

Trade Exchange **tip**

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

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in difficult times
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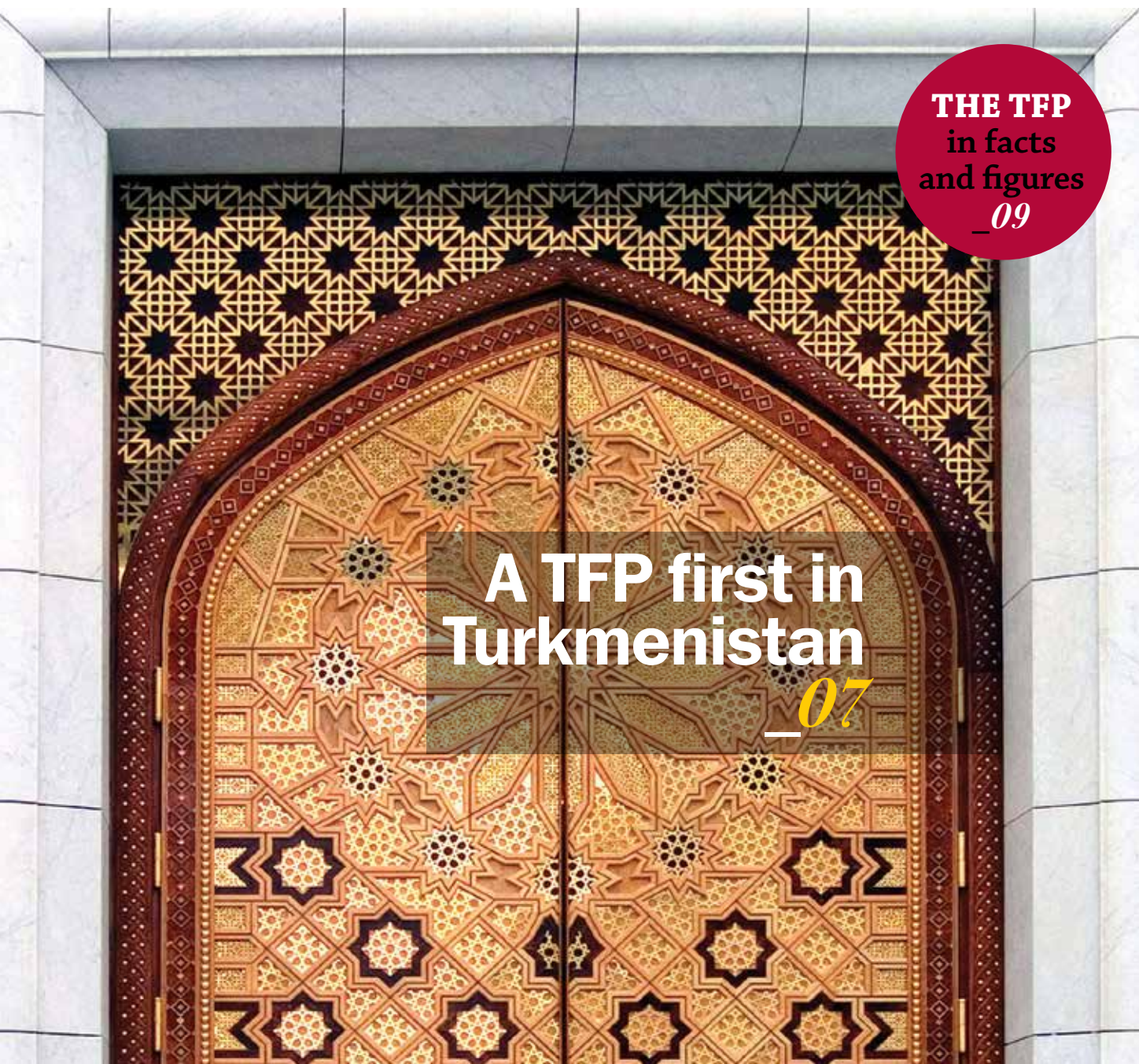
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Missed or misplaced Trade Exchange?

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magazine are not necessarily those of the EBRD.

EDITOR'S LETTER

Welcome to this latest edition of *Trade Exchange*. As ever, we are excited to share with you our news, achievements and successful projects. One we are especially pleased to tell you about is our recent historic signing of a trade finance line for a private Turkmen bank, which you can read about in the news section on page 7.

Over the last few months our networking and information sessions have reached out to many in a wide range of locations such as Cyprus, Kiev, Morocco, Tbilisi and Vienna!

One of the main highlights of the year took place in Georgia at the TFP's Annual Event and Awards Ceremony in May. Turn to page 10 for a list of the most active issuing and confirming banks in 2014, and a photo report of the ceremony.

We were also fortunate to receive contributions from Europe's leading trade finance specialists. On page 20, Ruth Wandhöfer takes us through her most recent publication and explains the ins and outs of transaction banking and the impact of regulatory change. And Philipp Rossberg, COO of the German ECA, presents on page 22 an interesting view on why times are tough for international traders and financiers, and looks at how institutions, such as the EBRD, and export credit agencies can work together to provide long-term stability.

As the world focuses more and more on investing in small and medium-sized enterprises, we asked our pioneering Taiwanese colleagues to share their innovative ideas about women's involvement in entrepreneurial businesses (page 16). And on page 18 you can find out how women-led businesses get a boost in Turkey with the help of a ground-breaking new product developed by the EBRD.

We would also like to take this opportunity to thank our partner banks for appreciating our hard work and voting for us to win two awards from Euromoney's *Trade Finance* magazine. It is a humbling acknowledgement of our work.

Finally, don't forget to send us your answers for the trade finance Clinic "Conflict over conflict" on page 31 and share your opinions with the experts on TF-Expert@ebrd.com.

May the year 2016 be happy and peaceful for all of us!

Kamola Makhmudova
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NEWS 04-09

Read about the ICC Trade Finance Week in Vienna and the EBRD's latest *Transition Report*, launched in November.



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IN DEPTH 16-23

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Turn to
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to read about
our Trade
Finance Invest-
ment Forum in
Morocco



26



TRAINING 24-31

Discover what went on at our first TFP Information Session in Cyprus and test your knowledge with our latest Clinic.



**THE TFP
Annual Awards
Ceremony in
Georgia
10-15**

GET IN TOUCH

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Importers and exporters should contact an issuing bank.

TFP website
www.ebrd.com/tfp
EBRD Trade Finance e-Learning Programme:
ebrd.coastlinesolutions.com

Taiwan
THE HEART OF ASIA

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European Bank
for Reconstruction and Development

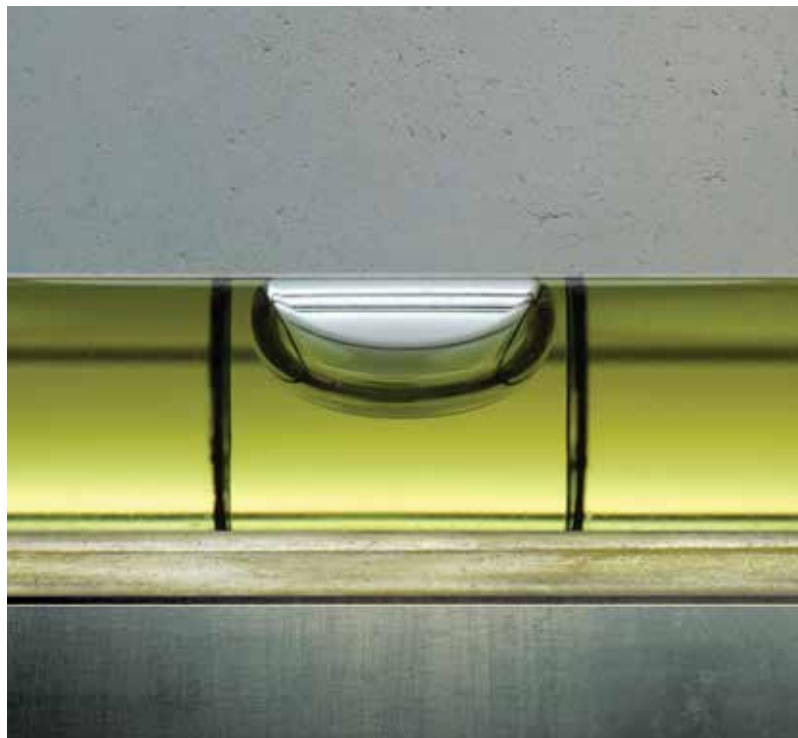
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NEWS UPDATE

TRANSITION REPORT 2015

Rebalancing finance



This year's *Transition Report*, available online and in print, takes an in-depth look at the types of finance the transition region requires to move towards sustainable growth.

