level

For anyone involved in agriculture in East Asia, exhibitions such as the Taiwan Plant Factory Expo or the Taiwan Agricultural Machinery and Materials Expo are highlights of every calendar year. Hundreds of thousands of visitors and foreign buyers come to view demonstrations of the most advanced agricultural technology developed on this world-renowned high-tech manufacturing island. The popularity of these exhibitions is a testament to the role that Taiwanese technology has played in the evolution of agricultural machinery and techniques.

The development of Taiwanese agricultural machinery can be traced

back to the 1970s when rice production was first mechanised. The shift towards mechanisation began as the island moved away from its agriculture-based economy towards one based on manufacturing and exports. However, the automation of rice production has led to comprehensive automated systems of all production processes, including soil preparation, pest control, cleaning, sorting, grading and packaging.

Today, Taiwanese agricultural machinery is sophisticated, innovative and intelligent, thanks to its leading engineering and manufacturing techniques. For example, one of the signature products in the agriculture machinery expo is the multipurpose cultivator – a cutting-edge product that can carry out cultivation, weeding, V-shape ditching and deep/shallow diggings.

At the forefront of the agricultural revolution is the information, communication and technology (ICT) sector. With the government's encouragement, more and more innovations have been introduced into Taiwanese agriculture. Farmers now benefit from devices such as remote monitoring and wireless sensor networks. For example, they use laser beams to protect guava crops from fruit flies, or fully computerised and automated



greenhouses equipped with wireless sensors that can control the temperature and humidity to grow orchids and mushrooms.

As Taiwanese agricultural machinery becomes more well-known throughout the world, and through exhibitions such as the Taiwan Agricultural Machinery and Materials Expo, we can envisage increasing exports of high-tech agricultural machinery and equipment to the EBRD's countries of operations.●

- ⑥ For more information please visit:
- Taiwan Agricultural Research Institute
www.tari.gov.tw
 - Taiwan Agriculture Information Center
www.taiwan-agriculture.org
 - Exhibition of Agricultural Science and Technology
<http://flora.coa.gov.tw>

“Today, Taiwanese agricultural machinery is sophisticated, innovative and intelligent.”



CASE STUDY: CHANG HWA BANK

Chang Hwa Bank (CHB), founded in 1905, is a leading Taiwanese bank and has had a vast and loyal customer base for over a century. Its trustworthy reputation has been established firmly in the Taiwanese financial market. CHB ranks in *The Banker* magazine's global top 500 banks in 2013.

Trade finance has always been a key business for CHB. In 2013, letter of credit import and export transactions amounted to US\$ 4.8 billion and US\$ 4.3 billion respectively, reaching a market share of 7 per cent and 6 per cent respectively. This volume of business is made possible through its numerous domestic branches and eight overseas offices in the world's major financial centres.

To help customers expand their foreign trade in central and eastern Europe, CHB joined the TFP as a confirming bank in 2002. The bank will continue to develop enduring relationships with partner banks under the TFP to the benefit of customers on both sides.



18 TRAINING
DIGEST

LIVELY LEGAL DEBATES IN SEMED

Stephen Tricks, a consultant at international law firm Clyde & Co, got more than he bargained for when he agreed to run some legal workshops in the southern and eastern Mediterranean

Speaking is the easy part. The challenge is responding to questions and encouraging a debate among participants. I was not sure what to expect when the EBRD's TFP team asked me to lead workshops in the southern and eastern Mediterranean (SEMED) region in October and November 2013, but the reaction of the participants was wonderful. Questions and comments came thick and fast. In each event we easily filled the scheduled six-hour programme and could have continued well into the evening.

In 2011 I had run workshops on legal proceedings and defaults in trade finance in many of the EBRD countries of operations

in eastern Europe and Central Asia. In addition to legal principles of trade finance on documentary credits, standby credits and guarantees, we covered sale of goods, risk, security and defaults, and then looked at several case studies under English law. It had been a pleasure to meet many young bankers, keen to understand such an important aspect of developing economies.

