

# **LIBF Level 4 Certificate for Specialists in Demand Guarantees (CSDG®)**

Qualification Specification



Supported by



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**Please Note:** This document is uncontrolled when printed.

Please always review the latest document available through the [website](#)

## Purpose of the qualification

### Why study the LIBF Level 4 Certificate for Specialists in Demand Guarantees (CSDG®)?

The Certificate for Specialists in Demand Guarantees (CSDG®) designed to enable you as a demand guarantee professional to demonstrate your knowledge and expertise. The qualification will develop your understanding in the use of guarantees, industry rules, legislation and the challenges relating to demand guarantees and standby credits. CSDG® enables you to demonstrate a high level of expertise and improves knowledge and understanding of the complex issues associated with demand guarantee best practice.

CSDG® develops the knowledge and skills required to manage demand guarantees and identify risks through application of knowledge and checking the accuracy of demand guarantee and standby credit demands. Within this, it provides a core understanding of products, processes, parties, rules and regulations that underpin demand guarantees.

### Objective

The CSDG® will enable you as a demand guarantee professional to gain a practical knowledge and understanding of the complex issues associated with demand guarantee practice.

### Key content areas

- Demand guarantees – including tender, performance and advance payment.
- Indemnities, Suretyships and standby letters of credit and how they compare.
- Scope of industry rules including URDG 758 and ISP98.
- Parties involved in demand guarantees and their roles and obligations.
- Risk issues including types, control and mitigations.
- Impact of external factors including governing law and force majeure.

### Learning outcomes

- LO1 Understand the features, lifecycle, rules and parties to demand guarantees and standby letters of credit and how they are applied within international trade finance contexts.
- LO2 Be able to manage demand guarantees and standby letters of credit.

## Key skills developed

The qualification will encourage you to:

- analyse demand guarantee products and processes and reflect upon your desirability and effectiveness in a variety of scenarios.
- apply appropriate rules and guidelines within demand guarantees.
- understand the interrelationships between the various subject disciplines and assimilate these coherently to provide effective solutions.
- develop an understanding of current technical language, methods and practices of demand guarantees, standby letters of credit and suretyships.
- select and analyse appropriate data and information from a range of sources
- 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 at Level 4.

## Recognition of prior learning

In line with the London Institute of Banking & Finance regulations, as CSDG® 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 CSDG® qualification, the CSDG® 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.

1. **For those recertifying up to and including the 31 October 2019** - 24 CPD Learning hours / PDUs are required to recertify.
2. **Those recertifying at 30 April 2020 and beyond** 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 e-learning 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](#)

Should 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.

Should you wish to develop your professional / specialist knowledge further the Certificate for Documentary Credit Specialists (CDCS®) is the international standard qualification for documentary credit specialists. It is a professional certification that enables documentary credit practitioners to demonstrate specialist knowledge and application of the skills required for competent practice.

### **Apprenticeships**

CSDG® is not currently available through an apprenticeship framework or standard.

### **Preparation for employment**

If you are already working with demand guarantees this qualification is designed for you, it is a professional qualification that allows you to demonstrate a high level of expertise. 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.

### **Structure**

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



The detailed unit profile is available at Appendix 2 to this document and latest versions are 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 of supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, completing homework, exam preparation, and formal assessments.

CSDG<sup>®</sup> is primarily considered as a self directed study qualification with planned examination sessions.

Guided Learning Hours	3 hours
Other hours	253 hours
Total Qualification Time	256 hours

### Learning resources

You will be provided with the following learning resources:

- online access via MyLIBF - [www.myLIBF.com](http://www.myLIBF.com) to learning materials and to *KnowledgeBank* (virtual library);
- unit syllabus;
- online study material;
- specimen paper; and,
- student-led forum.

## What to do before the assessment

You must be registered to sit an examination managed by you. Examinations are sat electronically at Pearson VUE test centres across the globe or via Remote Invigilation in permitted locations where you can sit your assessment remotely. Please visit the [Pearson VUE website](#) for further information.

It is recommended that exams are booked two months 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 over the [phone](#) or via the [Pearson VUE website](#).

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

## 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 practical 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 a pass mark of 60% of the marks available in section B. The structure of the assessment ensures that all aspects of the course content are subject to external examination under strict examination conditions.

## 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	Raw 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.

## Re-sit attempts

You are allowed to resit the unit in accordance with the published London Institute of Banking & Finance policies. Full terms and conditions are available on our website.

## Appendices

### Appendix 1 – Regulation detail

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

<b>Qualification title</b>	LIBF Level 4 Certificate for Specialists in Demand Guarantees (CSDG®)
<b>Ofqual qualification number</b>	601/2635/8
<b>Regulated Qualifications Framework (RQF) level</b>	4
<b>European Qualifications Framework (EQF) level</b>	5
<b>Qualification Type</b>	Occupational Qualification
<b>Guided learning hours</b>	3 hours
<b>Total qualification time</b>	256 hours
<b>Total credits</b>	26
<b>Sector Subject Area</b>	15. Business, Administration, Finance and Law
<b>Sub SSA</b>	15.1 Accounting and Finance
<b>Overall grading type</b>	Pass / Distinction
<b>Assessment methods</b>	Multiple-choice
<b>Regulated in</b>	England
<b>Qualification for ages</b>	16-18 and 19+
<b>Operational start date</b>	01 March 2014
<b>Qualification description</b>	The CSDG® consists of one mandatory unit. A total credit value of 26 must be obtained for achievement of the qualification.



## **Appendix 2 – Unit 1 – Principles and Practices of Demand Guarantees (PDG)**

A description of Unit 1 (PDG) that provides detail on syllabus content, learning outcomes and assessment criteria, and specific unit level descriptors.