In the post-crisis era, growth in the region has come to a virtual standstill. As a result, there is little convergence with advanced countries and the report concludes that the region requires a variety of funding sources, as well as structural reform, to address the investment gap that currently exists.

IT'S ALL A QUESTION OF BALANCE

The report assesses the balance between debt and equity financing, between foreign currency and local currency finance and

between external and domestic funding. In particular, the report assesses in detail the role of private equity as a form of growth capital in the EBRD's countries of operations. It also looks at whether the balance is right between public, household and corporate debt.

Finally, the report considers how the balance between traditional western European foreign direct investment and funding from further-flung regions might be improved.

This is the latest in a series of EBRD Transition Reports that take a stance on how to re-energise transition and growth in the EBRD's countries of operations.●

tr-ebrd.com

OPINION

“An investment gap is casting a serious shadow over the region's long-term growth prospects... To boost investment and close that gap, new funding sources need to be explored. Indeed, this report suggests that the challenge is not only to increase the quantity of finance that is available to firms and households, but also to rebalance its composition and improve its quality.”

Hans Peter Lankes,
Acting Chief Economist, EBRD



KIEV CONFERENCE

Conducting trade in difficult times

Industry experts and specialists from across the globe came together in Kiev to discuss and exchange views on Ukraine's business environment and trade finance market

The conference entitled “Ukraine: Trade Finance 2015” took place on 1 and 2 October 2015. It was co-organised by the EBRD TFP team and World Wide Expert Conferences, and hosted by the International Chamber of Commerce (ICC) and the EBRD's partner banks.

While Ukraine is going through a challenging period of tough reforms and volatility, trade finance remains one of the most important parts of banking activity. The conference examined the difficulties that banks and corporates are facing when structuring trade finance deals in the current economic situation.

Apart from the regular business agenda, the conference also provided plenty of networking opportunities where participants could exchange ideas in a more informal setting, strengthening business connections between Ukrainian and international professionals and helping them to find new reliable business partners. The TFP has been key in equipping local banks with an important financial instrument that will help them to strengthen their capacity in trade finance and give local small businesses the support they need to increase foreign trade.

The choice of Kiev as a host city for the 2015 trade finance event was not surprising given Ukraine's active history with the TFP. Since its inception in 2001 the TFP has supported over 1,800 trade transactions worth



Francis Malige,
Managing
Director, Eastern
Europe and the
Caucasus,
EBRD (left);
and graduates
of the EBRD
Trade Finance
e-Learning
Programme
(above)

over €2 billion. Fifteen Ukrainian banks have been engaged in trade transactions under the TFP umbrella – transactions that cover a variety of deals ranging from the export of locally manufactured cranes to Uzbekistan to the import of bottling equipment from Hungary, as well as goods from further afield such as Argentina, New Zealand and Vietnam. To date, the TFP in Ukraine has reached a turnover of €130 million through 120 transactions.

The conference also set the stage for the EBRD Trade Finance e-Learning Programme graduation ceremony. Almost 100 banking professionals from all over Ukraine completed their trade finance training organised by

the EBRD. The Bank's senior management, together with the ICC Banking Commission Paris, presented certificates to the Ukrainian graduates at the ceremony.

The effect that this EBRD-funded training course has had on the Ukrainian banking sector is formidable: over 350 Ukrainian bankers have received scholarships and completed their trade finance training. That's more than 350 people bringing new skills and knowledge to the country's trade finance market, helping local banks to increase foreign trade and ultimately get the country's economy back on track.

Sevki Acuner, EBRD Director for Ukraine, said: “We are very pleased to conduct another successful trade finance event in Ukraine. It shows the importance of this instrument for the national economy and the country's ability to trade, and it contributes greatly to banking sector development. The e-Learning Programme organised by the Bank's TFP team helps improve the level of professionalism among local bankers and provides them with necessary know-how to conclude the most sophisticated transactions.”●

For more information go to
www.wwc-conferences.com

ICC AUSTRIA/EBRD JOINT WORKSHOP

Education is the route to success

ICC Austria strongly believes that trade finance is the key to local and international prosperity and, therefore, local and international stability. And for that, education is essential.

This is why we created the ICC Austria Trade Finance Week Award in 2014 to support outstanding young talent from the EBRD Trade Finance e-Learning Programme. Winners are invited to attend our ICC Austria Trade Finance Week and this year we were pleased to welcome Antonija Koceva of Komercijalna Banka, FYR Macedonia and Amr El Kady of Emirates NBD, Egypt, who joined almost 600 participants from 40 countries.●

For more information please contact Anna Brod on broda@ebd.com.



Around **600** participants from 40 countries attended the ICC Austria Trade Finance Week

Left to right: Antonija Koceva (Komercijalna Banka), Amr El Kady (Emirates NBD) and Eleonore Treu (ICC Vienna)



What they said



I was extremely privileged to win an invitation to attend Trade Finance Week organised by ICC Austria, where I was exposed to a vast array of trade finance topics. The varied sessions, which were excellent, looked at things such as the latest rules and case studies that offered practical solutions to everyday problems.

The event was very well organised and the people attending were exceptionally helpful and insightful. The knowledge I acquired throughout the event will aid me greatly with my professional development and further enhance my network with professionals and colleagues within the trade community.

I would highly recommend this professional conference to any colleagues who would like to keep up to date with the latest advances in global trade business.

Amr El Kady of Emirates NBD



I found the conference really useful because it covered the most current and relevant topics in trade finance. I am thrilled that I had the chance to hear such trade finance greats as Georges Affaki, Andrea Hauptmann, Don Smith, Vincent O'Brien and Stephen Tricks, along with many more. It's not every day you get the chance to listen to the top experts in trade finance.

Although you learn so much just from listening to the presentations, what I valued most was that all participants were actively involved, sharing their experiences, opinions and debating practical challenges with the speakers. On top of that, one day was reserved for case studies addressing practical challenges and providing hands-on solutions.

And it was wonderful to meet colleagues from all over the world, resulting in many new friendships.

My personal highlight was the invitation to the speakers' dinner where I could meet the very people I admire, whose expertise and accomplishments are an inspiration to me. I would like to thank the EBRD and ICC Austria for this amazing opportunity. Experiencing this week has opened up new horizons for me in my trade finance career.

Antonija Koceva of Komercijalna Banka

RYSGAL BANK SIGNING

EBRD signs first deal with private Turkmen bank



Rysgal Bank and EBRD representatives at the signing in Ashgabat, Turkmenistan

US\$ 1 million will help this fast-growing private bank promote cross-border trade

The EBRD is boosting support for cross-border trade in Turkmenistan with its first regional trade finance facility for a private bank in the country.

Rysgal Bank will receive an uncommitted multi-currency trade finance facility of up to US\$ 1 million under the TFP.

Rysgal Bank is a small but dynamically growing bank in Turkmenistan where the banking sector is dominated by state-owned banks. It focuses on supporting private enterprise in the country.

