

# LIBF



## LIBF Level 4 Certificate for Documentary Credit Specialists (CDCS®)

Qualification specification



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## Purpose of the qualification

### Why study the LIBF Level 4 Certificate for Documentary Credit Specialists (CDCS®)?

The Certificate for Documentary Credit Specialists (CDCS®) is a professional qualification recognised worldwide as the benchmark of competence for international practitioners; it was primarily designed for students with at least three years experience working with documentary credits. Its purpose is to enable documentary credit practitioners to demonstrate practical knowledge and understanding of the complex issues associated with documentary credit practice.

CDCS® develops the knowledge and skills required to accurately check documents and manage documentary credit transactions. Within this, it provides a core understanding of documentary credits and the products, parties, processes, and rules that underpin transactions. As well as developing the ability to identify irregularities and risks.

### Objective and key content areas

The CDCS® will enable you as a documentary credit practitioner to gain a practical knowledge and understanding of the complex issues associated with documentary credit practice.

Throughout the programme, you will understand the:

- types, characteristics and uses of documentary credit and standby letters of credit
- rules and trade terms
- parties to documentary credit transactions and their roles and obligations
- types and methods of payment / credit used in documentary credit transactions.
- types of transport, commercial and financial documents used in documentary credit transactions
- related products including letters of indemnity
- implications of breaching rules including money laundering and terrorist financing.

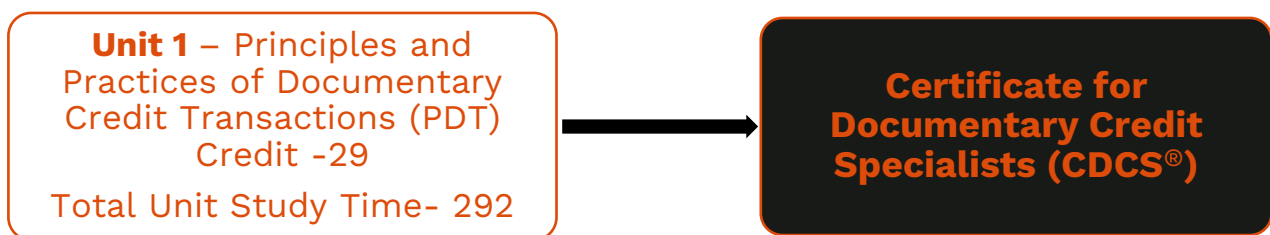
## Key skills developed

The qualification will encourage you to:

- analyse documentary credit products and reflect upon their desirability and effectiveness in a variety of scenarios;
- apply appropriate rules and guidelines to a variety of documentary credit transaction scenarios;
- develop an understanding of current technical language, methods and practices of documentary credit transactions;
- select and analyse appropriate data and information from a range of sources; and,
- increase your ability to work and learn independently.

## Structure

CDCS® is made up of one mandatory unit which must be successfully completed in order for you to achieve the certificate:



## Qualification delivery

### Total Qualification Time (TQT)

Total Qualification Time (TQT) is a prediction of the total time a student with no prior knowledge might need to complete the course.

TQT consists of two elements, Guided Learning (GL) and all other hours:

- Guided Learning (GL) comprises study time under direct teacher supervision, encompassing instructional sessions and supervised examinations.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, exam preparation, and formal assessments.

CDCS® is primarily considered as a self-directed study qualification with planned examination sessions.

Guided Learning Hours	3 hours
Other hours	289 hours
Total Qualification Time	292 hours

## Assessment

The unit is assessed through a single three hour and 15-minute examination consisting of a combination of Multiple Choice Questions (Part A) and document checking exercises (Part B). A total of 100 marks are available. The pass mark for the examination is 70% of the available marks; you must also achieve 60% of the marks available in section B to pass the qualification. The structure of the assessment ensures that all aspects of the course content are subject to external examination under strict examination conditions.

## Preparing for the assessment

Examinations are sat electronically at any one of the Pearson VUE test venues worldwide or via Remote Invigilation in permitted locations where you can sit your assessment remotely. You must be registered to sit an examination at a test venue of your choosing (subject to demand/availability); this is managed by you. It is recommended that you book your exam three weeks in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as two working days in advance. Examinations can be booked via the Pearson VUE website or by phone. Please visit the Pearson VUE website for further information.

To prepare for the assessment you should make use of all learning resources as part of your revision for the exam.

## Qualification grading

The overall qualification will be graded Pass / Distinction. You must achieve a mark of 70% overall (and 60% for Section B).

The qualification grade boundaries are as follows:

Grade	Mark
Pass	70–94%
Distinction	95-100%

Grade classifications are pre-determined and align to the published grade descriptors available to learners.