Leading the same workshops in Amman, Casablanca, Tunis and Cairo therefore appeared to be a relatively easy task. I received excellent support from the TFP team in London and the EBRD Resident Offices, so the logistics were soon arranged.

However, I had not fully taken into

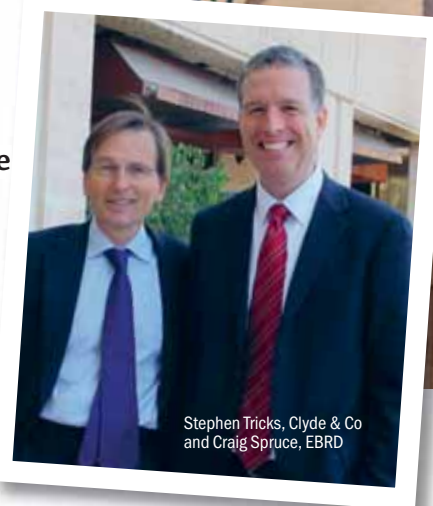
account that each SEMED country had a long history as a trading nation and that many trade finance concepts were well established among the local banks.

The experience of participants ranged from first-year beginners through to senior

managers who had been in the business for many years. A few private practice lawyers also joined the workshops. This range of age and experience at each event gave rise to some great debates as younger participants asked questions and the more senior members challenged my views and explained how such issues were handled locally. I found myself having to defend (and in some cases revise) my position on several topics.

The exchange of ideas and knowledge is the primary purpose of the TFP technical cooperation workshops, so it was an honour and a pleasure to lead these debates. Many thanks to everyone who participated.●

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



Stephen Tricks, Clyde & Co
and Craig Spruce, EBRD

WORKSHOP DATES

- Amman, 7 October 2013
- Casablanca, 15 November 2013
- Tunis, 18 November 2013
- Cairo, 25 November 2013



JORDAN



MOROCCO



TUNISIA



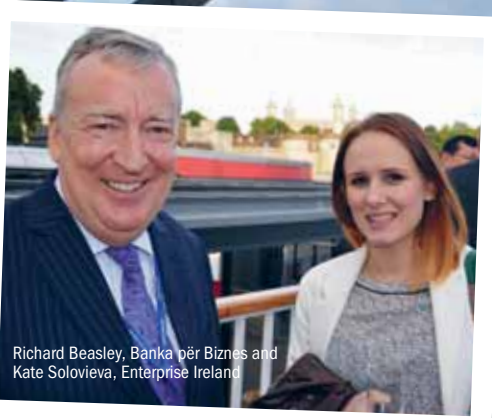
EGYPT

TFP TRADE FINANCE FORUM 2013, LONDON

The 2013 TFP Trade Finance Forum took place in London on 26-27 September 2013 and was attended by more than 200 guests from over 100 banks in 80 different countries. Set up in 2009 as a response to the financial crisis, the Forum has become an essential networking platform for bankers and trade finance specialists.

Last year's event provided an update on the TFP's activities and its expansion into the southern and eastern Mediterranean (SEMED) region.

The event was sponsored by Bank of Georgia, Commerzbank, Erste Bank and LBBW, and received generous funding from the Taiwanese and the EBRD Shareholder Special Fund.●



Richard Beasley, Banka për Biznes and
Kate Solovieva, Enterprise Ireland



Olga Krivosheenko, Promsvyazbank, Marc Auboin, WTO, Thierry Sénéchal, ICC Banking Commission and Rudolf Putz, EBRD TFP



“”

I would like to thank each member of the TFP team for the excellent TFP Trade Finance Forum. The event delivered in all areas: content, organisation, the participants and the networking opportunities available ... it was totally inspiring.

Svetlana Pyatak, Head of the Trade Finance and Documentary Business Unit, Ukrasotsbank

“”

Thank you to the TFP team for a great event. The various panel sessions were very stimulating and it was interesting to hear the differing perspectives of confirming banks and issuing banks. It's also fantastic when you are part of something in which people from different countries and cultures are meeting for the first time, sharing a common view.