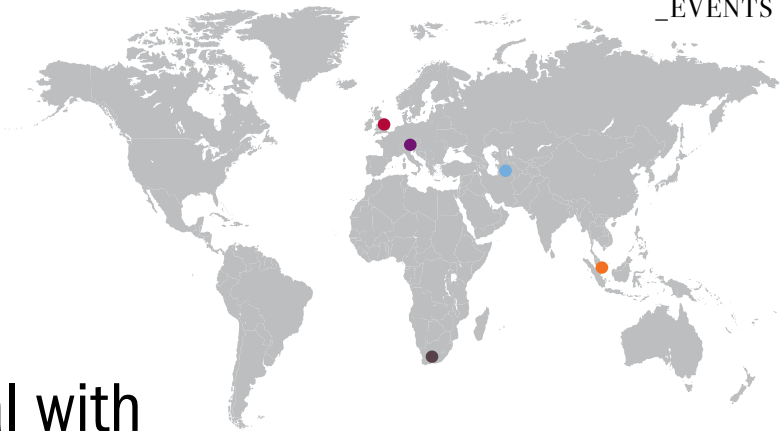
The trade finance facility will be used to issue trade finance guarantees to foreign commercial banks. This will make it easier for Rysgal's corporate clients to export and import goods and also to distribute foreign goods locally. The guarantees cover transactions in a range of foreign currencies.

Rysgal Bank will also benefit from training under the EBRD's Trade Finance e-Learning Programme plus face-to-face seminars on trade facilitation products and factoring, as well as fraud protection and risk management.

Rudolf Putz, Head of the Trade Facilitation Programme, said: "The signing of Rysgal Bank represents an important next step in developing our support for banks in Turkmenistan. I am both excited and encouraged to see this milestone reached and look forward to working with Rysgal Bank in the coming years."●

"I believe that the start of our relationship with Rysgal Bank is extremely important for supporting further development of the private sector in Turkmenistan."

Mike Taylor
Director, Financial Institutions, EBRD



Future events

4th ICC Supply Chain Financing Summit
9-10 MARCH 2016

SINGAPORE

A flagship event providing opinions, ideas and insights into the forces that are driving change in trade finance.
For more information contact Paulina Martinez on paulina.martinez@iccwbo.org.

ICC Banking Commission Annual Meeting
4-7 APRIL 2016

JOHANNESBURG, SOUTH AFRICA

For more information contact Paulina Martinez on paulina.martinez@iccwbo.org.



TFP Annual Event and Awards Ceremony
10 MAY 2016

LONDON, UNITED KINGDOM

The TFP's Annual Event and Awards Ceremony will take place in London a day before the EBRD Annual Meeting and Business Forum (see below). The TFP event will also host an awards ceremony for the most active participating banks of 2015. Attendance by invitation only.
Contact the TFP team for more information.

EBRD Annual Meeting and Business Forum
11-12 MAY 2016

LONDON, UNITED KINGDOM

For more information visit www.ebrd.com/am.

ICC Austria's Trade Finance Week 2016
6-10 JUNE 2016

VIENNA, AUSTRIA

This five-day event, held at the offices of Raiffeisen Bank International, includes two conferences and a workshop of case studies covering bank guarantees and letters of credit. Attendees also have the opportunity to meet around 500 of the leading trade finance practitioners and experts from some 50 countries.

For more information contact Eleonore Treu at e.treu@icc-austria.org.



“The Trade Finance Awards celebrate the best in class in trade, export and commodity finance over the past year, and recognise the companies that played vital roles in those transactions. We’re proud to say that the Trade Finance Awards remain the most coveted in the industry.”

Emma Hughes, Executive Editor, *Euro money* magazine



Marco Nindl and Kamola Makhmudova at the event

MULTIPLE AWARD WINNER 2015

EBRD wins Euromoney trade finance award

The EBRD has won the *Euro money Trade Finance* magazine’s award for Best Global Multilateral/Developmental Financial Institution for the third year running, despite stiff competition and a challenging economic and political environment.

This prestigious award recognises the outstanding work of the TFP team on promoting foreign trade to, from and among the countries where the EBRD invests.

“This award means a lot because it is voted on by more than 10,000 readers all over the world, so it is a real reflection of the value that the EBRD brings to clients,” says Kamola Makhmudova, TFP Senior Banker. “And although the EBRD does not have a global mandate, we were awarded the global award, which is a huge achievement.”

The EBRD also won the *Trade Finance* award for Best Developmental Financial Institution in Europe. Both awards were presented to the Bank at a prize ceremony on 10 June 2015.

“We have been stepping up our support for clients in this difficult economic environment and expanding our mandate to new countries and markets,” says Marco Nindl, TFP Principal Banker. “Our partners really appreciate this and the technical assistance we provide, for example through our e-Learning Programme.”

Almost 3,000 specialists from 187 issuing banks across the Bank’s countries of operations have participated in the donor-funded e-Learning Programme since its launch in 2010. The Programme helps participants achieve best international practice in trade finance.●



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Find us on Facebook
www.facebook.com/ebdtrfp

For more information visit www.tradefinancemagazine.com

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.

€12bn

TOTAL TRANSACTION VALUE SINCE 1999

113

NUMBER OF ISSUING BANKS IN 26 COUNTRIES

18,000+

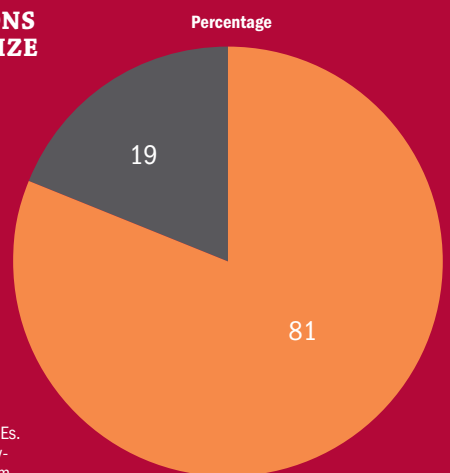
TOTAL NUMBER OF TRANSACTIONS SINCE 1999

TOP 10 CONFIRMING BANKS January-June 2015

Bank	Country
1 Commerzbank	Germany
2 Banco Popolare	Italy
3 KBC Bank	Belgium
4 Unicredit	Italy
5 ABN Amro	Netherlands
6 BNP Paribas Fortis	Belgium
7 Intesa Sanpaolo	Italy
8 Deutsche Bank	Germany
9 Raiffeisen Bank International	Austria
10 Credit Agricole CIB	France

TFP TRANSACTIONS ACCORDING TO SIZE

- Under €1m: 396
- Over €1m: 91



The TFP particularly supports SMEs. Of all TFP transactions in January-June 2015, 81% were under €1m.

CONFIRMING BANKS OPERATE IN 88 COUNTRIES



TOP 10 COUNTRIES BY NUMBER OF TRANSACTIONS January-June 2015

Country
1 Armenia
2 Ukraine
3 Georgia
4 Egypt
5 Turkey
6 Bulgaria
7 Belarus
8 FYR Macedonia
9 Azerbaijan
10 Mongolia

Eurobank Cyprus signing on 1 July 2015



NUMBER OF CONFIRMING BANKS OPERATING IN 88 COUNTRIES

see map above

800+

DS SPECIAL~TFP



Demir Kyrgyz International Bank won the award for most active issuing bank in the Kyrgyz Republic



Uyanga Munkhbold receiving the "Most Active Issuing Bank in Mongolia" award on behalf of Khan Bank



Zaruhi Melkonyan of Araratbank collecting the award for most active issuing bank in Armenia

WHAT PEOPLE SAID

"The EBRD's ongoing support is incredibly important to us. Every award we have received from the Bank is extremely valuable, as it proves once again the effectiveness of our efforts and illustrates the results of our fruitful cooperation."

Zaruhi Melkonyan
Head of International Department, Araratbank

WHAT PEOPLE SAID

"We feel very honoured to receive this prestigious award from the EBRD for the fifth time."

