
Trade Finance Law Training Course: Documentary Credits and Guarantees

3 – 7 May 2027
Rome





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Programme Summary

Trade finance law for documentary credits and guarantees is a one-week training course for bank counsel, trade finance heads and corporate legal managers at advanced level, culminating in a trade finance instrument review of a live credit, guarantee or collection. Payment under these instruments turns on documents and wording, so a single discrepancy or loose clause can shift loss between banks, buyers and sellers. The approach moves from the governing ICC rules to the independence principle, fraud, payments and disputes. Mars Training Centre UK delivers this programme in trade finance law.

The Business Case

Banks and traders carry large exposures on instruments whose terms are often copied from old templates. Refused presentations delay cash, unclear guarantee wording invites abusive calls and weak sanctions screening can freeze a transaction. Legal and trade finance teams that read the ICC rules alongside the instrument text can draft safer terms, defend refusals and resolve disputes before they reach court.

- Payment Certainty: Improves as credits are issued with clear, examinable documentary conditions.
- Claims and Loss Exposure: Falls as guarantee wording, expiry and call conditions are drafted against URDG 758.
- Dispute Cost: Reduces as discrepancies and refusals are handled under the rules and resolved through expert review.

Principles and Evidence Base

- UCP 600 and ISBP 821: The rules and examination standard for documentary credits structure Sessions 1 and 2.
- URDG 758 and ISP98: The rules for demand guarantees and standby letters of credit frame Session 3.
- URC 522: The rules for documentary collections set the comparison of payment methods in Session 1.
- Independence Principle and Fraud Exception: The separation of instrument from underlying contract guides the risk analysis in Session 4.

Intended Participants

- Bank lawyers who advise on issuing, confirming and paying documentary credits and guarantees.
- Heads of trade finance who decide on discrepancies, refusals and reimbursement claims.
- Corporate treasury and legal managers who negotiate payment terms and security with counterparties.
- Compliance leads who screen trade transactions for sanctions and financial crime risk.



The programme serves banks, exporters and importers, contractors and commodity traders.

Learning Outcomes

1. Participants will be able to evaluate whether a presentation complies with UCP 600 and ISBP 821.
2. Participants will be able to construct demand guarantee and standby wording that limits abusive calls.
3. Participants will be able to justify when the fraud exception may restrain payment under an independent undertaking.
4. Participants will be able to diagnose legal risk in correspondent banking, reimbursement and cross-border payment chains.
5. Participants will be able to prioritise sanctions and trade-based money laundering red flags in a transaction.
6. Participants will be able to select a route to resolve a documentary dispute, including ICC DOCDEX.

Programme Structure

Day 1: Trade Finance Law and Payment Methods

Which payment instrument fits the transaction, and which rules govern it?

- Open Account, Collections, Credits and Guarantees Compared
- URC 522 Documentary Collections and Bank Roles
- UCP 600 Structure, Parties and Irrevocability
- Bank-Customer Relationship and Mandate
- Incorporating ICC Rules into the Instrument

Day 2: Documentary Credits and Complying Presentation

When must a bank pay, and when may it refuse?

- ISBP 821 Standards for Examining Documents
- Discrepancies, Waivers and Refusal Notices
- Confirmation, Negotiation and Reimbursement
- Transferable Credits and Assignment of Proceeds
- eUCP and Electronic Presentation

Day 3: Demand Guarantees and Standby Letters of Credit

How is a guarantee drafted so that calls are clear and limited?

- URDG 758 Demand, Supporting Statement and Expiry
- ISP98 Standby Practice and Presentation Rules
- Counter-Guarantees and Indirect Guarantee Structures
- Performance, Advance Payment and Retention Guarantees
- Extend or Pay Demands and Reduction Clauses



Day 4: Independence, Fraud and Financial Crime Risk

When can payment under an independent undertaking be stopped?

- Autonomy of Credits and Guarantees from the Underlying Contract
- Fraud Exception and Injunctions Against Payment
- Correspondent Banking Chains and Payment Messaging
- Sanctions Screening of Parties, Goods and Vessels
- Trade-Based Money Laundering Red Flags

Day 5: Applying Trade Finance Law to Disputes and Live Instruments

Is the instrument sound, and how would a dispute on it be resolved?

- ICC DOCDEX Expert Determination and Court Litigation Compared
- Reviewing a Credit Against Day 1 and Day 2 Rules
- Redrafting a Guarantee Using Day 3 Wording Tests
- Risk Screening Using Day 4 Checks
- Trade Finance Instrument Review Completion

Methodology

The programme relies on case analysis of anonymised credits, guarantees and refusal notices from banking, construction, energy and commodity transactions. Participants examine document sets against the rules, take opposing roles as issuing bank, beneficiary and applicant, and draft revised wording.

- Suggested activity: Examining a presentation for discrepancies and drafting a refusal notice.
- Suggested activity: Redrafting an on-demand performance guarantee to URDG 758.
- Suggested activity: Arguing for and against an injunction on grounds of fraud.

Capstone Output

Each participant completes a trade finance instrument review of a credit, guarantee or collection used by their organisation. It records the governing rules, compliance and wording weaknesses, fraud and sanctions exposure, and recommended changes to templates and approval procedures.

Frequently Asked Questions

Is trade finance law training suitable for bank counsel new to guarantees?

Yes, if they already advise on banking transactions. It is set at advanced level and assumes familiarity with basic trade documents.



Which rules does trade finance law training for documentary credits and guarantees rest on?

It rests on UCP 600, ISBP 821, URDG 758, ISP98 and URC 522, together with the independence principle and the fraud exception.

How is the instrument review from trade finance law training used at work?

You can use it to revise your credit and guarantee templates and to brief management on exposures in live instruments.

How does trade finance law training differ from trade operations courses?

It concentrates on legal rights, liability and disputes under the instruments, rather than shipping terms and day-to-day document processing.