However, the grade classifications may be subject to change under the jurisdiction of the assessment board where this is necessary to maintain standards of validity.

Feedback is provided via analysis sheets available on [MyLIBE](#), to see your strengths and areas to develop.

## Resit attempts

The qualification has a twelve-month registration period. There are no restrictions on the number of times you can resit a unit in which you were unsuccessful, however you must resit the unit in accordance with LIBF regulations.

## Additional information

### Entry requirements

There are no specified entry requirements. However, you need to be satisfied of your ability to study in English at Level 4.

### Recognition of prior learning

In line with LIBF regulations, CDCS® is a single unit qualification, recognition of prior learning does not apply.

## Progression and preparation for further study

### Professional recertification

When you have successfully completed the CDCS® qualification, the CDCS® designation remains valid for three years. To retain the designation after this period, you are required to either complete continuing professional development (CPD) in order to recertify, or re-take and pass the examination. You will be required to submit 36 CPD Learning hours / PDUs to recertify successfully.

The recertification programme allows you to demonstrate how you have carried out learning activities which have enhanced your prior knowledge and skills in the area of International Trade Finance. Such activities are known as CPD - Continuing Professional Development - and include participation in events such as: workshops; courses; seminars; webinars as well as elearning and self-directed research. CPD is vital in ensuring your knowledge of International Trade Finance is always up to date. More information about the recertification programme can be found on the course website.

### Further / additional study

If you wish to develop a wider understanding of international trade and finance the Certificate in International Trade and Finance (CITF®) is designed to enable trade, export and commodity executives to gain a thorough (introductory) understanding of key procedures, practices and legislation in trade finance on an international level.

If you wish to develop your professional / specialist knowledge further the Certificate for Specialists in Demand Guarantees (CSDG®) has been designed for professionals that use demand guarantees in everyday work. The certificate provides the key knowledge and skills needed to operate effectively in a highly technical area of international trade.

### Preparation for employment

If you are already working within documentary credits, then this qualification is designed for you; you would be expected to have already gained three years industry experience prior to commencing your studies. CDCS® is a professional qualification recognised worldwide as the benchmark of competence for international practitioners. As such it does not prepare you for employment.

While it is intended for experienced practitioners, the qualification could also be used to gain wider experience / knowledge in this sector, to transfer into the sector and for continuing professional development (CPD) purposes which could therefore qualify you to work in another field.

## Appendices

### Appendix 1 – Unit 1 – Principles and Practices of Documentary Credit Transactions (PDT)

This section provides information about the Principles and Practices of Documentary Credit Transactions (PDT), including syllabus content, learning outcomes and assessment criteria.

#### Assessment methodology

- i. The assessment of Unit 1 will have two components:
  - a. Part A – 60 multiple-choice questions. This component of the examination is worth 60 marks.
  - b. Part B – This component of the examination is worth 40 marks.
    - i. 10 multiple-choice questions, with one mark available for each correct answer
    - ii. three simulation document-checking exercises, you must identify five discrepancies from a choice of 10. Each discrepancy correctly identified is worth two marks. A total of ten marks are available for each simulation exercise.
  - c. The examination will be worth a total of 100 marks.
- ii. To achieve an overall pass, you must achieve a mark of 70% overall (and 60% for Section B). Credit cannot be claimed for gaining 60% in Section B but failing to gain 70% overall, only overall achievement is graded.



## Learning outcomes, assessment criteria and indicative content

<b>Learning outcome (LO)</b> The learner when awarded credit for this unit will:	<b>Assessment criteria (AC)</b> Assessment of the LOs will require a learner to demonstrate that they can:	<b>Indicative content</b>
1. Be able to utilise the rules relating to documentary credits and understand the features, documents, life cycle, and the roles of the various parties to a credit.	1.1 Distinguish between the different types of payment method and credit, the roles and obligations of parties involved and the documents and related products used in documentary credit transactions.	Main types, characteristics and uses of documentary credits: <ul style="list-style-type: none"> <li>• Understanding of the term documentary credit</li> <li>• A basic documentary credit transaction (including generic flow chart of this process)</li> <li>• Types of documentary credit</li> <li>• Primary characteristics of documentary credits</li> <li>• Secondary characteristics of documentary credits:                             <ul style="list-style-type: none"> <li>• Revolving credits</li> <li>• Instalment</li> <li>• Advance payments</li> <li>• Transferable</li> <li>• Evergreen</li> <li>• Clean</li> <li>• Direct pay</li> </ul> </li> <li>• Categorisation of documentary credit by type and characteristic</li> <li>• Commercial documentary credits</li> <li>• Standby letters of credit</li> </ul>
		Roles and obligations of the parties to documentary credit transactions and the relationships between them: <ul style="list-style-type: none"> <li>• Parties to documentary credits roles and responsibilities:                             <ul style="list-style-type: none"> <li>○ Issuing bank</li> <li>○ Beneficiary</li> <li>○ Applicant</li> <li>○ Non-bank issuers</li> <li>○ Confirming bank</li> </ul> </li> </ul>