Uyanga Munkhbold
Khan Bank



Aigerim Kassymbekova of Kazkommertsbank receives the award for the most active issuing bank in Kazakhstan

WHAT PEOPLE SAID

"In 2014, banks participating in the TFP 'club' used the EBRD's support to finance more than 1,756 trade transactions with a total value of more than €1.3 billion. The TFP community consists of more than 800 confirming banks in 88 countries and 113 issuing banks in 26 countries."

Nick Tesseyman
Managing Director, Financial Institutions, EBRD

SPECIAL~TFP AWARDS SPECIAL~T



Ambassador Chih-Kung Liu, Head of the Taipei Representative Office in the United Kingdom, and Mr Ke Hua, Bank of Taiwan, receive the award for most active confirming bank in Taipei China



Marco Nindl, EBRD TFP

WHAT PEOPLE SAID

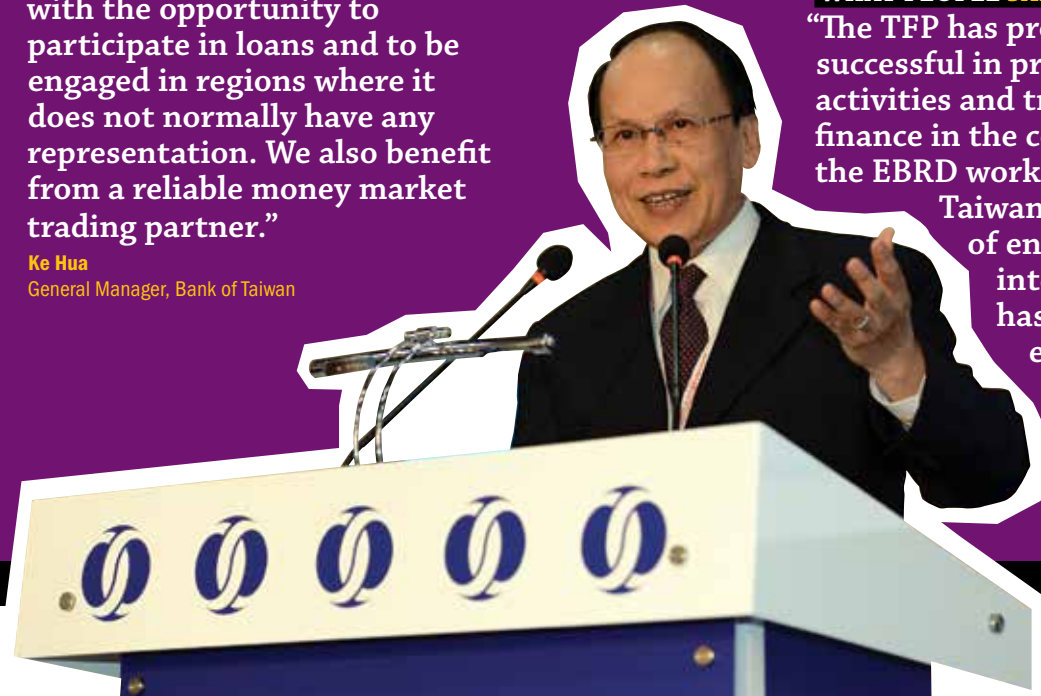
"The EBRD provides the Bank of Taiwan London Branch with the opportunity to participate in loans and to be engaged in regions where it does not normally have any representation. We also benefit from a reliable money market trading partner."

Ke Hua
General Manager, Bank of Taiwan

WHAT PEOPLE SAID

"The TFP has proved extremely successful in promoting banking activities and trade-related finance in the countries where the EBRD works, and the Taiwanese experience of encouraging international trade has served as an excellent model for this success."

Ambassador Chih-Kung Liu
Taipei Representative Office in the United Kingdom





IN NUMBERS

More than
35%
of Taiwanese
SMEs are owned
by women

45%
of the women-
owned SMEs have
stayed in business
for more than
10 years

More than
50%
of the women-
owned SMEs are
service providers

Women-owned
businesses account
for around
20%
of sales revenue
of all SMEs

UNLOCKING *POTENTIAL*



The Taiwanese government supports women entrepreneurs not just domestically but also in the EBRD's countries of operations

Su Hsiu-lien is exactly the sort of female entrepreneur that the Taiwanese government is aiming to support.

When she set up her organic farm in a rural area in the eastern part of the island, she was a computer novice. But thanks to a computer training course offered by the government she now operates the business via email and the internet, having transformed it into a profitable business. The computers not only enabled her to increase production and open up sales channels, but they also created a future for Ms Su's female employees, who also received information and communications technology (ICT) training.

PROMOTING INCLUSION

Ms Su's story shows how ICT can really benefit entrepreneurs setting up businesses in rural areas.

And empowering women so that they can participate fully in the economy is something the Taiwanese government is committed to, because it recognises that a gender-balanced economy is a key driver of growth.

At the latest Asia-Pacific Economic Cooperation (APEC) conference held in the Philippines on 16 September 2015, the Taiwanese led a one-day seminar entitled "Empowering Women through Information Communications Technology for Inclusive Growth".

The seminar was part of the Innovation for Women and Economic Development project that was set up in May 2013 by the Taiwanese in collaboration with Australia, Chile, South Korea and the Philippines.

The Taiwanese Minister without Portfolio, Joyce Yen Feng, said during her opening speech: "The flourishing development of ICT and other innovations has made up for insufficiencies in internet infrastructure and location discrepancies, thereby broadening marketing pathways for women-owned microbusinesses, and small and medium-sized enterprises."

She continued: "It is important that women be encouraged to use ICT tools to build up digital capabilities, establish business networks and form corporate alliances."

INITIATIVES

Two Taiwanese initiatives in particular support women entrepreneurs: the Micro-Business Startup Phoenix Programme (set up in 2007), which provides women entrepreneurs with low-interest, guarantor- and collateral-free loans; and the Flying Goose Programme (established in 2002), which provides financial and knowledge-based assistance for women who want to start up a new business.

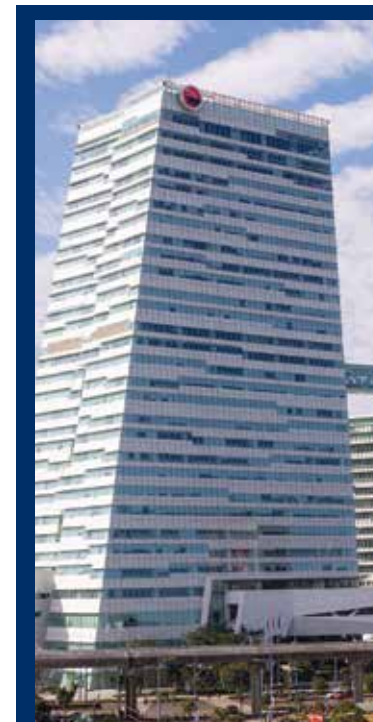
By June 2014 these two programmes had provided loans totalling US\$ 70 million and offered more than 1,100 training courses nationwide on computer, management and marketing skills, attracting approximately 98,000 participants. So far these initiatives have helped 12,000 women establish their own businesses, not only achieving greater equality in the economy but also generating a further 3,300 jobs for the wider society.

SUPPORTING THE EBRD WOMEN IN BUSINESS PROGRAMME

As well as encouraging its own women entrepreneurs, the Taiwanese government also supports the EBRD's efforts to promote female economic inclusion, namely through the Bank's Women in Business Programme in the Western Balkans and the Caucasus. The Taiwanese are generously providing not only the funds (€1.25 million) for technical assistance, but also the people with the know-how. For example, in 2013 successful Taiwanese businesswoman Cathy Chin, Managing Director of UPLAS Information Corp, presented e-business courses under the Women in Business Programme in the Western Balkans, sharing her expertise and personal experience of running a modern business.

