



Foreign Exchange Dealers' Association of India

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Misc.Circular No.09/Online-WS/BG/2021

25th March 2021

ATTN.:

- 1.
2. **General Manager, HRD, Training Division**
3. **General Manager, International Division**

URGENT AND IMPORTANT

Dear Sir,

**Online Workshop on “Bank Guarantees and Standby Letters of Credit”
for A, B and C Category branches of AD I Banks on 20th April 2021**

LAST DATE FOR RECEIVING NOMINATIONS IS 15TH APRIL 2021

We are pleased to inform member banks that Foreign Exchange Dealers' Association of India (FEDAI) will be organising an Online Workshop on “Bank Guarantees and Standby Letters of Credit” under 2021 Series. Online workshop will be conducted on WebEx platform.

CONTACT DETAILS	PERIOD AND TIMINGS
Ms. Sushila Jaiswal Asst. Manager Tel: 022 – 2218 4432 Cell: 077100 69150 Email: mail@fedai.org.in , trg@fedai.org.in	Tuesday 20 th April 2021 10.00am to 1.00pm Session I – 10.00am to 11.30am Session II – 11.40am to 1.10pm

Participation Fee should be made within 5 Days of receipt of Invoice as per account details mentioned below:

Participation Fee : Rs. 3,500/- + GST 18% : Rs. 630/- ----- Rs. 4,130/- =====	Mode of payment : Cheque favouring FEDAI payable at Mumbai OR NEFT as follows a) Beneficiary Name: Foreign Exchange Dealers' Association of India b) Bank's Name: Canara Bank, Cuffe Parade Br. Mumbai- 400005 c) Account Type: Savings Bank d) Account No. : 1879101005526 e) IFSC Code: CNRB0001879 f) Remark: Please provide name of the Participant
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Please note that **NO TDS** is applicable on participation fee since it is subscription paid for online workshop where from NO tax is required to be deducted at source. As you are aware, FEDAI as an Association of AD-I Category Banks, is a Company registered Under Section 25 of the Companies Act, 1956, and such receipts are exempted from Income Tax based on the **principle of mutuality**.

BACKGROUND

In the on-going process of de-regulation in foreign trade and exchange control administration, focus is now on various avenues for development of non fund based / fee based business. Newer instruments are used to perform various trade / non trade and Capital Account transactions. Apart from very common instruments used like Documentary Letters of Credit, there are Standby LCs also which can be used for trade payments. These LCs are governed by UCPDC 600 as well as ISP 1998 which are relevant publications of ICC, Paris. For trade as well as non trade transactions, guarantees are issued / received by Banks / Customers. The International Bank Guarantees are governed by URDG 758. It is essential that operating staff are well versed in these regulations as well as the operational issues. This online workshop focused on Bank Guarantees and Standby Letters of Credit is being held in this background.

OBJECTIVE OF THE WORKSHOP

- ◆ To understand the characteristics of Guarantees as compared to SBLCs and LCs
- ◆ To create awareness of FEMA, 1999 as applicable to Guarantees and SBLCs and discuss operational issues relevant to Bank Guarantees and Standby LCs
- ◆ To study the various relevant provisions of ISP 1998 with UCPDC 600 and URDG 758
- ◆ To discuss various types of Guarantees.

TARGET GROUP

The target group will be Officers at various B as well as C Category branches of AD I Banks and those in Compliance / Audit / Inspection Departments handling Foreign Trade/ Exchange Transactions.

The Officers attending the Workshop will be entitled to receive FEDAI's e-books and 'Certificate of Participation'.

FACULTY

In-house faculty of FEDAI / Faculty identified by FEDAI

INPUTS TO BE PROVIDED

Session 1

- Introduction to and Importance of Non-Fund Business in Banks.
- Accounting of and Capital Adequacy Framework on Contingent Liabilities in the Books of the Bank
- Bank Guarantee Vs. Standby Letter of Credit(SBLC) Vs. LC
- Parties to a Bank Guarantee & SBLC
- Types of Bank Guarantees
- Rules applicable to BGs & SBLC

Session 2

- Bank Guarantees & SBLCs – Discussion on Operational Matters
- RBI Norms & FEMA Regulation on issue of Bank Guarantees
- Summing up & Q&A

Submission of Feedback by Participants and Nominated Banks

The participants are required to give their feedback on the workshop. Participants themselves may give their feedback either immediately at end of workshop and / or before end of the following week of workshop. Alternatively they may submit it through the nominating bank who will forward the participant's feedback with their comments and suggestions to our email address:

mail@fedai.org.in / trq@fedai.org.in.

The nominations will be accepted on 'first come first served' basis and should be received by FEDAI latest by Thursday, the 15th April 2021. FEDAI will advise the acceptance of nominations and only such accepted nominees will be sent a weblink for Registration to the online workshop. All the participants who have completed the registration will be sent the meeting ID and Password.

Yours faithfully,

Chief Executive