		<ul style="list-style-type: none"><li>○ Advising bank</li><li>○ Negotiating bank</li><li>○ Paying bank</li><li>○ Accepting bank</li><li>○ Reimbursing bank</li><li>○ Transferring bank</li><li>○ Nominated bank</li><li>○ Presenting bank</li><li>● Banks roles and obligations:<ul style="list-style-type: none"><li>○ Issuing bank</li><li>○ Confirming bank</li><li>○ Advising bank</li><li>○ Negotiating bank</li><li>○ Paying bank</li><li>○ Accepting bank</li><li>○ Reimbursing bank</li><li>○ Transferring bank</li><li>○ Nominated bank</li><li>○ Presenting bank</li><li>○ Beneficiary</li></ul></li><li>● Relationship of parties in respect of payment of conforming documents and non-payment of non-conforming documents</li><li>● Roles and responsibilities in reimbursement</li></ul> <p>Types of transport, commercial and financial documents used in documentary credit transactions and their requirements under ICC rules:</p> <ul style="list-style-type: none"><li>● Characteristics, processing and rules that apply to transport documents:<ul style="list-style-type: none"><li>○ Bill of Lading</li><li>○ Charter Party Bill of Lading</li><li>○ Non-negotiable Seaway Bill</li><li>○ Multimodal Transport Document</li><li>○ Air Transport Document</li><li>○ Road, Rail or Inland Waterway Transport Document</li><li>○ Forwarder's Cargo receipt, Mate's Receipt and Consolidator's Receipt</li></ul></li></ul>
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	<p>1.2 Apply the rules, standards, guidelines and trade terms used in and identify the risks and problems that can affect documentary credit transactions.</p>	<p>Industry rules, standards, guidelines and trade terms that govern the delivery of documentary credit transactions:</p> <ul style="list-style-type: none"> <li>● Incoterms® 2020</li> <li>● UCP 600 – Uniform Customs and Practice for Documentary Credits</li> <li>● ISP98 – International Standby Practices</li> <li>● URR 725 – Uniform Rules for bank-to-bank reimbursement under documentary credits</li> <li>● ISBP 745</li> <li>● eUCP</li> </ul>

		<p>The ways in which documentary credit transaction rules and regulations can be breached and the implications of such breaches. Including:</p> <ul style="list-style-type: none"><li>• Money Laundering</li><li>• Sanctions</li><li>• Terrorist Financing</li></ul> <p>The processes and challenges involved in documentary credit transactions:</p> <ul style="list-style-type: none"><li>• Processes and activities associated with:<ul style="list-style-type: none"><li>○ Sales agreement / contract of sale</li><li>○ Issue</li><li>○ Pre-advise</li><li>○ Advise</li><li>○ Confirm</li><li>○ Amend</li><li>○ Transfer</li><li>○ Present</li><li>○ Examine</li><li>○ Pay / Reject</li><li>○ Claim</li><li>○ Reimburse Funds</li><li>○ Cancel</li></ul></li><li>• Presentation, Examination and Settlement / Rejection</li><li>• Identifying and handling discrepant documents</li><li>• Electronic presentations</li><li>• Problems that can arise during the documentary credit transaction process</li></ul> <p>The risks involved in documentary credit transactions.</p> <ul style="list-style-type: none"><li>• Types of Risk<ul style="list-style-type: none"><li>○ Operational / UCP 600</li><li>○ Credit</li><li>○ Foreign Exchange</li><li>○ Fraud</li><li>○ Legal</li><li>○ Political</li></ul></li><li>• Other risks / considerations</li></ul>
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<p>2. Be able to manage documentary credit transactions and associated risks.</p>	<p>2.1 Apply appropriate rules and trade terms to the management of documentary credit transactions.</p>	<p>Apply appropriate rules and trade terms to documentary credit transactions:</p> <ul style="list-style-type: none"> <li>● For example – Incoterms® 2020, UCP 600, ISBP 745, ISP98, URR 725</li> </ul>
	<p>2.2 Check the accuracy of documents used in documentary credit transactions.</p>	<p>Check the accuracy of documents used in documentary credit transactions:</p> <ul style="list-style-type: none"> <li>● Apply and analyse the transport, commercial and financial documents used in documentary credit transactions in order to recommend appropriate courses of action and manage documentary credit transactions.</li> </ul>