



## CERTIFICATE EXAMINATION IN TRADE FINANCE

### Rules & Syllabus 2013

#### OBJECTIVE

Trade Finance is one of the traditional forms of bank finance in India. In view of reforms and liberalisation, this has gained a new significance. Many of the practices in trade finance have evolved over a period of time and some are guided by Ministry of Commerce and Reserve Bank of India, besides WTO and International Chamber of Commerce through UCPDC 600.

With the increase in the volume of trade both domestically and internationally, there is a need for trade finance professionals from banks as well as corporates.

This comprehensive course aims :

- (i) To provide candidates with competencies required to function as trade finance practitioners.
- (ii) To enable candidates to possess the needed skill and knowledge to understand clients' needs.
- (iii) To enable candidates to handle trade bills of individual clients.
- (iv) To enable candidates to attain high ethical and professional standards.

#### ELIGIBILITY

- (i) Any bank employee.
- (ii) Any graduate of a recognized university or its equivalent.

#### SUBJECT OF EXAMINATION

##### TRADE FINANCE

#### EXAMINATION FEES / REGISTRATION FEES

	For Members	For Non-Members
First attempt	₹1,124/- *	₹1,685/- *
Subsequent each attempt	₹1,124/- *	₹1,685/- *

\* Inclusive of 12.36% Service Tax (Reg. No. AAATT3309DSD002)

## MEDIUM OF EXAMINATION

Examination will be conducted in **English** only.

## PATTERN OF EXAMINATION

- (i) Each Question Paper will contain approximately 120 objective type multiple choice questions.
- (ii) The examination will be held in online mode only. A list of examination centre will be provided in the online examination application form.

## DURATION OF EXAMINATION

Examination will be of two hours duration.

## PERIODICITY AND EXAMINATION CENTRES

- (i) The examination will be conducted normally twice a year in May / June and November / December.
- (ii) Examination **will be conducted on a Sunday**.

## PASSING CRITERIA

The candidate has to secure 60% or more marks in the examination to pass, i.e. 60 marks out of 100.

## PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be made online from the Institute's website **[www.iibf.org.in](http://www.iibf.org.in)**. No physical form will be accepted by the Institute with effect from 1<sup>st</sup> January, 2013.

## PROOF OF IDENTITY

Non-members applying for Institute's exams / courses are required to submit a copy of any one of the following documents along with Examination Application Form. Forms without the same shall be liable to be rejected.

- 1) Photo i/card issued by Employer or 2) PAN Card or 3) Driving License or 4) Election Voter's i/card or 5) Passport or 6) Aadhaar Card

## STUDY MATERIAL

The Institute has developed a courseware to cover the syllabus. Candidates are advised to make full use of the courseware and also the updates put on the IIBF website from time to time. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Hence, candidates should keep themselves

updated on latest developments by going through Master Circulars issued by RBI, visiting the websites of organizations like RBI, SEBI, BIS etc.

The Institute has published study books to facilitate study and will be available at outlets / showrooms / distributors of M/s. Taxmann Publication Pvt. Ltd. The price of each book and detail list of outlets is mentioned below.

Candidates may purchase directly from outlets / showrooms / distributors of the above.

Candidates who purchase book/s directly from outlets of publishers will be offered a discount of 20% on the cost price of the book. Candidates desirous of purchasing book/s by post will not be offered any discount. However the postage will be borne by publishers. Candidates would be required to send their indent to publishers' outlet along with a Demand Draft for the cost of book/s. The Demand Draft should be drawn in favor of M/s. Taxmann Publication Pvt. Ltd. **(No cheques will be accepted).** **Candidates are requested not to send any request for the purchase of book/s to the Institute's Zonal Offices / Corporate Office.**

Name of the Book	Price
Practitioners' Book on Trade Finance	₹295/-

**Jaina Book Agency**

649-A, Girgaum Road, Dhobi Talao,  
Mumbai - 400 002  
Tel. : 22012143, 22018485

**Asia Law House**

Shop No. 10, Aiyangar Plaza,  
Between UTI & Central Bank  
Bank Street Kothi,  
Hyderabad - 500 095  
Tel. : 24742324

**Standard Book Distributors**

104, Labh Complex, 12-B,  
Sattar Taluka Society,  
Opp.Old High Court Rd.,  
Ahmedabad - 380 014  
Tel. : 7540731,7540732

**Student Book Centre**

527, Kalbadevi Road,  
Opp. Edward Cinema,  
Mumbai - 400 002  
Tel. : 22050510, 22080668

**Commercial House**

149, Rajendra Market,  
Opp. Tis Hazari Court, Delhi - 110 054  
Tel. : 23947862, 23947863

**Book Corporation**

4, R. N. Mukherjee Road,  
Kolkata - 700 001  
Tel. : 22101089, 22206669, 31000405

**Student Agencies (I) Pvt. Ltd.**

102, Konark Shram,  
Behind Everest Building,  
156,Tardeo Road, Mumbai - 400 034  
Tel. : 2351334-37