Senior Associate in Trade Risk Management and Forfaiting, UniCredit



Jeroen Kingma, FMO, Aysin Atalay de Jong, DHB Bank and Ali Kemal Kucukcan, Sekerbank

M UPDATE~FORUM UPDATE~FORUM UPDATE~FORUM



Graduates networking at the conference



Above: Anna Brod and Kamola Makhmudova, EBRD TFP and Peter Gubbins, Exporta
Right: Per Fischer, Commerzbank and Emilija Georgijevska Radovic, Komercijalna Banka Skopje



YOUNG STARS OF TRADE FINANCE

The fourth annual graduation ceremony for the EBRD's Trade Finance e-Learning Programme was held in Moscow as part of Exporta's 7th Annual Russia & CIS Trade & Export Finance Conference on 11 February 2014. Trade finance specialists from 12 of the EBRD's countries of operations, including the newly joined Jordan and Tunisia, were attending the ceremony for the first time.

Thierry Sénéchal, Senior Policy Manager at the ICC Banking Commission, awarded the certificates of achievement, along with the EBRD's Rudolf Putz, Head of the TFP and George Orlov, Director for Russia, Financial Institutions. Other special guests included Per Fischer from Commerzbank, Zuzana Franz from BHF-Bank and Andrey Ivanov from Sberbank (Russia).

continued on page 24



Thierry Sénéchal, ICC Banking Commission and Liliانا Botorovschi, Moldindconbank

WHAT PEOPLE SAID

"The e-Learning Programme is a great way to build close relationships with TFP issuing banks."

Elena Pozzoli
Banca Popolare di Sondrio



continued from page 23

There were many amazing prizes, including a two-week on-the-job internship at Commerzbank in Germany; a one-week on-the-job training at Banca Popolare di Sondrio in Italy (which is, for the first time, sponsoring one of this year's prizes); fully paid attendance to the ICC Austria's Trade Finance Week in June 2014; fully paid attendance to the ICC Banking Commission Meeting in Istanbul, Turkey in November 2014; scholarships for a one-week trade finance training course at the Joint Vienna Institute in May 2014; and iPads provided by Coastline Solutions, the EBRD's technological partner, and BCR Publishing.

The EBRD's Trade Finance e-Learning Programme is funded by the EBRD Shareholder Special Fund and the EU Neighbourhood Investment Facility.●

WHAT PEOPLE SAID

"We consider the EBRD's Trade Finance e-Learning Programme an excellent instrument that helps young bankers to become real specialists in trade finance. For three years BHF-Bank has been supporting this Programme by inviting one of the best graduates to attend our one-week international trade finance seminar in Frankfurt."

Zuzana Franz
BHF-Bank



Zuzana Franz,
BHF-Bank presenting
the prize



WHAT PEOPLE SAID

"The graduation was spot on, it could not have been better. Most importantly, we were given the chance to meet, connect and form good relationships with each other. Nothing compares with relationships."

Gega Topadze
VTB Bank (Georgia)



Above: The e-Learning
graduates for 2014
Right: Graduates from
Bank Eskhata



WHAT PEOPLE SAID

"The EBRD's blended training programme is a great example of how to embrace new technologies in education."

Michael Bickers
BCR Publications



This year's ceremony was a landmark event for many reasons, not least of all for the amount of interest and sponsorship it attracted from the trade finance press, technology providers and the TFP's partner banks. But it is the students who were the real stars. Congratulations to all the graduates and award winners!



