

CDCS, CSDG PDUs applied for

Law Society CPD Points applied for

Hot & New Program

Open Account Finance & Credit Insurance Workshop

Legal, Credit & Documentation Analysis

Factoring, Supply Chain Solutions, Invoice Finance & Credit Policies

By way of small group discussions & case studies

A practical guide for

Bankers – Risk, Product, Legal, Compliance, Operations and Marketing

Credit Insurers, Lawyers, Financial Controllers, Compliance, Shipping & Business Managers

Background:

1. Over 80% of global trade is conducted on open account terms. This is a challenge to financing banks as: (i) there are no standard rules to govern the operation of such transactions; (ii) many such transactions are cross-border transactions.
2. This workshop will provide an insightful analysis on the practical considerations of open account finance, which every financing bank faces. The workshop is only offered to a small number of attendees who will have the opportunity to analyse the relevant risks and documentation commonly used in the market under the guidance of the speaker.
3. Credit insurance plays an important role in open account finance. It is critical that financiers fully understand the differences between individual policies as well as the common pitfalls in claim procedures.

Highlights:

A. Open account finance

1. Factoring and export invoice finance:

- Purchase v. security – Why is registration not required for factoring?
- Disclosed v. undisclosed – Why does disclosed factoring make a huge difference in the recovery process? What are the problems with sending out notices of assignment only when the seller becomes insolvent?
- Buyers' acknowledgement – Is this a must? Are there any easy alternatives to achieve the same result?
- Assignment of future receivables – What are the legal hurdles and effective ways to manage the relevant risks?
- Payment to seller's or financier's account – What should the financier do if the buyer fails to provide any invoice settlement details?

- Can factoring be treated as an off-balance sheet item?
- Case study on a recent oil trading fraud in which all the invoices assigned to the bank and acknowledgements were forged – How can a financier mitigate such risk?
- How can a financier mitigate the risk of forged export invoices in invoice discounting?
- Review of a standard receivables purchase agreement and addressing any issues or concerns that the attendees may have about the relevant documentation

2. Supply chain finance – payable model:

- Is it treated as the buyer's bank debt?
- Is the purchase of receivables still required under a payable model?
- Against whose account should the payable financing be booked?
- Which party should present the invoices to the financier, the buyer or the seller?
- What due diligence checks are required on the seller?
- Review of a concise and precise buyer agreement plus a two-page prepayment request to be submitted by sellers

B. Credit insurance

- Comparison of the credit policies commonly available in the market as well as the Factors Chain International arrangements, particularly on coverage, exclusions, claiming requirements and timelines
- Case studies on identifying fraudulent claims and practical problems encountered by insureds when lodging insurance claims
- Preemptive measures on transaction structures and documentation to mitigate any delay in the payment of claims and potential trade fraud

Speaker:

Mr King Tak FUNG (e-mail: kt.fung@shlegal.com)

- Partner of Stephenson Harwood specialising in Banking and International Trade Law and Practice
- Arbitrator on Credit Insurance Disputes
- Vice chairman and Technical Advisor to the ICC-HK TBAML Sub-committee
- Co-chair of the ICC Consulting Group on the latest ISBP revision
- Member of the ICC Consulting Group on Forfaiting and UCP 500 Revision
- Member of the Drafting Group on the revision of the ICC Documentary Instruments Dispute Resolution Expertise (DOCDEX) Rules
- Former Vice President and Head of Trade Finance at Bank of America N.A.
- Trade Finance & Banking Expert Witness in Hong Kong and PRC Courts
- Member of the Academy of Experts on Banking and Structured Trade Finance
- Accredited mediator of HK International Arbitration Centre & the HK Law Society
- Author of "UCP 600 - Legal Analysis & Case Studies" (2008) and "Leading Court Cases on Letters of Credit" (2005)

Mr Fung is one of the few legal practitioners who have advised on open account documentation, credit insurance policies, fraudulent policy claims as well as the recovery of assigned receivables from buyers. He will share with you the success stories which will add value to your open account finance risk and documentation management.

Logistics:

Date:	28 and 29 March, 2019 (Thursday and Friday)
Time:	9:15 am – 1:00 pm
Venue:	Stephenson Harwood at 18/F., United Centre, 95 Queensway, Hong Kong
Medium:	Cantonese with an English Workbook
Organisers:	International Chamber of Commerce - Hong Kong and P.E.E.R. Consultancy Ltd.
Cancellation:	No refunds will be made for cancellations of booking initiated by the applicant. However, the registration may be transferred to another member of the same company or organisation at no extra charge.
Seat reservation:	<u>Only upon receipt of payment on a first-come, first-served basis</u>
Enquiry:	Contact Ms. Edith Lee at Tel: 29730060 or e-mail to: publn@icchkcbc.org

Registration fees:

- ❖ *Fee includes course, materials and refreshments.*
- ❖ *You will enjoy early bird discount if you register and pay on or before **15 March, 2019.***

- ❖ **HK\$ 4,950/person** (*regular*)
- ❖ **HK\$ 4,600/person** (*"early-bird" for public*)
- ❖ **HK\$ 4,500/person** (*"early-bird" for ICC-HK members*)
- ❖ **HK\$ 22,000/group** (*"early-bird" for a group of 5 persons from the same company, HK\$4,400 for each extra registrant in the same company*)
- ❖ **HK\$ 21,500/group** (*"early-bird" for a group of 5 persons from ICC-HK members, HK\$4,300 for each extra registrant in the same company*)
- ❖ **HK\$ 39,500/group** (*"early-bird" for a group of 10 persons from the same company, HK\$3,950 for each extra registrant in the same company*)

Reference Book: (optional)

"UCP 600 - Legal Analysis and Case Studies" by King Tak FUNG, ICC Publication No.1000C

Unit price at HK\$1,000/copy, special discount for workshop attendees at HK\$900/copy

By way of Q&A techniques, this book addresses 99 highly controversial trade finance issues and analyses 55 landmark court cases and unpublished banking cases. This book contains a total of 12 chapters **including Legal and Equitable Assignments covered by this workshop, Fraud & Injunctions.** The majority of these unpublished cases involved Mr Fung himself either as a banker or a legal practitioner which cannot be found in any other source or commentary.