

LIBF Level 4 Certificate in Trade Finance Compliance (CTFC)

Qualification Specification



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Please always review the latest document available through the website

Purpose of the qualification

Why study 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 in to 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.

The CTFC is set at Level 4¹.

Objectives

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.

Key content areas

- Features and processes of trade finance compliance
- Types, parties to and definitions of trade finance compliance
- Risks and challenges of trade finance non-compliance
- The legal, regulatory and compliance framework

Qualification learning outcomes

On completing this qualification you will understand the following:

LO	Detail
LO1	Understand the term 'trade finance compliance'.
LO2	Understand the international principles that govern and the process and problems associated with trade finance compliance.
LO3	Understand preventative activity and the impact of external factors on trade finance compliance.

¹ Ofqual Regulated Qualifications Framework (RQF).

LO4	Understand the relationships between, roles and obligations of parties involved in trade finance compliance.
LO5	Understand the risks associated with trade finance non-compliance.
LO6	Apply trade finance compliance principles and processes.

Key skills developed

The qualification will encourage you to:

- develop a 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.

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 the London Institute of Banking & Finance 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) in order 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 The London Institute of Banking & Finance. 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)

Apprenticeships

CTFC is not currently available within an Apprenticeship standard.

Preparation for employment / professional development

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.

Structure

CTFC is made up of **one mandatory unit** which needs to be successfully completed in order for you to achieve the certificate:



The detailed unit specification is available within Appendix 2 of this document and the latest version is always available through our course website.

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:

- GL is time spent studying under the immediate guidance or supervision of a teacher.
- 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.

Guided learning hours	2 hours
Other hours	288 hours
Total qualification time	290 hours

Learning resources

You will be provided with the following learning resources:

- on-line access via **MyLIBF** to learning materials and to KnowledgeBank (e-library);
- on-line study text (a hard copy of the study text can be purchased separately from the Institute of International Banking Law & Practice²);
- on-line study course;
- unit syllabus;
- study planner;
- specimen paper;
- student handbook; and
- student-led forum.

What to do before the assessment

Examinations are sat electronically at any one of the Pearson VUE test venues worldwide. 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](#).

To prepare for the assessment, you should make use of all learning resources.

² <https://shop.iiblp.org/collections/lc-publications/products/trade-based-financial-crime-compliance?variant=42976657222>

Assessment

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

The examination paper is split into two sections:

- a. 60 marks are available for Section A: 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. 3 case studies comprising a combination of questions requiring you to evaluate the scenario, including questions requiring you to pair statements from a selection of options, 10 marks will available for each case study.

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.

Qualification grading

The overall qualification will be graded pass / distinction. To achieve a pass, you must achieve at least 70% overall (minimum of 60% for Section B).

Grade	Pass mark (%)
Pass	70–94
Distinction	95–100

Feedback is provided via analysis sheets (available on www.MyLIBF.com) in order for you to see the relative strength of assessment performance.

Registration period

CTFC has a twelve month registration period.

Resit attempts

There are no restrictions on the number of times you can resit the unit, although each resit will require a new registration and payment of the appropriate fee.

Appendices

Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

Qualification title	LIBF Level 4 Certificate in Trade Finance Compliance (CTFC)
Ofqual qualification number	603 / 2070 / 9
Regulated Qualifications Framework (RQF) level	4
European Qualifications Framework (EQF) level	5
Qualification type	Vocationally-Related Qualification
Guided learning hours	2
Total qualification time	290
Total credits	29
Sector subject area (SSA)	15. Business, Administration, Finance and Law
Sub SSA	15.1 Accounting and finance
Overall grading type	Pass / Distinction
Assessment methods	Multiple-choice examination
Regulated in	England
Qualification for ages	19+
Operational start date	18 September 2017
Qualification description	CTFC consists of one mandatory unit. A total credit value of 29 must be obtained for achievement of the qualification.

Appendix 2 – Trade Finance Compliance (TFC)

A description of TFC providing detail on syllabus content, learning outcomes and assessment criteria.

Unit profile

This unit introduces you to the importance of international trade finance compliance by focusing on the impact and significance of terrorist financing, sanctions, anti-corruption, anti-money laundering and fraud on international trade. You will gain an appreciation of the commonly used terminology and how to respond to indicators of trade finance compliance. You will also learn how to apply your knowledge of trade finance compliance in order to reach satisfactory solutions to the compliance problems faced within an international trade and finance context.

Unit title	Trade Finance Compliance (TFC)
Ofqual unit reference number	T / 616 / 0082
Unit level	4
Unit credit value	29
Typical study hours	290

Unit 1 assessment method

TFC has one assessment, split in to two sections:

- a. 60 marks are available for Section A: 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 six provided, one mark available for correctly identifying the three answers for each question; and
 - iii. 3 case studies comprising a combination of questions requiring you to evaluate the scenario, including questions requiring you to pair statements from a selection of options, 10 marks will be available for each case study.