So by giving all these women entrepreneurs – Ms Chin and Ms Su included – access to financing and business know-how, they can unlock their potential and help to drive economic growth forward. ●

⑤ This article is based on two articles from *Taiwan Review* published in October 2013 and September 2015 <http://taiwantoday.tw>



CTBC headquarters in Taipei

CASE STUDY: CTBC BANK

Formerly known as China Securities Investment Corp, CTBC Bank was established in 1966 and has been affiliated with CTBC Financial Holding since May 2002. Operations include deposits, loans, guarantees, foreign exchange, offshore banking units (OBU), trusts, credit cards, cash cards, securities, bonds, proprietary futures, derivatives, factoring, safe deposit boxes and electronic banking services.

As one of the top Taiwanese banks for its trade finance and factoring services, CTBC's range of trade finance products is delivered through its overseas branches and subsidiaries in 14 countries.

CTBC has 149 domestic branches and more than 100 overseas outlets in Australia, Canada, China, Hong Kong, India, Indonesia, Japan, Malaysia, Myanmar, the Philippines, Singapore, Thailand, the United States and Vietnam, making CTBC Bank a truly international Taiwanese financial institution.

HELPING BUSINESSWOMEN IN TURKEY



Women entrepreneurship plays a key role in creating jobs and driving economic growth, which is why the EBRD runs its Women in Business programmes. The latest programme to be launched was in Turkey

The Turkish business environment can be a tough one for women; with just a 31.1 per cent participation rate in the workforce, women are extremely under-represented, and only 1.2 per cent of these women are employers. They face certain challenges when trying to access the finance and know-how required to establish and grow their businesses.

The financing gap in particular is a major obstacle. The lack of adequate finance, particularly in relation to short tenors or excessive collateralisation, coupled with fewer opportunities to gain managerial experience, tends to restrict women-led businesses to the micro and small segments, typically in low value-added, low productivity sectors.

A UNIQUE PROGRAMME

To address these challenges, the EBRD launched the Turkey Finance and Advice for Women in Business Programme in October 2014. It is the first of its kind in Turkey and aims to strengthen the role of female entrepreneurs in the economy and help women-led businesses grow by

offering them the required finance and technical support.

The EBRD is providing up to €300 million to local banks for on-lending to women-led businesses. The European Union, the Turkish Ministry of Labour and Social Security and the Turkish Employment Agency are supporting the programme with €38 million for credit enhancement, business advisory services, ongoing coaching, business skills courses, mentoring and networking opportunities, as well as technical assistance for the partner banks. Frankfurt School of Finance & Management is project consultant for the programme and has already started delivering technical assistance to Turkish banks.

STRONG INTEREST FROM BANKS

Six Turkish local banks – Finansbank, GarantiBank, IsBank, SekerBank, TEB and VakifBank – expressed an interest in joining the programme by way of signing Letters of Intent. To date, the EBRD has signed agreements with four – VakifBank (US\$ 30 million); Finansbank (€50 million);

IsBank (US\$ 55 million); and TEB (€50 million). TEB and Finansbank have already started on-lending to eligible SMEs, and IsBank and Vakifbank will begin once they have completed the necessary assessments.

BUSINESS LENS

The programme also offers a new web-based diagnostic tool, entitled “Business lens”, for women-led SMEs. This tool has been developed to help women better understand their business operations and examine both strategic and operational aspects of the management process. The assessment examines the competencies of respondents in seven distinct areas:

- financial management and performance
- market knowledge
- marketing and sales
- human resources
- strategy and organisation
- risk management
- operations.

Through a detailed questionnaire, Business Lens provides a score in these seven areas, and the overall score, which is based on a weighted average, gives an indication of how well the business is managed. In addition to this, the Business Lens also generates a financial report that contains all the information banks need when an entrepreneur wants to get a loan application started. The report also contains additional information supporting the loan application.

REGIONAL SEMINARS

The EBRD is in the process of organising a series of regional Women in Business seminars. At least 16 have been planned in order to reach at least 2,000 women-led SMEs and female entrepreneurs.●

For more information please visit www.ebrdwomeninbusiness.com.



IN NUMBERS

Project fund:
€300m

in credit lines, €38 million package for credit enhancement and tailored business advice.

Our targets:

15,000

women entrepreneurs reached across Turkey;
12,000 sub-borrowers from our partner banks;
240 enterprises benefiting from the advisory projects;
640 women trained in entrepreneurial skills; 80 women receiving mentoring.



CASE STUDY: TURKEY

Online marketing? We know how!

With the help of the EBRD, a Turkish woman-led car rental and private transportation company – Dog-Sav – has been able to expand its customer range via online marketing.

The EBRD's local consultant worked with the company's management to launch a new, fully equipped e-booking website. The new website uses the latest online technology to allow customers to select their rental car directly. There is a gallery where they can view the different cars available, and they can book and pay online.

As a result of this stronger online presence, the business was able to increase its turnover by 29 per cent within a year, reaching new potential customers who would never have known the existence of such a company. They've also taken on two new employees and are keen to work with a consultant again in the future.

THE HEART OF BANKING

**A book by global industry and regulatory expert
Ruth Wandhöfer explains the ins and outs of transaction
banking and the impact of regulatory change**



The global economy continues its fundamental transformation following the financial crisis of 2007-09, which triggered a significant decline in world trade. To ensure the stability of financial institutions and prevent future crises of such scale, a raft of regulatory measures was developed, ranging from strengthening banks' balance sheets to ring-fencing and trapping liquidity and capital in local balance sheets.

Against this background, it is important to understand the role of banks as enablers of trade finance, movement of money and exchange and settlement of financial instrument trades. All of these activities are provided by a particular area in banks: transaction banking. Often called "the plumbing of the financial system", transaction banking effectively constitutes the backbone of our financial system.

Understanding the relevance of this business is also important from the perspective of regulators, as a one-size-

fits-all regulatory regime may not always be compatible with preserving the role of transaction banking in support of the overall economy.

The book, *Transaction Banking and the Impact of Regulatory Change: Basel III and Other Challenges for the Global Economy*, provides the reader with a deep insight into what transaction banking delivers for the global economy and discusses how this area of banking business is being challenged by the ongoing global regulatory reform, while also proposing some practical approaches to solving these challenges.

The journey begins with an overview of a number of key regulatory developments, which the banking industry is in the process of complying with or adjusting to. Regulatory initiatives include the Basel III Accord, Recovery & Resolution Planning requirements, country approaches to Bank Structural Reform/Ring-fencing at a macro level, as well as additional G20 and more specific regulations including OTC derivatives trading and clearing rules, investor protection, shadow banking, consumer protection and global standardisation initiatives.

PRACTICAL SUPPORT

As a next step the reader is taken on a deeper dive into the nature and ecosystem of the transaction banking business. Case studies show how different transaction banking solutions offer practical support to a multitude of clients, ranging from



Case studies show how different transaction banking solutions offer practical support

financial institutions to corporates and governments. The key services offered – payments, cash management, trade and supply chain finance and securities services – are discussed in detail in terms of how they sustain the real economy every day.

Following this scene setting, a specific chapter is dedicated to the international Basel Accord, with an easy-to-follow analysis of the four consecutive versions, highlighting how each has had a different impact on banks' balance sheets. Basel III, with its capital and liquidity requirements, clearly stands out as the most important change. In the global context, Basel III

is having profound effects on areas such as trade finance, both in terms of cost and availability, in particular for smaller businesses that tend to have less choice in financing their operations.

A chapter on payments legislative developments in Europe and the United States, including the Payment Services Directive II, Single Euro Payments Area and Dodd-Frank 1073, follows to complement the picture.