- | | |
|--|---|
| 1 Emilija Georgijevska Radovic
Komercijalna Banka Skopje,
FYR Macedonia | 13 Daler Sadikov
Bank Eskhata, Tajikistan |
| 2 Nushik Mkrtchyan
Armswissbank, Armenia | 14 David Aghajanyan
Armswissbank, Armenia |
| 3 Ahmed Abdo
Jordan Ahli Bank, Jordan | 15 Tetiana Antsibor
Raiffeisen Bank Aval, Ukraine |
| 4 Lilit Tatunts
Armswissbank, Armenia | 16 Natalia Mamchur
Raiffeisen Bank Aval, Ukraine |
| 5 Alexander Kovtun
Bank Saint Petersburg, Russia | 17 Yuliya Tsoy
Sberbank (Kazakhstan), Kazakhstan |
| 6 Alaa Dababneh
Jordan Ahli Bank, Jordan | 18 Elena Sidorova
Center-Invest Bank, Russia |
| 7 Natasa Latinovska
Komercijalna Banka Skopje,
FYR Macedonia | 19 Mohammad Allan
Cairo Amman Bank, Jordan |
| 8 Denys Stavropoltsev
Sberbank (Ukraine), Ukraine | 20 Osama Bishara Haddad
Cairo Amman Bank, Jordan |
| 9 Hayk Muradyan
Armswissbank, Armenia | 21 Natlia Sonishvili
VTB Bank (Georgia), Georgia |
| 10 Liliana Botorovschi
Moldindconbank, Moldova | 22 Kristina Sochivko
Minsk Transit Bank, Belarus |
| 11 Olga Lemesko
Bank Saint Petersburg, Russia | 23 Mohamed Salah Abdel Raof
National Bank of Egypt, Egypt |
| 12 Natalia Nani
Moldindconbank, Moldova | 24 Shavkat Kalonov
Bank Eskhata, Tajikistan |
| | 25 Sona Sahakyan
Armswissbank, Armenia |



WHAT PEOPLE SAID
“The graduation ceremony of the EBRD’s Trade Finance e-Learning Programme provided a unique opportunity to exchange views about developments in trade finance and to communicate with the award winners. We are proud to support the best graduate with an on-the-job internship for the fourth time.”
Per Fischer
Commerzbank

Michael Bickers surprises everyone with an iPad – the prize from BCR Publications

WHAT PEOPLE SAID
“It’s a remarkable e-learning project which spreads knowledge of trade finance standards and rules, as well as ensuring an equal understanding of the language of trade finance, like nothing else before it!”
Emilija Georgijevska Radovic
Komercijalna Banka Skopje



OPPORTUNITY KNOCKS

Nina Akhremenko, one of the top 10 graduates of the EBRD's Trade Finance e-Learning Programme in 2013, shares her experience of attending the international trade finance seminar at BHF-Bank in Frankfurt



I am a chief economist in the International Trade and Structured Finance Department of Belgazprombank in Belarus, and was one of the lucky few in my team selected to train under the EBRD's Trade Finance e-Learning Programme. The Programme was a really great opportunity to improve my knowledge and strengthen my professional skills in documentary operations and trade finance in general. While gaining extra knowledge and skills was reward enough, I was delighted to be named in the top 10 graduates for 2013.

As my prize, I was awarded a place at the one-week trade finance seminar held in September 2013 at BHF-Bank in Frankfurt, Germany. It was an unforgettable week and a great experience for me. BHF-Bank made its international guests

incredibly welcome. Our stay in Germany started with a fascinating sight-seeing tour around the beautiful Rhine region, which reminded me of Switzerland and northern Italy. Then it was time for the seminar!

The workshops were held by BHF-Bank's staff involved in financial institutions and trade finance business streams and covered topics and issues in trade finance we typically see nearly every day, such as payment techniques; structured trade and commodity finance; buyers credits; purchase of trade receivables (forfeiting); guarantees in international trade transactions; and anti-money laundering policies. The speakers made these topics extremely interesting and practical. As well as its own staff, BHF-Bank engaged a representative of the ICC Commercial Crime Services as a special guest who spoke to us about the risks of fraud in trade finance. In all the workshops we were encouraged to ask questions and exchange our opinions, which was beneficial for all.

TRADING PLACES

The seminar participants were also encouraged to get acquainted with the internal workings of BHF-Bank and see how business is done there every day. For instance, during the foreign exchange overview we were invited to the dealing room where we could observe the Forex trading process in action.

I spent a lot of time together with colleagues from financial institutions and documentary operations divisions from all over the world during the week, which resulted in many new friendships. It was wonderful to see bankers from different countries exchanging ideas, experiences and points of view. I truly admire the strong team at BHF-Bank as an example of enthusiasm, creativity and success.

