

# LIBF

## LIBF Level 4 Certificate in Trade Finance Compliance (CTFC)

Qualification specification



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## Purpose of the qualification

### Why study the LIBF Level 4 Certificate in Trade Finance Compliance (CTFC)?

In trade finance, compliance is an area of growing importance with an increasing focus on regulation. The Certificate in Trade Finance Compliance (CTFC) is of particular interest if you are working, or aspiring to work, in trade finance. In completing this qualification you will develop the knowledge and skills required of an international trade finance professional. CTFC offers a comprehensive insight into trade finance compliance, providing you with a detailed understanding of the associated principles, parties, processes and risks and the ability to apply this knowledge in practice.

### Objectives and key content areas

For those already working within trade finance, CTFC will enhance your employability by demonstrating your understanding and application of compliance principles that provide the knowledge and skills required to be an effective international trade finance compliance professional. CTFC provides newcomers to the trade finance sector with a solid working knowledge of trade finance compliance internationally.

Throughout the programme, you will understand the:

- features and processes of trade finance compliance;
- types, parties to and definitions of trade finance compliance;
- risks and challenges of trade finance non-compliance; and
- the legal, regulatory and compliance framework.

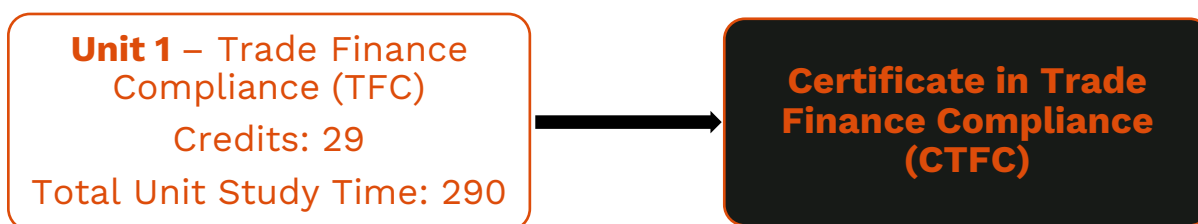
### Key skills developed

The qualification will encourage you to:

- develop an understanding of trade finance compliance with a focus on principles, processes and the parties involved, and the ability to apply these to scenarios of varying complexity;
- differentiate between the roles and obligations of parties involved in trade finance compliance;
- develop an understanding of current technical language and regulation surrounding trade-based compliance; and
- increase your ability to work and learn independently.

## Structure

CTFC is made up of one mandatory unit which needs to 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, exam preparation, and formal assessments.

CTFC is primarily considered a distance-learning, session-based qualification with planned examination sessions.

Guided Learning Hours	2.5 hours
Other hours	287.5 hours
Total Qualification Time	290 hours

## Assessment

The unit is mandatory and assessed by way of a single examination of two hours and thirty minutes. The examination is split into two sections:

- a. 60 marks are available for Section A: consisting of 60 multiple-choice questions (MCQs), you will select one answer from four provided, one mark available for each correct answer.
- b. 40 marks are available for Section B:
  - i. five MCQs, you will select one answer from four provided, one mark available for each correct answer;
  - ii. five multiple-response questions, you will select three answers from seven provided, one mark available for correctly identifying the three answers for each question; and
  - iii. six case studies comprising of multi-response questions. You will select five answers from ten provided, one mark available for correctly identifying each of the five correct responses.

A total of 100 marks are available overall. 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 strict examination conditions are adhered to.

## 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 is graded Pass/Fail only. To achieve a pass, you must achieve a mark of 70% overall (minimum of 60% for Section B). Higher-level passes are identified as pass at Distinction level.

The qualification grade boundaries are as follows:

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

Feedback is provided via analysis sheets available on [MyLIBF](#), 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 the published policies of LIBF.

## Additional information

### Entry requirements

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

### Recognition of prior learning (RPL)

In line with LIBF regulations, as CTFC 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 CTFC qualification, the CTFC designation remains valid for three years. To retain the designation after this period, you are required to either complete 36 hours of continuing professional development (CPD) to recertify, or re-take and pass the examination.

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 Compliance. Such activities are known as CPD – Continuing Professional Development – and include participation in events such as: workshops; courses; seminars; webinars, as well as e-learning and self-directed research. CPD is vital in ensuring your knowledge of International Trade Finance Compliance is always up to date. More information about the recertification programme can be found on the course website.

### Further / additional study

When you have successfully completed CTFC you may want to consider further study with LIBF. Our [Professional Qualifications](#) cover a wide range of topics and areas, specialist trade finance qualifications include:

- Certificate in International Trade & Finance (CITF)
- Certificate for Documentary Credit Specialists (CDCS)
- Certificate for Specialists in Demand Guarantees (CSDG)
- Certificate in Principles of Payments (CertPay)

This qualification has been designed for those working or aspiring to work within trade finance; it has been designed to develop knowledge and understanding of trade finance-related compliance that enhances skills that are valued within that sector and more widely.

## Appendices

### Appendix 1 – Trade Finance Compliance (TFC)

This section provides information about Trade Finance Compliance (TFC), including syllabus content, learning outcomes and assessment criteria.

#### Assessment methodology

TFC has one assessment, split into two sections:

- a. 60 marks are available for Section A: consisting of 60 multiple-choice questions (MCQs), you will select one answer from four provided, one mark available for each correct answer.
- b. 40 marks are available for Section B:
  - i. five MCQs, you will select one answer from four provided, one mark available for each correct answer;
  - ii. five multiple-response questions, you will select three answers from seven provided, one mark available for correctly identifying the three answers for each question; and
  - iii. six case studies comprising of multi-response questions. You will select five answers from ten provided, one mark available for correctly identifying each of the five correct responses.