### **Principles and Practices of Demand Guarantees (unit 1)**

#### **Unit narrative**

This unit highlights the importance of rules, practices and guidelines for demand guarantees and related products. You will be introduced to guarantees by focusing on the types, definitions and processes used. You will gain an understanding of the tools and terminology necessary to draft, issue and claim on demand guarantees and related products. You will understand the roles, obligations and relationships between parties to demand guarantee transactions and be able to manage demand guarantees and the relationship between parties to the guarantee. The unit will also cover the external factors that can affect demand guarantees and standby credits, the risks involved in demand guarantee transactions and be able to manage those risks.

Studying PDG you will need to apply the knowledge gained to practical exercises designed to test your ability to link theory and practice.

#### **Unit profile**

<b>Unit title</b>	Unit 1: Principles and Practices of Demand Guarantees (PDG)
<b>Ofqual unit reference number</b>	H/505/9707
<b>Unit level</b>	4
<b>Unit credit value</b>	26
<b>Typical study hours</b>	256

## Unit 1 assessment methodology

- i. The assessment of Unit 1 will have two components:
  - a. Part A – 50 multiple-choice questions. This component of the examination is worth 50 marks.
  - b. Part B – 10 multiple-choice questions, with one mark available for each correct answer; one case study with six linked multiple-choice questions, Two questions where you must identify one correct answer from a choice of four, one mark for each correct answer. Four questions are reject or pay exercises, you must identify one correct answer from a choice of five, two marks for each correct answer; six simulation document-checking exercises, you must identify five discrepancies from a choice of 10. Each discrepancy correctly identified is worth one mark. A total of five marks are available for each simulation exercise. This component of the examination is worth 50 marks.
  - 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.

## Unit 1 learning outcomes / assessment criteria

Learning outcome (LO) The learner when awarded credit for this unit will:	Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can:
Understand the features, lifecycle, rules and parties to demand guarantees and standby letters of credit and how they are applied within international trade finance contexts.	1.1 Distinguish between the different types of demand guarantees, standby letters of credit and suretyships and the requirements, role of the parties involved and the lifecycle of each. 1.2 Identify the problems, risks, rules and external factors associated with demand guarantees and standby letters of credit and explain the effect these factors have.
Be able to manage demand guarantees and standby letters of credit.	2.1 Apply appropriate rules and trade terms that govern demand guarantees and standby letters of credit to the management of demand guarantees and standby letters of credit. 2.2 Check accuracy of demand guarantee and standby letter of credit documents.

## Unit 1 syllabus

UNIT 1 SYLLABUS LOs / ACs	
<b>LO1:</b>	<b>Understand the features, lifecycle, rules and parties to demand guarantees and standby letters of credit and how they are applied within international trade finance contexts.</b>
AC1.1	Demand guarantee definitions <ul style="list-style-type: none"> <li>• What is a demand guarantee?</li> <li>• What is a standby letter of credit?</li> </ul> Key features of guarantees, suretyships, and standby letters of credit, including: <ul style="list-style-type: none"> <li>• What they are</li> <li>• Documents required</li> <li>• Comparison with demand guarantees and with each other</li> </ul> Capacity of different types of guarantee and standby letter of credit and when they are used:

	<ul style="list-style-type: none"> <li>• Scope of a guarantee or standby letter of credit</li> <li>• Advantages to all parties</li> <li>• Scenarios where one type of guarantee or standby is preferred over another</li> </ul> <p>Relationship between parties to the demand guarantee (including advantages to each party)</p> <ul style="list-style-type: none"> <li>• Instructing party / applicant</li> <li>• Guarantor</li> <li>• Beneficiary</li> </ul> <p>Process, life cycle and challenges of a demand guarantee or standby letter of credit</p> <ul style="list-style-type: none"> <li>• Draft</li> <li>• Issue</li> <li>• Amendments</li> <li>• Demand</li> <li>• Examination</li> <li>• Payment</li> <li>• Termination and reduction</li> </ul> <p>Including:</p> <ul style="list-style-type: none"> <li>• Rejection (including non-complying demand, waiver, notice)</li> <li>• Transmission and translation</li> </ul>
AC1.2	<p>Rules, standards and guidelines that govern demand guarantees and standby letters of credit:</p> <ul style="list-style-type: none"> <li>• Scope and application of the rules</li> <li>• URDG 758</li> <li>• ISP98 where these rules differ from URDG 758</li> </ul> <p>The ways in which the rules for demand guarantees or standby letters of credit can be affected by external factors and the implications of these effects, including:</p> <ul style="list-style-type: none"> <li>• Indemnity for foreign laws and usages</li> <li>• Governing / national law</li> <li>• Jurisdiction</li> <li>• Force majeure</li> </ul>

	<ul style="list-style-type: none"> <li>• URDG and other ICC rules</li> <li>• Courts</li> </ul> <p>The risks involved in demand guarantees and standby letters of credit:</p> <ul style="list-style-type: none"> <li>• Risks and consequences</li> <li>• Fraud</li> <li>• Money laundering</li> </ul>
<b>LO2:</b>	<b>Be able to manage demand guarantees and standby letters of credit.</b>
AC2.1	<p>Apply appropriate rules and trade terms that govern demand guarantees and standby letters of credit to the management of demand guarantees and standby letters of credit:</p> <ul style="list-style-type: none"> <li>• For example – Incoterms, URDG 758 and ISP98</li> </ul>
AC2.2	<p>Check accuracy of demand guarantee and standby letter of credit documents:</p> <ul style="list-style-type: none"> <li>• Practitioner element, putting theory in to practice.</li> </ul>