I would like to express my gratitude to the EBRD and to BHF-Bank for granting me the amazing opportunity to participate in the EBRD's Trade Finance e-Learning Programme and to attend the trade finance seminar in Frankfurt. The experience has motivated me to continue improving my skills and has opened up new horizons for me in my trade finance career.●

Nina Akhremenko, Chief Economist in the International Trade and Structured Finance Department, Belgazprombank



HARD WORK PAYS OFF

Innesa Amirbekyan of Converse Bank in Armenia won a coveted internship at Commerzbank for her efforts on the e-Learning Programme

When I heard about the EBRD's Trade Finance e-Learning Programme back in 2011, I jumped at the chance to explore this virtual world of trade finance with its real life situations and challenging assessments. I must admit that I was initially daunted by the task of completing all the modules in the allotted time, but I buckled down and my hard work was recognised: I received the top prize in 2012 – a two-week internship at Commerzbank in the amazing city of Dusseldorf, which I completed in September 2013.

Right from the start I was impressed by the open-minded and friendly atmosphere in the Cash Management and International Banking (CMIB) team. I am thankful to my mentor, Frank Tempke, and his staff for taking the time to share with me their knowledge and ideas, and for their patient guidance and enthusiastic encouragement. I greatly benefited from working with experienced professionals and learning the best trade finance practices.

The most important thing for me, professionally, was gaining an insight

into the organisational structure of Commerzbank, the interaction between different units within its trade finance business, and the automation processes. Seeing it all in practice at a leading financial institution cannot be compared with any theoretical knowledge.

My time at Commerzbank meant that I gained plenty of document-checking experience that I could draw on back at Converse Bank. I also learned about some useful sales techniques, innovative trade finance products and interesting solutions for customers.

Combining my knowledge and experience at Commerzbank with my passion to try new things, I am looking forward to contributing to the further development of Converse Bank's trade finance business.

I would like to express my huge appreciation to the EBRD and Commerzbank for that wonderful experience and for the great people I have met.●

Innesa Amirbekyan, International Relations Manager, Converse Bank

“ ”



By inviting young bankers to us for internships we aim to strengthen their knowledge and our relationships with other banks. We are pleased Innesa found her time with us rewarding and fulfilling and hope what she learned with us proves useful in her work at Converse Bank.

Per Fischer
Commerzbank

As one of the top graduates for 2013 we were pleased to welcome Nina at our one-week international trade finance seminar in Frankfurt. This was an excellent opportunity for her to learn more about trade finance, meet colleagues from other emerging markets and to build strong relationships, which is one of the most important assets in international business.

Zuzana Franz
BHF-Bank

TFP AWARDS

2013 winners of the
trade finance clinic

GOLD

Innesa Amirbekyan, Converse Bank, Armenia
Irina Chuvakhina, Priorbank, Belarus

SILVER

Lusine Balasanyan, Ameriabank, Armenia
Wael Ali Abdel Aziz, Commercial International Bank, Egypt
Ulan Asanakunov, Optima Bank, Kyrgyz Republic

BRONZE

Nigar Allahverdiyeva, Azerbaijan Industry Bank, Azerbaijan
Domenico Del Sorbo, Studio Del Sorbo, Italy
Emilija Georgijevska, Komercijalna Banka Skopje, FYR Macedonia
Igor Kudinov, Megabank, Ukraine
Maria Minaeva, Deutsche Bank, Russia
Svetlana Pyatak, Ukrsotsbank, Ukraine
Irakli Shubitidze, Efes Georgia, Georgia

ACKNOWLEDGEMENT OF PARTICIPATION:

Alla Kharchenko, The State Export-Import Bank of Ukraine, Ukraine
Amine Lahmamsi, BMCE Bank, Morocco
Oksana Makarevych, Energobank, Ukraine
Maria Muradyan, Inecobank, Armenia
Katerina Petrovska, Komercijalna Banka Skopje, FYR Macedonia
Marco Raimondi, Banca popolare dell'Emilia Romagna, Italy
Oksana Sobko, Demir Kyrgyz International Bank, Kyrgyz Republic
Alessandro Tini, Iccrea Banca, Italy
Maja Velickovska, Komercijalna Banka Skopje, FYR Macedonia



Innesa Amirbekyan



Innesa is International Relations Manager at Converse Bank, Armenia.