## 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. Understand the term trade finance compliance.	1.1 Demonstrate an understanding of supply chain finance.	<ul style="list-style-type: none"> <li>• What is meant by the term trade finance compliance</li> </ul>
	1.2 Outline the main types/features/characteristics of trade finance compliance.	<ul style="list-style-type: none"> <li>• The main types/features / characteristics of trade finance compliance. Including anti-money laundering:               <ul style="list-style-type: none"> <li>○ over invoicing</li> <li>○ under-invoicing</li> <li>○ multiple invoicing</li> <li>○ short shipping</li> <li>○ over shipping</li> <li>○ deliberate obfuscation of goods type</li> <li>○ phantom shipments</li> </ul> </li> </ul>
2. Understand the international principles that govern and the process and problems associated with trade finance compliance.	2.1 Outline the principles, standards and guidelines that govern trade finance compliance.	<ul style="list-style-type: none"> <li>• The industry principles, standards and guidelines that govern trade financial crime, including:               <ul style="list-style-type: none"> <li>○ Wolfsberg Principles</li> <li>○ Financial Action Task Force</li> <li>○ FCA Thematic Review</li> </ul> </li> <li>• The best practice principles in trade finance compliance</li> </ul>

		<ul style="list-style-type: none"> <li>• Application of the principles of trade finance compliance</li> <li>• The consequences of non-compliance with trade finance compliance principles</li> </ul>
	<p>2.2 Outline the process, problems and challenges that arise in practice in relation to identification of trade-based financial crime.</p>	<ul style="list-style-type: none"> <li>• The process used in identifying trade-based financial crime</li> <li>• The process, problems and challenges that arise in practice in relation to the identification of trade-based financial crime transactions             <ul style="list-style-type: none"> <li>○ goods commensurate with normal activity</li> <li>○ value commensurate with normal activity</li> <li>○ pricing commensurate with the market</li> <li>○ high-risk jurisdictions high-risk commodities</li> <li>○ dual purpose goods</li> <li>○ sanctions checks</li> <li>○ terrorist checks</li> <li>○ licence requirements</li> <li>○ other red flags</li> </ul> </li> </ul>
	<p>2.3 Identify the reference points to validate key information.</p>	<ul style="list-style-type: none"> <li>• The reference points to validate key information             <ul style="list-style-type: none"> <li>○ International Maritime Bureau (IMB)</li> <li>○ Shipper/Freight Forwarder</li> <li>○ Third Party Inspection services</li> <li>○ ICC Commercial Crime Services</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ International reference points for indicative pricing</li> </ul>
3. Understand preventative activity and the impact of external factors on trade finance compliance.	3.1 Identify the main types, and characteristics of preventative activity.	<ul style="list-style-type: none"> <li>● The main types and characteristics of preventative activity. Features and uses of the following types of preventative activity <ul style="list-style-type: none"> <li>○ Due Diligence</li> <li>○ Know Your Customer</li> <li>○ Activity Monitoring</li> <li>○ Cross Communication</li> <li>○ Media Checks</li> </ul> </li> </ul>
	3.2 Outline the impact of external factors on trade finance compliance principles.	<ul style="list-style-type: none"> <li>● The ways in which trade finance compliance principles may be affected by external factors</li> <li>● The implications of the effect external factors can have on trade finance compliance</li> </ul>
4. Understand the relationships between, roles and obligations of parties involved in trade finance compliance.	4.1 Outline the relationship between parties involved in trade finance compliance.	<ul style="list-style-type: none"> <li>● The relationship between the parties involved in trade finance compliance</li> </ul>
	4.2 Outline and differentiate between the roles and obligations of the parties involved in trade finance compliance.	<ul style="list-style-type: none"> <li>● The roles and obligations of the parties involved in trade finance compliance</li> </ul>
5. Understand the risks associated with trade finance non-compliance.	5.1 Outline the operational risks associated with trade finance non-compliance and the impact on the parties involved.	<ul style="list-style-type: none"> <li>● The various operational risks associated with trade finance compliance and the impact of these on the parties involved: <ul style="list-style-type: none"> <li>○ Risks and consequences</li> <li>○ Fraud</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Money laundering</li> <li>○ Risk Control Self-Assessment process</li> <li>○ External Loss Data</li> <li>○ Risk Appetite management</li> <li>● Trading with High-Risk Jurisdictions</li> </ul>
	5.2 Identify how the risks can be controlled and mitigated.	<ul style="list-style-type: none"> <li>● How the risks associated with trade finance compliance may be controlled and mitigated</li> </ul>
	5.3 Identify the key features of sanctions, bribery and commercial fraud and identify the risks associated with non-compliance.	<ul style="list-style-type: none"> <li>● Sanctions</li> <li>● Bribery</li> <li>● Commercial Fraud</li> </ul>
6. Apply trade finance compliance principles and processes.	6.1 Apply trade finance compliance principles to scenarios of varying complexity.	<ul style="list-style-type: none"> <li>● Apply appropriate international principles that govern and determine best practice</li> </ul>
	6.2 Apply knowledge of the parties and processes and mitigate the risks involved in trade finance compliance.	<ul style="list-style-type: none"> <li>● Manage the relationships between parties</li> <li>● Resolve any challenges</li> <li>● Manage and mitigate the risks</li> </ul>