**C. Sitaraman & Co.,**

37, Royapettah High Road,  
Chennai-600 014  
Tel. : 28111516, 28117069, 28113950

**Law Point**

6C, R. N. Mukherjee Road,  
Opp. Birla Building, Stephen House,  
Kolkata - 700 011  
Tel. : 22101821

**Krishna Law House**

35-36, Gokhale Market,  
Opp. Tis Hazari Court, Delhi -110 054  
Tel. : 23969866, 23919317

**Book Corporation**

108, Nandan Complex,  
Near Mithkhali Rly. Crossing,  
Mithakhali, Ahmedabad - 380006  
Tel. : 6465385

**Puliani & Puliani**

Ground Floor, Sujatha Complex,  
1st Cross Gandhinagar,  
Bangalore - 560 009  
Tel. : 2265500, 2254052

**Modern Law House**

1/1, A. D. A. Flat,  
(Near Bishop Johnson School),  
M. G. Marg, Allahabad - 211001  
Tel. : 2560700, 2560616

**Arora Law Agency**

Shivala Road, Hussainpura, Amritsar - 143 001  
Tel. : 2584548

**Commercial Book House**

LG-2, 23, Aakarshan Bhawan,  
Anasari Road, Darya Ganj,  
New Delhi - 110 002  
Tel. : 23267860

**M/s. Taxmann Publication Pvt. Ltd.**

35, Bodke Building, M.G. Road,  
Opp. Mulund Railway Station,  
Mulund (West), Mumbai - 400 080  
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E-mail: bdurgaprasad@taxmann.com

## SYLLABUS

The details of the prescribed syllabus which is indicative are furnished below. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the Examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subjects of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

## SYLLABUS

1. The meaning of foreign trade; terms of delivery of goods; balance of payments; balance of trade.
2. The laws governing trade finance viz **FEMA**, **NIACT**, Indian Stamp Act, **EXIM** policy **RBI** Guidelines, **FEDAI** guidelines.
3. Role of banks in foreign trade; methods of financing.
  - a) Documentary Letters of Credit - **UCPDC 600** Uniform rules for bank - to - bank reimbursements under Documentary Credits ICC Brochure no 725 (**URR 725**)
  - b) Various facilities to Exporters and Importers including forfeiting and factoring.
  - c) Counter trade and Merchanting trade.
4. Theories of International Trade.
5. Terms of Trade.

6. WTO - Its Impact
7. Exchange Control / relating to International Trade
8. INCO terms Meaning - Obligation of buyers and sellers
9. Letter of Credit and UCPDC 600 - Meaning Parties to LC, Different types of LC, Mechanics of LC, Articles of UCPDC
10. Exports
  - Pre Shipment - Credit
  - Post Shipment - Credit
11. Imports
12. International Finance - method of finance
  - ADR - GDR
  - Loan - syndication
  - LIBOR
  - Documents used in Trade - Bill of Exchange, Invoice, Bill of Lading, Airway Bill, Insurance Policy etc.
  - Insurance including marine insurance.
  - Risks involved in trade finance - country risk, currency risk, credit risk, counter party risk, exchange risk, legal risk etc.
  - Domestic trade-method of Financing - Working Capital - Appraisal and sanction - Deferred payment guarantee - Securitisation - Factoring etc.
  - Role of EXIM Bank
  - Role of ECGC

## COURSES OF IIBF

### A. Flagship Courses

- ☞ JAIIB
- ☞ CAIIB
- ☞ Diploma in Banking & Finance

### B. Specialised Diploma Courses (for Member\* and Non-Members\*\*)

- ☞ Diploma in Treasury, Investment and Risk Management
- ☞ Diploma in Banking Technology
- ☞ Diploma in International Banking and Finance
- ☞ Advanced Diploma in Urban Co-operative Banking
- ☞ Diploma in Commodity Derivatives for Bankers
- ☞ Advanced Wealth Management Course
- ☞ Diploma in Home Loan Advising

### C. Specialised Certificate Courses (for Member\* and Non-Members\*\*)

- ☞ Certificate in Trade Finance
- ☞ Certified Information System Banker
- ☞ Certificate in Anti-Money Laundering / Know Your Customer
- ☞ Certificate in Quantitative Methods for Bankers
- ☞ Certificate in Credit Cards for Bankers
- ☞ Certificate Examination in Banking Oriented Paper in Hindi
- ☞ Certificate Examination in SME Finance for Bankers
- ☞ Certificate Examination in Customer Service & Banking Codes and Standards
- ☞ Certificate Examination in CAIIB - Elective Subjects
- ☞ Certificate Examination in Basics of Banking / Credit Card Operations / Functions of Banks for employees of IT Companies
- ☞ Certificate Course for Business Correspondents / Business Facilitators
- ☞ Certificate Examination for Debt Recovery Agents
- ☞ Certificate Examination in IT Security
- ☞ Certificate Examination in Rural Banking Operations for RRB Staff
- ☞ Certificate Examination in Prevention of Cyber Crimes and Fraud Management
- ☞ Certificate Examination in Foreign Exchange Facilities for Individuals
- ☞ Certificate Examination in Microfinance
- ☞ Certified Bank Trainer
- ☞ Certified Banking Compliance Professional

### D. Management Courses

- ☞ Advanced Management Program
- ☞ Project Finance Management Blended Course with IFMR, Chennai
- ☞ CAIIB linked MBA with IGNOU.