REGULATORY IMPACT

Equipped with this background the book examines how these various regulatory changes impact each type of transaction banking service and where unintended consequences are likely to arise, unless they are corrected by regulators. This analysis is of specific value as it also highlights the likely response of banks in terms of business model adjustments, client segment focus and general risk appetite. Certain regulations, while laudable in their

objectives, may reduce the ability of banks to provide these services, which would ultimately have an impact on the real economy. In particular, ring-fencing requirements (for example in the United Kingdom, Europe and the United States) could have unintended consequences for transaction banking by breaking up the interconnected network upon which it is based. This "Balkanisation" of banking services does not fit well with a globally interconnected economy that focuses on growth. If banks are not connected to each other around the globe, trade

**SEE PAGES
_20-21
of the Autumn/
Winter 2014 issue
for more "super
banker" tips**



The book examines options on how to solve the most prominent issue of our time, the "too big to fail" dilemma

finance cannot reach remote areas which rely on this support to grow and thrive.

To conclude, the book examines options on how to solve the most prominent issue of our time, the "too big to fail" dilemma. Various factors ranging from accounting standards alignment to improved global disclosure, culture change and the need for enhanced supervision and regulator trust all form part of this discussion.

With regulatory change continuing its rapid pace, implications for banks are starting to become more apparent. From reduced returns to increased expense savings, a contraction of the loan book but increasing appetite for long-term deposits, global regulatory reform is reshaping the banking industry on a daily basis.

At the end of the regulatory reform journey banks will certainly have stronger balance sheets, which bring extra resilience. However, how much of this will be at the expense of the real economy and in how far risks may start to emerge in other areas outside the banking industry are worthwhile issues to ponder.●

The book Transaction Banking and the Impact of Regulatory Change: Basel III and Other Challenges for the Global Economy, by Ruth Wandhöfer, is published by Palgrave Macmillan, ISBN 978-1-137-35176-0.

THE BEDROCK OF TRADE

Times are tough for international traders and their financiers, but institutions such as the EBRD and German export credit agency, Hermes, can work together to provide solidity and stability



Global and regional trade continues to face many challenges. China's economy is slowing, oil prices have been falling, and there are significant exchange rate volatilities and geopolitical crises. All this has led to a contraction of trade flows in 2015.

Such concerns increase the risks – be they real or perceived – associated with international trade as well as corresponding trade and export finance activities (the former being defined as having a short-term risk horizon and the latter as a medium to long-term risk horizon). In other words, waters for adventurous international traders and their financiers remain turbulent.

So it is in times like these that non-commercial market participants such as the EBRD and export credit agencies (ECAs) – including the German ECA, Hermes – can act as solid rocks. Backed by single (Hermes) or multiple (the EBRD) sovereigns, these institutions are driven by long-term developmental objectives rather than short-term return requirements; they have a substantial and resilient risk appetite in emerging markets; and they feature strong credit profiles. Such characteristics make them ideal partners for the banking sector, which is awash with liquidity but struggles to take on challenging credits for various reasons, including risk concerns and regulatory constraints.

In the context of trade and export

finance, third-party credit support (in the form of insurances, guarantees and/or stand-by letters of credit) from international financial institutions and ECAs is particularly important. Such unfunded support allows banks to efficiently deploy the liquidity available to them while mitigating their exposure, reducing capital employed and freeing up lines for exporting and importing clients.

The EBRD's Trade Facilitation Programme (TFP) and the broad range of insurance and guarantee products offered by Hermes as a "pure-cover" (that is, non-lending) ECA, are excellent examples of this fruitful cooperation between governmental agencies, the banking market and the exporter and importer community. However, while the EBRD's achievements in the context of the TFP are no doubt familiar, it might be worth getting a flavour of the German ECA's activities.

A GLOBAL PORTFOLIO

Reflecting the strength and diversification of Germany's national exporting industry, Hermes is one of the world's largest ECAs. It currently administers a portfolio of roughly 10,000 single transactions (typically insurances and guarantees for medium to long-term loans issued in connection with the funding of capital expenditures) and 60,000 short-term trade finance limits (typically issued to cover short-term exporter receivables). Its annual underwriting activities amount to approximately €25 billion related to



Many of the EBRD's countries of operations are important export destinations for German companies.

German exports and/or the financing thereof.

Many of the EBRD's countries of operations are important export destinations for German companies. This is reflected in Hermes' current portfolio, which sees three of the EBRD's target markets ranked prominently in the 2014 underwriting top 10.

One of the leading positions is taken by Russia, which has consistently featured among the top three markets in recent years. In 2014, despite worsening economic circumstances in the country and the sanctions imposed by the European Union and United States, Hermes provided cover for exports from Germany – naturally all non-sanctioned – in the order of €2.2 billion, only a slight decrease on the previous year.

Another key market for German exports is Turkey, which, in terms of the existing risk on the books, has recently moved to the top spot with around €9.2 billion outstanding at

NEW COVER PROVIDED TO SELECTED COUNTRIES 2014 (IN € MILLION)

	Volume	Ranking
Russia	2,224	2
Turkey	1,754	4
Ukraine	517	10
Egypt	432	12
Greece	240	24
Belarus	201	29
Kazakhstan	122	37
Serbia	110	40

the time of writing. Individual transactions supported in the country span a number of EBRD target sectors, such as health care (equipment for Turkish hospitals), industry (deliveries for automotive plants) and above all, the renewable energy sector, where Hermes has supported 29 large projects (those of more than €10 million) since 2010. It is notable that many of these transactions

were carried out via on-lending structures involving Turkish banks that are also active participants in the EBRD's TFP.

A rather challenging market in 2014 has, without doubt, been Ukraine due to its dramatic political and economic developments which started at the end of 2013. Despite increased risks, Hermes remained open for cover during the year and supported new transactions totalling €517 million – more than 14 per cent of all German exports to the country.

COMPLEMENTARY INSTITUTIONS

Evidently there is significant geographical overlap between the activities of the German ECA and those of the EBRD. In terms of products, the TFP arguably provides the closest match to the instruments offered by the German ECA but the EBRD as a whole offers a broader variety of solutions that could be used

in the context of projects supported by Hermes, such as local currency financing, local capital market issuances, equity or mezzanine investments in projects importing German equipment, and so on.

Consequently, although the guidelines within which both institutions operate are rather different, with Hermes being subject to a strict set of rules (for example, linking support to content requirements and imposing limits on total coverage) and the EBRD having a primarily developmental angle and focus on the private sector, there are plenty of opportunities to turn two solid but isolated rocks into one single bedrock of international trade.●

Philipp Rossberg is a Partner in PwC's Finance & Regulation Advisory Practice and serves as Chief Operating Officer of the German ECA, which is jointly managed by Euler Hermes Aktiengesellschaft and PwC AG WPG

24 TRAINING DIGEST

PROMOTING INTERNATIONAL TRADE IN CYPRUS

Event brings together trade finance professionals and industry specialists, providing the backdrop for the first signing with a Cypriot bank

Current market conditions in Cyprus mean that local banks have insufficient trade finance facilities from foreign commercial banks, and so to finance foreign trade transactions they use either cash deposits held in foreign correspondent banks or security under trade finance facilities provided by international financial institutions.

In response to a request from the Cypriot authorities, the EBRD will be investing in Cyprus to support reforms and a return to economic growth. The Bank will use its expertise to attract and encourage foreign and domestic investment, strengthen the role of the private sector and deepen regional integration.

Part of this investment came on 1 July 2015 in the form of the country's first TFP Information Session. It was entitled "Financing foreign trade with Cyprus" and it attracted up to 100 representatives from issuing and confirming banks in the TFP, as well as the International Chamber of Commerce, Vienna, the World Trade Organization, and industry experts such as regulators and economists.



