NATIONAL INSTITUTE OF BANKING AND FINANCE

NIBAF Pakistan

EMPOWERING FOR EXCELLENCE

9:00 AM - 5:00 PM

INTERNATIONAL PAYMENT MECHANISMS AND RISK MITIGATION TECHNIQUES

23 SEPTEMBER 2026

Course Overview

This course provides a comprehensive and practical understanding of International Payment Mechanisms, Methods of Settlement and Risk Mitigation Techniques in international trade. It examines the various payment methods available to exporters, importers and financial institutions, with particular emphasis on selecting appropriate settlement methods according to the nature and level of transaction risk. The course also covers correspondent banking, international payment systems, Letters of Credit, documentary collections, open account and advance payment transactions, relevant SBP regulations, and key provisions of UCP 600 and URC 522. Emphasis is placed on practical transaction flows, documentation, risk identification, regulatory compliance and effective risk mitigation.

Learning Outcomes

By the end of this training, participants will be able to:

identify and evaluate appropriate international payment mechanisms, understand the regulatory and compliance requirements governing cross-border payments, assess payment, operational, fraud, currency and counterparty risks, and apply appropriate mitigation techniques. They will also be able to handle key trade payment instruments and processes more effectively, recognize and manage LC discrepancies, interpret relevant UCP 600 and URC 522 provisions, and contribute to safer, more compliant and efficient international trade settlement operations.

Learning Objectives

The course aims to enable participants to understand the regulatory and operational framework governing international payments in Pakistan; evaluate different methods and terms of settlement; understand the role of correspondent banking and modern payment systems; identify risks associated with cross-border trade payments; and apply appropriate risk mitigation techniques. Participants will also develop practical knowledge of Letters of Credit, documentary collections, registered contracts, import payments, discrepancies, and relevant provisions of **UCP 600 and URC 522.**

Who Should Attend?

- Trade Officers
- Foreign Exchange Officials
- Remittance Officers
- Compliance Officers
- Audit Officials

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FEE: PKR 18,000 PLUS TAX

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Course Outline

International Payment Framework
- Regulatory framework in Pakistan for international payments
- Overview of international trade payment mechanisms
- Methods of settlement of payments in international trade
- Selection of appropriate payment method based on transaction risk
- Role and importance of correspondent banking

International Payment Systems
- SWIFT and cross-border messaging
- SEPA payment mechanism
- ACH and electronic payment systems
- Blockchain-based and emerging payment solutions
- Traditional vs. digital international payment mechanisms

Import Payments & Regulatory Requirements
- Import against Firm Contract
- Assessment of foreign supplier credibility
- Terms of Import
- Modes of payment for imports
- Opening and amendment of Letters of Credit
- Registered Contracts
- Types of Letters of Credit not permitted under applicable regulations

Methods of Payment in Trade
- Advance Payment
- Open Account Transactions
- Documentary Collections-URC-522
- Documentary Credits / Letters of Credit
- Comparative analysis of payment methods
- Risk allocation between importer and exporter

Types of Letters of Credit
- Revolving Letter of Credit
- Transferable Letter of Credit
- Standby Letter of Credit (SBLC)
- Back-to-Back Letter of Credit
- Red Clause & Green Clause Letters of Credit
- LC amendment process
- Practical LC transaction flow charts

Important Articles of UCP 600
- Examination of documents under LC
- Compliance and discrepancy considerations
- Practical interpretation of selected UCP 600 provisions
- LC transaction flow and case studies

Discrepancies in LC
- Documents required under documentary credits
- Common types of discrepancies in LCs
- Identification and handling of discrepancies
- Payment/acceptance/negotiation process
- Practical case studies on LC transactions

Risk in International Payment Settlement
- Payment and counterparty risk
- Country and sovereign risk
- Foreign exchange/currency risk
- Regulatory and compliance risk
- Operational and settlement risk
- Fraud and financial crime risk
- Documentation and discrepancy risk

Risk Mitigation Techniques
- Appropriate selection of payment terms
- Counterparty and foreign buyer/supplier due diligence
- Credit risk mitigation
- Documentary controls
- Compliance and KYC considerations
- Sanctions and AML risk awareness
- Internal controls and transaction monitoring
- Practical scenarios and case studies on risk mitigation

Facilitator

Mr. Ejaz Ahmed Qadri's illustrious career is a testament to his dedication, expertise, and unparalleled contributions to the banking and training sectors in Pakistan. He boasts an expansive career spanning nearly three decades, primarily within the esteemed corridors of the State Bank of Pakistan and its subsidiary, SBP Banking Services Corporation (Bank). His expertise primarily lies in operational facets, having contributed to various critical departments of both institutions.

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