The most exciting part of my day as a trade finance specialist is...

seeing the positive result of my efforts. I get great job satisfaction from new learning opportunities, intellectual challenges, improving business processes and passing on my trade finance knowledge and experience to colleagues and clients.

Irina Chuvakhina



Irina is Head of the Documentary Operations and Guarantees Department at Priorbank, Belarus.

The most exciting part of my day as a trade finance specialist is...

finding solutions to complex cases in accordance with both ICC rules and our customers' needs.

PIT YOUR WITS AGAINST THE EXPERTS!

Every issue of *Trade Exchange* includes 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.

**What do you think?
Provide us with your expert view**

Warehouse to warehouse?

Could you please clarify if the following item is a valid discrepancy? It is the sole discrepancy on which we have received a notice of refusal from an issuing bank and the reimbursement remains outstanding.

Discrepancy in MT734

"Insurance cover effected after the shipment date on Bill of Lading

- Shipment date on Bill of Lading is

14 February 2014

- Insurance document evidences cover effective from 16 February 2014."

Insurance document
'Warehouse to warehouse'
BL
- shipped on board 14 Feb
- cover effected 16 Feb
?

We should point out that we have advised the issuing bank by SWIFT MT799 that we do not agree with the discrepancy as the insurance document has a "warehouse to warehouse" clause.

It is our logic that if the insurance cover is warehouse to warehouse then the cover must have been effective from the seller's warehouse before the goods were shipped on board as evidenced by the shipped on board date of 14 February 2014 on the Bill of Lading. So in our view there is no discrepancy.

Please give us your expert technical interpretation as to whether the issuing bank can refuse the documents, based on the claimed discrepancy.

This situation is further compounded as the goods have arrived at the port of discharge and are incurring demurrage fees.

We await your urgent reply.



SOLUTION "Stamped and signed - double trouble?"

(September 2013 issue)

ANALYSIS

We must remember that when the issuing bank issues a letter of credit it authorises the nominated confirming bank to honour or negotiate documents which comply on their face with the terms and conditions of the credit. So the nominated bank is authorised to make the decision on the documentary compliance but this decision must be supported by the rules and applicable guiding standards.

Therefore to find the correct answer in this case, the trade finance specialist must first look at the documents through the eyes of the document checker in the confirming bank.

From the many replies received it is pretty clear that all respondents would have observed the fact that the document had not been "stamped" by the representative of the applicant and so the document on its face is not identical to the requirements in the terms and conditions of the credit - there was 100 per cent agreement at this point.

Having made this observation the document checker in the confirming bank would no doubt have read the UCP 600 carefully and having not found the perfect answer in UCP 600 would have turned to the ISBP (International Standard Banking Practice for the Examination of Documents under UCP 600) of the International Chamber of Commerce.

All replies were well drafted and supported by good logic.

CONCLUSION

However, it was interesting and reflects international practice that some people thought the document was discrepant but that the majority considered it compliant. Some respondents commented that refusing documents on such grounds damages the integrity of the letter of credit which was originally designed and actually defined in Article 2 of UCP 600 as "a definite undertaking of the issuing bank".

The panel of adjudicators congratulate all respondents but have selected the response of Innesa Amirbekyan from Converse Bank, Armenia as the model answer. To see this answer, please visit ebrd.coastlinesolutions.com/answer



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; **Ulanbek Asanakunov**, Optima Bank, Kyrgyz Republic; **Lusine Balasanyan**, Ameriabank, Armenia; **Irina Chuvakhina**, Priorbank, Belarus; **Domenico Del Sorbo**, Studio Del Sorbo, Italy; **Maja Velickovska**, Komercijalna Banka Skopje, FYR Macedonia.

*Special mention by the panel of adjudicators

TFP Trade Finance Forum*

London, United Kingdom

22-23 September 2014



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Google Play Store or Blackberry App World

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