The event provided the opportunity for Maria Kokkinou of Eurobank Cyprus to receive her EBRD Trade Finance e-Learning certificate from Libor Krkoska, Head of the EBRD's Cyprus office (above); and (top) Charlotte Ruhe, Director, Small Business Support, EBRD



Left to right: Roland Wolfram of Deutsche Bank, Michael Benner and Yvonne Bischoff of Commerzbank, Margrith Lütischg-Emmenegger of International Factors Group and Vincent O'Brien from the ICC

Topics discussed covered the latest trends and developments in trade finance, including factoring and supply-chain finance. The factoring business remains largely under-developed or non-existent in the EBRD regions (with the exception of a few countries). Leading specialists from factoring companies and organisations such as International Factors Group and International Trade and Forfeiting Association discussed the development of factoring in the EBRD region along with ways to provide companies with wider access to this source of financing.

Presentations by Marios Tsiakkis, Honorary Secretary General of the Cyprus Chamber of Commerce and Industry (CCCI) and Vincent O'Brien from the International Chamber of Commerce (ICC) provided an update on trade and trade finance activities as well as the latest trends and challenges in the industry, with a comprehensive outlook for the rest of the year. Representatives of two of the most active confirming banks under the TFP – Commerzbank and Deutsche Bank – discussed the opportunities available and their view of trade finance development in Cyprus.●

For more information go to www.ebrd.com/ebrd-in-cyprus.html.



Elena Gregoriou Prodromitou of Hellenic Bank

"We are particularly pleased and honoured to sign this agreement with the EBRD. This facility will enable and assist our clients operationally and in a cost-efficient manner to promote their export/import businesses."

Michalis Louis
CEO, Eurobank Cyprus

25 A *VOTE* OF CONFIDENCE

Eurobank Cyprus becomes first issuing bank under the TFP in Cyprus

The Information Session provided the backdrop for the signing of a €20 million trade facility to Eurobank Cyprus. Eurobank will become the first issuing bank under the TFP in Cyprus.

Through the facility the EBRD will issue guarantees in favour of international commercial banks covering the political and commercial payment risk of the transactions undertaken by Eurobank. Eurobank Cyprus will also benefit from the EBRD's award-winning technical cooperation projects in trade finance.

Lucyna Stańczak-Wuczyńska, Director of Financial Institutions at the EBRD, said: "This is a very important step to widen and deepen our engagement in Cyprus. The EBRD will aim to boost intra-regional trade and contribute to the development of trade links between

Cyprus and other countries in which we invest. Extending trade is an important way of strengthening the local economy by creating opportunities for growth, and the EBRD would like to be more engaged in working with Cypriot banks."

Michalis Louis, CEO of Eurobank Cyprus, added: "We are particularly pleased and honoured to sign this agreement with the EBRD. This facility will enable and assist our clients operationally and in a cost-efficient manner to promote their export/import businesses. At the same time, it is a vote of confidence for the Cypriot economy and our bank by a major and very well-respected international institution. We are looking forward to expanding our cooperation with the EBRD in other areas of mutual interest."●



Achilleas Malliotis, General Manager and COO, and Michalis Louis, CEO, of Eurobank Cyprus sign the agreement with Libor Krkoska of the EBRD

TFP TRADE &
INVESTMENT
FORUM 2015,
MOROCCO

To highlight the attractive investment opportunities in the southern and eastern Mediterranean (SEMED) region – and in Morocco in particular – the EBRD organised a Trade and Investment Forum in Casablanca on 3 June 2015.

Participants learned about the EBRD's programmes and activities that support investors, strengthen the local economy and boost cross-border trade and cooperation. Laurent Chabrier, EBRD Director for Morocco, opened the event with an overview of the Bank's activities in Morocco, focusing on how to do business with the Bank and commenting: "Our capacity to invest in projects and to reform the business environment relies on the investors and entrepreneurs in Morocco."

Adil Chikhi, EBRD
Director for Industry,
Commerce and
Agribusiness in the
SEMED region,
presented the

Bank's products and services and outlined current projects in property and tourism, manufacturing and services as well as agribusiness.

Meriem Zairi, member of the Confederation Generale des Entreprises du Maroc (CGEM) – Commission on Relations Banque-Entreprises spoke about Morocco's competitive advantages in terms of trade and investment in private companies and, in particular, small and medium-sized enterprises (SMEs).

Other sessions focused on the EBRD's advice to small businesses, consultancy opportunities and a detailed sector overview of the Bank's activities in Morocco.

In the afternoon attendees learned about the EBRD's Trade Facilitation Programme (TFP), especially its recent activities in SEMED. Representatives of local and foreign banks discussed the financing of imports to Morocco and looked at how local and foreign banks can support the import of energy-efficient technologies with the help of the TFP.

Morocco is a founding member of the EBRD and became a country in which the Bank invests in 2012.

To date the Bank has invested €473 million in 18 projects across the country, in addition to €130 million of TFP credit lines with local banks. The EBRD has also provided technical assistance to more than 135 local SMEs. 

Maria Mogilnaya, EBRD TFP, discussing energy efficiency in trade finance



Christoph Lassenberger,
Sherif Barakat and Philippe
Mansion: EBRD



Left to right: Roland Vossler, LBBW, Zeineb Alaoui, Banque Marocaine pour le Commerce et l'Industrie, Barbara Salazer, Banco Popolare, Karim El Baz, Banque Centrale Populaire



An opportunity to network



Forum participants take part in discussions



Laurent Chabrier,
Country Director for
Morocco, EBRD,
delivering the award
for most active partner
bank in Morocco to
Fayçal Badawi, Head
of Correspondent
Banking at BMCE Bank

“ ”

The informative EBRD Trade and Investment Forum in Casablanca has given us the opportunity to share expertise and comprehensive knowledge between the EBRD's experts and local banks.

Karim El Baz,
Banque Centrale Populaire

GERMANY CALLING

Back in 2013 Kamel Eddine Limem of Amen Bank Tunisia successfully completed the EBRD Trade Finance e-Learning Programme. As a reward for his efforts, Kamel was invited to Landesbank Baden-Württemberg's offices in Germany for some exclusive training

I'd never done distance learning before but the EBRD Trade Finance e-Learning Programme was a very good place to start. Not only was the course interesting, it was also extremely practical and provided me with many useful case studies in addition to the theoretical lessons.

But the best was yet to come – in LBBW's offices in Germany.

The first part of my training was in Stuttgart. Here I met LBBW relationship managers responsible for various regions around the world. It was fascinating to learn about the specifics of banking with each region, and I particularly enjoyed my discussions with the North Africa relationship manager about how to improve working with Tunisian banks. My final port of call in Stuttgart was to LBBW's capital markets department. It was amazing to see hundreds of professional traders pooling their efforts in the interest of the bank.

From Stuttgart I then travelled on to Mannheim, home of LBBW's trade finance department. It was very useful to see how things worked in a bank in an advanced country such as Germany and I came away with many ideas which I hope to implement in Amen Bank.

During this second part of the training I significantly improved my knowledge of trade finance and discovered a whole range of new services and financial products that could help me provide a better, more tailored service to Amen Bank's customers. It was a fantastic opportunity to meet exceptional bankers collaborating in a very efficient organisation.



Kamel Eddine Limem (far left) with LBBW colleagues

“It was a fantastic opportunity to meet exceptional bankers collaborating in a very efficient organisation.”

Some great extra-curricular activities, such as visiting the Mercedes Cup (the biggest tennis tournament in Germany), the Mercedes Benz museum and LBBW's own numismatic department, provided the icing on the cake and made my experience in Germany not just good, but perfect.

I want to say a big thank you to Amen Bank, LBBW and the EBRD for offering me this unique opportunity.●

Kamel Eddine Limem, Amen Bank Tunisia

TRADE FINANCE E-LEARNING PROGRAMME IN NUMBERS

Number of
registered
students:
2,400+

Number of
graduates:
900+

“We at the TFP are very proud to further expand our e-Learning Programme to new products, such as factoring, in 2015. In the future, we will be introducing gaming training as well as operational risks in trade finance.”