### Educational support :

- ☞ Publishing specific courseware for each paper / examination and Workbooks etc.
- ☞ Tutorials through Accredited Institutions, Virtual Classes, e-learning through Portal, Contact Classes or Campus Training - Model Questions and subject updates on the net

### Other activities :

- ☞ Research, Seminars, Conferences, Lectures, etc.
- ☞ Publications of books, Daily e-newsletter, monthly newsletter and quarterly journal
- ☞ Training & Consultancy and Financial Education

\* Members are employees of Banks and Financial Institutions who have enrolled as members of IIBF.

\*\* Non-Members are eligible candidates for each course / examination without IIBF Membership.

The Syllabi, Rules / Regulations, Examination Forms and other information pertaining to the examinations are available with Institute's Offices at Mumbai, Chennai, New Delhi, Kolkata and also at such other centers / offices as may be notified from time to time. The same is also available at our website [www.iibf.org.in](http://www.iibf.org.in).

## MEMBERS OF THE GOVERNING COUNCIL (As on 01/01/2013)

### PRESIDENT

**Shri K. R. Kamath**, Chairman & Managing Director, Punjab National Bank

### VICE PRESIDENTS

**Shri M. V. Tanksale**, Chairman & Managing Director, Central Bank of India

**Shri Rana Kapoor**, Managing Director & Chief Executive Officer, YES Bank

### Representing Reserve Bank of India

**Shri S. Karuppasamy**, Executive Director

### Representing State Bank of India and its Associate Banks

**Shri Pratip Chaudhuri**, Chairman, State Bank of India

**Shri B. V. Choubal**, Deputy Managing Director & CDO, State Bank of India

**Shri M. Bhagavantha Rao**, Managing Director, State Bank of Hyderabad

### Representing Public Sector Banks

**Shri Arun Kaul**, Chairman & Managing Director, UCO Bank

**Shri M. Narendra**, Chairman & Managing Director, Indian Overseas Bank

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**Smt. Vijayalakshmi Iyer**, Chairperson & Managing Director, Bank of India

**Smt. Shubhalakshi Panse**, Chairperson & Managing Director, Allahabad Bank

**Shri B. A. Prabhakar**, Chairman & Managing Director, Andhra Bank

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### Representing Private Sector Banks

**Shri Ananthakrishna**, Chairman & Managing Director, Karnataka Bank Ltd.

### Representing Co-operative Banks

**Shri S. K. Banerji**, Managing Director, The Saraswat Co-op. Bank Ltd.

### Representing other Bodies / Experts

**Prof. Y. K. Bhushan**, Senior Advisor, ICFAI Business School

**Shri Allen C. A. Pereira**, Director, National Institute of Bank Management (NIBM)

**Dr. K. Ramakrishnan**, Chief Executive, Indian Banks' Association (IBA)

**Prof. H. Krishnamurthy**, Chief Research Scientist, Indian Institute of Science

**Shri B. Sambamurthy**, Director, Institute for Development and Research in Banking Technology

**Shri A. S. Bhattacharya**, Director, Institute of Banking Personnel & Selection

### From IIBF

**Dr. R. Bhaskaran**, Chief Executive Officer

## ADDRESSES FOR CONTACT

### Corporate Office :

Indian Institute of Banking & Finance  
Kohinoor City, Commercial-II, Tower-1, 2nd Floor,  
Kiroli Road, Kurla (West), Mumbai - 400 070  
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E-mail : iibfgen@bom5.vsnl.net.in

### Northern Zonal Office :

Indian Institute of Banking & Finance  
109-113, Vikrant Towers, 1st Floor,  
4, Rajendra Place, New Delhi - 110 008  
Tel. : 91-011-2575 2191/92  
Fax : 91-011-2575 2193  
E-mail : iibfnz@iibf.org.in

### Southern Zonal Office :

Indian Institute of Banking & Finance  
No.94, Jawaharlal Nehru Road,  
(100 Feet Road), Opp. Hotel Ambica  
Empire, Vadapalani, Chennai - 600 026  
Tel. : 044-2472 2990/2472 7961  
Fax : 044-2472 6966  
E-mail : iibfsz@iibf.org.in

### Western Zonal Office :

Indian Institute of Banking & Finance  
191-F, Maker Towers, 19th Floor,  
Cuffe Parade, Mumbai - 400 005  
Tel. : 022-2218 3302 / 2218 5134  
Fax : 022-2218 0845  
E-mail : iibfwz@iibf.org.in

### Eastern Zonal Office :

Indian Institute of Banking & Finance  
408, 'Anandlok', 'A' Block, 4th Floor,  
227, Acharya J. C. Bose Road,  
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