



Journal Report on: Online Training Program on “UCP 600 & LC as an Instrument to Mitigate Risks in Exports”

Organized by:

National Centre for Export Promotion (NCEP), IIF

Facilitator:

FACILITATOR:

Mr. Rup Narayan Bose, He worked at SBI for many years, authored over nine books on international trade, and taught trade finance, risk management, LCs, and Incoterms 2020 as visiting faculty at IIFT in India and abroad.

Date & Time: 10th December, 2025 from 03:00 pm virtually on Zoom Platform.

Introduction

A knowledge session was conducted by the **National Centre for Export Promotion (NCEP)**, **The Institute of Indian Foundrymen (IIF)** to deepen participants’ understanding of international trade operations, export risk management, and the practical application of documentary credits based on the **UCP 600 & LC as an Instrument to Mitigate Risks in Exports**

on 10th December, 2025 from 3:00 PM at zoom platform. The session commenced with a warm welcome address delivered by **Dr. Abhishikta Roychowdhury, Executive Director, IIF**, who highlighted the importance of strengthening industry awareness on global trade practices.

Insights on International Trade and Logistics

The session began with a welcome to **Mr. Rup Narayan Bose**, a leading expert in international trade and documentary credit operations. He shared insights from his recent work on foreign exchange, container shipping, and global logistics, stressing that strong knowledge of logistics and finance is essential for exporters.

Export Risk Management and Payment Instruments

Mr. Bose outlined key export risks—counterparty, transit, delivery, country, and documentation risks. He briefly reviewed major payment options: **advance payment, open account, deferred payment, bank guarantees/standby LCs, collection bills**, and **documentary credits**.

He emphasized that exporters must understand these tools thoroughly to avoid poorly structured contracts.

Letter of Credit Compliance and Documentation Precision

Highlighting the independence of the LC from the sales contract, Mr. Bose noted that banks pay strictly against compliant documents. Exporters must align LC terms with contract terms, ensure clarity in documentation, and understand **UCP 600** and **ISBP** guidelines to avoid discrepancies. Article 14 of UCP 600, ensuring payment for compliant documents, was underscored as pivotal.

Handling Discrepancies, Special Cases, and Documentation Rules

Participants were advised to submit documents early, ensure consistency across all documents, and gain hands-on experience to reduce operational errors. For Australian-origin goods, Mr. Bose noted that all conditions must be documentary and supported by appropriate certificates.

Types of LCs, Bills of Lading, and Confirmation Processes

Different LC types—unconfirmed, confirmed, transferable, revolving, and standby—were discussed, along with bills of lading and collection bills. Mr. Bose emphasized examining LC terms carefully, particularly in markets with strict regulatory frameworks.

He cautioned about **MT710 LCs**, stressing the need for authenticity checks and expert guidance due to complex multi-bank arrangements.

Market Practices and Comparative Use of LCs

Examples from Bangladesh highlighted regulatory variations, where LCs are mandatory above USD 1,500. Mr. Bose reiterated that while trust drives trade, LCs act as vital protection where trust is limited.

Comparing LCs with payment guarantees, he noted that LCs offer **preventive protection**, whereas guarantees work **after a problem occurs**. Exporters were encouraged to keep LC terms simple, confirm amendments before shipment, and use ECGC coverage where needed.

Conclusion

The session offered exporters, bankers, and industry professionals a clear understanding of documentary credit practices, export risks, and effective compliance strategies. Mr. Rup Narayan Bose's guidance highlighted the importance of precision, preparedness, and informed decision-making in ensuring secure and successful international trade operations.