**Kamola Makhmudova,
Senior Banker, Financial
Institutions, EBRD**

OPPORTUNITIES ABOUND

Radhouane Houria of Banque Tuniso-Koweitienne won first prize as a 2014 graduate of the EBRD Trade Finance e-Learning Programme. Here he tells us about his award of an internship at Commerzbank and attendance at a trade finance seminar

Back in 2014 I signed up for the EBRD Trade Finance e-Learning Programme. The various modules were extremely interesting, especially the case studies, but no one can say it was easy – it required dedication and hard work!

However, my hard work paid off because, to my delight, I was not just one of the top 25 graduates, but I also received first prize! My reward came in the form of attending a seminar on sustainable trade, and two internships with Commerzbank – one in Frankfurt and one in Paris.

The seminar, which took place in Frankfurt's impressive Gallileo building, was entitled “Pushing progress on sustainable trade”. Participants came from many different countries such as Bangladesh, Belarus, FYR Macedonia, Indonesia, Oman and Russia, so it was a great opportunity for me to mix with other cultures. But wherever we came from, we all had the same aim of

developing and promoting sustainable trade, although much of our work in this area takes place behind the scenes.

The second part of the training was a two-day internship at Commerzbank's head office and a one-day internship at Commerzbank's Paris branch.

In the head office I had the chance to see how the nitty-gritty of daily business was done. It was especially interesting to see how Commerzbank handles the new instrument of payment – bank payment obligations. I was given a very detailed explanation of the processes in place and the systems used. I also met some people from the financial institutions Africa team who shared their opinions on the current developments in the African markets with me.

In Paris the focus was mainly on trade business and I met people from both operations and sales.

“In the head office I had the chance to see how the nitty-gritty of daily business was done.”

All in all this was a fantastic experience that has taught me many things that I can take with me and apply to my everyday work in Tunisia. I would also like to express my gratitude to the EBRD and Commerzbank for this opportunity.●

*Radhouane Houria,
Banque Tuniso-Koweitienne*



THE WONDERFUL WORLD OF THE *WORKSHOP*

Five-day event in Vienna provides invaluable training and networking opportunity

The EBRD welcomed participants to the third Trade Facilitation Programme (TFP) workshop at the Joint Vienna Institute (JVI), which took place in Vienna on 3-8 May 2015. Twenty-three trade finance bankers from 16 countries attended the five-day event.

The aim was to offer participants a deeper understanding of the dynamics, risks and product structures at their disposal when helping their clients with their international trade business.

Over the five days all the important aspects of trade finance were covered, from the basic to the more advanced. Programme director Ken Pasternak of BankT&D Consulting kicked things off with sessions on business trends, leadership, management and decision-making skills. Then various trade experts – Andrea Hauptmann of Raiffeisen Bank International, Maximilian Burger-Scheidlin of ICC Austria, Vincent O'Brien of ICC Paris, Stephen Tricks of Practice V Legal, and consultant Edith Babuscio – delivered lively and engaging seminars on topics such as warehouse financing, corruption, sanctions, letters of credit and effective teamwork.

The EBRD's TFP team also gave an overview of its aims and activities, along with information on its e-learning and educational resources that have been developed in collaboration with the International Chamber of Commerce.

While the knowledge imparted during the seminars was invaluable, just as important was the opportunity for attendees to mix with leading specialists from some of the EBRD's most active issuing banks – a great and informal way to facilitate regional trade.●

For information on dates and locations of workshops, please contact Anna Broda on broda@ebrd.com.



23
trade finance
bankers from
16 countries
attended the
five-day event.



Participants of the workshop



WHAT PEOPLE SAID



Thank you for this fantastic opportunity. The main benefit for me was to hear and exchange opinions with high-level specialists from the ICC and leading international banks, sharing their expertise and outlining market developments.
Igor Kudinov, Head of Documentary Operations, Megabank, Ukraine



The training was incredibly informative and made me see trade finance products from a different angle – especially regarding risk, which is very important to bankers.
Angarag Unurbileg, Financial Institutions & Trade Finance Officer, Khan Bank, Mongolia



The most challenging part of our work is deciding how to handle a case that is not clear or that involves risk. Therefore the case studies and examples used in the workshop were invaluable.
Dora Ioannou, Supervisor of Letters of Credit, Hellenic Bank, Cyprus

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 operations.

Conflict over conflict

Dear Experts, an urgent situation has transpired as follows.

Our bank forwarded a presentation on behalf of our customer, the beneficiary, to an issuing bank demanding payment under a standby letter of credit issued subject to UCP 600. Our bank has no obligation under the standby as we are only an advising bank but we are the main finance provider to the customer for export sales, plus we support our customer in an advisory capacity.

In our opinion the presentation demand was a complying demand. In fact, the standby letter of credit was quite simple, calling for only two documents:

- > A STATEMENT OF DEFAULT ISSUED BY THE BENEFICIARY STATING THAT PAYMENTS WERE OVERDUE AND UNPAID IN RESPECT OF THE CONTRACT COVERING DELIVERY OF AGRIGIRODRONE x72 FOR AN AMOUNT OF UP TO US\$ 700,000.
- > A COPY OF THE COMMERCIAL INVOICE ISSUED BY THE BENEFICIARY INDICATING THE SPECIFICATIONS OF THE PRODUCT DELIVERED AND ITS VALUE.

The documents were presented at the issuing bank on the business day before the standby letter of credit expired.

The issuing bank issued a notice of refusal by SWIFT MT 734 on the fourth banking day following the receipt of the presentation, which was after the expiry date.

The notice of refusal stated one discrepancy as follows:

“Conflict between data in documents; statement of default states ‘delivery of AgriGiroDrone x 72 demanding payment of USD700,000.00’ whereas copy commercial invoice issued by the beneficiary indicates ‘specifications of the product delivered GiroDrone model x 71 reconditioned to x 72 for value USD687,000’”

As a matter of urgency could you please clarify if the discrepancies noted by the issuing bank are valid, and set out whether the issuing bank has an obligation to pay under the standby or not?

What do
you think?
Provide us
with your
expert view

SOLUTION



“Extend or pay – the suspense of suspension”

(Spring-Summer 2015 issue)

DEAR TRADE FINANCE PROFESSIONALS,

It is a worrying trend for the trade finance industry that the ICC Global Trade Finance Survey 2015 reported that 16.1 per cent of approximately 500 respondents across the globe reported experiencing an increase in the incidence of court injunctions barring banks from honouring payments under independent bank obligations.

However, it is encouraging to see that our trade finance professionals understand exactly how to deal with the occurrence of such situations in day-to-day trade finance business.

Thank you for all of your responses, which were appreciated by the expert panel. Once again, the answer by Irina Chuvakhina from Priorbank has been selected as the model answer (available at ebrd.coastlinesolutions.com).

Answers from Nigar Allahverdiyeva and Domenico Del Sorbo were also commended for having very high technical merit. ●



WINNERS

The bankers and trade finance specialists who answered correctly are (in alphabetical order):

Nigar Allahverdiyeva, Azerbaijan Industry Bank, Azerbaijan; **Ivana Cepić**, Raiffeisen Zentralbank Austria; **Irina Chuvakhina**, Priorbank, Belarus; **Domenico Del Sorbo**, Studio Del Sorbo, Italy; **Slobodanka Djukanov**, Vojvodanska Banka Serbia; **Emilija Georgijevska**, Komercijalna Banka Skopje; **Igor Kudinov**, Megabank Ukraine; **Iskra Matlievska**, Komercijalna Banka Skopje; **Marina Mikheieva**, Ukrsotsbank, Ukraine; **Azhar Salikhova**, Bank CenterCredit, Kazakhstan.



Send your answers to TF-Expert@ebrd.com

Solutions and prize-winners will be announced in the next issue of *Trade Exchange*



TFP Annual Event and Awards Ceremony

London, United Kingdom, 10 May 2016



European Bank
for Reconstruction and Development



*download a free QR reader app from the App Store,
Google Play Store or Blackberry App World

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EBRD Trade Finance e-Learning Programme

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