
Structured Commodity Trade Finance Course: Pre-Export, Borrowing Base and Supply Chain Finance

9 – 13 November 2026
Madrid





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Ref: 239_18608 Date: 9 – 13 November 2026 Location: Madrid Fees: 4800 GBP

Programme Summary

Structured commodity trade finance, from pre-export and borrowing base facilities to supply chain finance, is the subject of this one-week training course for trade finance and credit leaders at advanced level, culminating in a structured facility proposal for a real or case transaction. Commodity flows are financed against goods, contracts and receivables rather than balance sheets, so lenders and corporates must control the transaction itself. The approach moves from trade credit risk, through facility structures and collateral, to risk transfer, hedging and fraud controls. Mars Training Centre UK delivers this programme in structured commodity trade finance.

The Business Case

Structured trade facilities let banks lend to traders and producers whose balance sheets alone would not support the exposure, while poorly controlled ones have produced some of the largest fraud losses in banking. Leaders who can tie finance to the physical and contractual flow of goods grow trade volumes safely, release working capital for corporates and keep losses within appetite.

- Credit Losses on Trade Portfolios: Fall as facilities are tied to controlled goods, contracts and proceeds.
- Working Capital Released for Corporates: Rises as receivables, payables and inventory are financed on structured terms.
- Capital and Limit Usage: Improves as export credit cover, insurance and risk participation transfer part of the exposure.

Principles and Evidence Base

- Standard Definitions for Techniques of Supply Chain Finance: The Global Supply Chain Finance Forum definitions of receivables purchase, payables finance, distributor finance and pre-shipment finance frame Session 4.
- Self-Liquidating Transaction Principle: Repayment from the sale proceeds of the financed goods underpins the facility design in Sessions 2 and 3.
- Expected Loss Model: Probability of default, loss given default and exposure at default guide the risk assessment in Session 1.
- Risk Mitigation Layering: Combining collateral control, risk transfer and hedging shapes the mitigant stack in Session 5.



Intended Participants

- Leaders who originate and approve trade and commodity finance facilities.
- Credit risk heads who set limits and structures for transaction-based lending.
- Treasury and finance leaders of commodity traders, producers and processors.
- Corporate treasurers who arrange receivables, payables and inventory finance.

The programme serves banks, commodity trading houses, energy, metals and agricultural producers, and large importers and exporters.

Learning Outcomes

1. Participants will be able to assess performance, counterparty, country and price risk in a trade transaction.
2. Participants will be able to construct pre-export, prepayment and borrowing base facilities around the trade cycle.
3. Participants will be able to evaluate collateral control through warehouse receipts and collateral management agreements.
4. Participants will be able to compare receivables and supply chain finance techniques for buyers and suppliers.
5. Participants will be able to prioritise risk transfer through export credit cover, credit insurance and price hedging.
6. Participants will be able to justify a structured facility proposal with fraud and sanctions controls to a credit committee.

Programme Structure

Day 1: Trade Credit Risk and the Trade Cycle

Where does risk sit in a physical trade, and how is it measured?

- Mapping the Commodity Trade Cycle From Production to Payment
- Performance, Counterparty, Country and Price Risk
- Expected Loss: Probability of Default, Loss Given Default and Exposure
- Balance Sheet Lending Versus Transaction-Based Lending
- Trade Credit Risk Rating Template

Day 2: Pre-Export and Prepayment Finance

How are producers financed before goods are shipped?

- Pre-Export Finance Structures and Offtake Contracts
- Prepayment Facilities Between Traders and Producers
- Assignment of Contract Proceeds and Collection Accounts
- Syndicated and Club Pre-Export Facilities
- Drawdown Conditions, Covenants and Repayment Waterfalls



Day 3: Borrowing Base, Inventory and Collateral Control

How are goods in storage and transit turned into bankable collateral?

- Borrowing Base Facilities: Eligibility, Advance Rates and Reporting
- Inventory and Repo Finance for Commodities
- Warehouse Receipts and Title to Goods
- Collateral Management Agreements and Inspection
- Margin Calls, Price Triggers and Mark-to-Market Monitoring

Day 4: Receivables and Supply Chain Finance

Which techniques release working capital along the supply chain?

- Receivables Purchase and Forfaiting
- Payables Finance and Reverse Factoring Programmes
- Distributor Finance and Loans Against Receivables
- Pre-Shipment Finance for Suppliers
- Accounting and Disclosure Questions in Supply Chain Finance

Day 5: Applying Structured Commodity Trade Finance

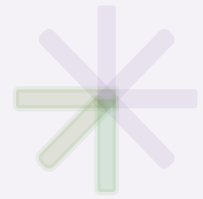
Is the facility proposal protected, priced and ready for credit approval?

- Export Credit Agency Cover, Credit Insurance and Risk Participation
- Commodity Price Hedging Within Facilities
- Fraud Red Flags, Duplicate Financing and Sanctions Screening
- Combining Day 2 to Day 4 Structures in One Facility
- Completing the Structured Facility Proposal

Methodology

The programme relies on case analysis built around real commodity flows in energy, metals and agriculture. Participants map trade cycles, size borrowing bases, test collateral arrangements and review loss events, then defend their structures before a simulated credit committee.

- Suggested activity: Sizing a borrowing base for a metals trader under falling prices.
- Suggested activity: Reviewing a warehouse fraud case for missed control points.
- Suggested activity: Comparing payables finance and receivables purchase for one supplier group.



Capstone Output

Each participant completes a structured facility proposal for a commodity or trade transaction. It contains the trade cycle map, risk rating, facility structure, collateral and control plan, risk transfer and hedging approach, fraud and sanctions checks, and pricing rationale for credit committee review.

Frequently Asked Questions

Is the structured commodity trade finance programme suitable for senior credit leaders?

Yes. It is set at advanced level for trade finance, credit and treasury leaders, and assumes working experience of lending or trade operations.

Which standards does structured commodity trade finance training rest on?

It rests on the Standard Definitions for Techniques of Supply Chain Finance, the self-liquidating transaction principle, the expected loss model and layered risk mitigation.

How is the structured commodity trade finance proposal used at work?

You can use it as a template for credit applications, a checklist for collateral controls and a basis for pricing discussions.