



## ITFA Structured Letters of Credit Guide

ITFA is delighted to announce that it has released an in-depth guide to Structured Letters of Credit. The guide can be found in [the member area of the ITFA website](#).

With the support of Global Trade Review (GTR), Coriolis Technologies, Trade Finance Global (TFG) and BCR Publishing, the ITFA guide has reached a tremendously wide audience. John Basquill from GTR, contributed an insightful piece titled: [“ITFA issues guidance on ‘controversial but misunderstood’ synthetic LCs.”](#) Dr Rebecca Harding, CEO of Coriolis Technologies, wrote an interesting article titled: [“It’s time to trade about Trade Finance.”](#) TFG also released a podcast titled: “XXX”. BCR....

Letters of Credit are instruments which provide substantial funding to trade in emerging markets, but have often attracted controversy because of a lack of understanding of what they are and what they are seeking to achieve.

ITFA’s guide – an industry first – aims to provide clarity, whilst also pointing out the risks. The document seeks to enhance understanding of Structured Letters of Credit and the issues surrounding their use in the market.

It looks at the history and development of Structured Letters of Credit and investigates:

- Typical characteristics to help identify Structured Letters of Credit,
- Comparison with traditional Letters of Credit,
- Commercial purposes of Structured Letters of Credit and their role in the market,
- Issues specific to the transaction participants: the trader, issuing bank and the confirming/discounting bank(s),
- Legal issues, and
- Anti-money laundering and risk issues.

The publication was produced by an ITFA Working Group, comprising representatives from Absa, Commerzbank, Lloyds Bank, Penningtons Manches Cooper, Sullivan & Worcester and Wagner International, amongst others.

We hope that you find this guide useful and comprehensive.