Unit 1 learning outcomes / assessment criteria

Learning outcome (LO) The learner can:	Assessment criteria (AC) The learner should be able to:
1. Understand the term trade finance compliance.	1.1 Identify what is meant by the term trade finance compliance. 1.2 Outline the main types / features / characteristics of trade finance compliance.
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. 2.2 Outline the process, problems and challenges that arise in practice in relation to identification of trade based financial crime. 2.3 Identify the reference points to validate key information.
3. Understand preventative activity and the impact of external factors on trade finance compliance.	3.1 Identify the main types, characteristics of preventative activity. 3.2 Outline the impact of external factors on trade finance compliance principles.
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. 4.2 Outline and differentiate between the roles and obligations of the parties involved in trade finance compliance.
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. 5.2 Identify how the risks can be controlled and mitigated. 5.3 Identify the key features of sanctions, bribery and commercial fraud and identify the risks associated with non-compliance.
6. Apply trade finance compliance principles and processes.	6.1 Apply trade finance compliance principles to scenarios of varying complexity. 6.2 Apply knowledge of the parties and processes and mitigate the risks involved in trade finance compliance.

Unit 1 syllabus

INDICATIVE CONTENT	
LO1:	Understand the term trade finance compliance.
AC1.1	<ul style="list-style-type: none"> • What is meant by the term trade finance compliance
AC1.2	<ul style="list-style-type: none"> • The main types / features / characteristics of trade finance compliance. Including anti-money laundering: <ul style="list-style-type: none"> - over invoicing - under invoicing - multiple invoicing - short shipping - over shipping - deliberate obfuscation of goods type - phantom shipments
LO2:	Understand the international principles that govern and the process and problems associated with trade finance compliance.
AC2.1	<ul style="list-style-type: none"> • The industry principles, standards and guidelines that govern trade financial crime, including: <ul style="list-style-type: none"> - Wolfsberg Principles - Financial Action Task Force - FCA Thematic Review • The best practice principles in trade finance compliance • Application of the principles of trade finance compliance • The consequences of non-compliance with trade finance compliance principles
AC2.2	<ul style="list-style-type: none"> • The process used in identifying trade based financial crime • The process, problems and challenges that arise in practice in relation to identification of trade based financial crime transactions <ul style="list-style-type: none"> - goods commensurate with normal activity - value commensurate with normal activity - pricing commensurate with market - high risk jurisdictions - high risk commodities - dual purpose goods - sanctions checks - terrorist checks - licence requirements - other red flags

AC2.3	<ul style="list-style-type: none"> • The reference points to validate key information <ul style="list-style-type: none"> - International Maritime Bureau (IMB) - Shipper/Freight Forwarder - Third Party Inspection services - ICC Commercial Crime Services - International reference points for indicative pricing
LO3:	Understand preventative activity and the impact of external factors on trade finance compliance.
AC3.1	<ul style="list-style-type: none"> • The main types and characteristics of preventative activity. Features and uses of the following types of preventative activity <ul style="list-style-type: none"> - Due Diligence - Know Your customer - Activity Monitoring - Cross Communication - Media Checks
AC3.2	<ul style="list-style-type: none"> • The ways in which trade finance compliance principles may be affected by external factors • The implications of the affect external factors can have on trade finance compliance
LO4:	Understand the relationships between, roles and obligations of parties involved in trade finance compliance.
AC4.1	<ul style="list-style-type: none"> • The relationship between the parties involved in trade finance compliance
AC4.2	<ul style="list-style-type: none"> • The roles and obligations of the parties involved in trade finance compliance
LO5:	Understand the risks associated with trade finance non-compliance.
AC5.1	<ul style="list-style-type: none"> • The various operational risks associated with trade finance compliance and the impact of these on the parties involved: <ul style="list-style-type: none"> - Risks and consequences - Fraud - Money laundering - Risk Control Self-Assessment process - External Loss Data - Risk Appetite management - Trading with High Risk Jurisdictions
AC5.2	<ul style="list-style-type: none"> • How the risks associated with trade finance compliance may be controlled and mitigated
AC5.3	<ul style="list-style-type: none"> • Sanctions • Bribery • Commercial Fraud

LO6:	Apply trade finance compliance principles and processes.
AC6.1	<ul style="list-style-type: none">• Apply appropriate international principles that govern and determine best practice
AC6.2	<ul style="list-style-type: none">• Manage the relationships between parties• Resolve any challenges• Manage and mitigate the risks