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**The London Institute**  
of Banking & Finance



# **LIBF Level 4 Certificate in** **Supply Chain Finance (CSCF)**

Qualification specification



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## Purpose of the qualification

### Why study LIBF Level 4 Certificate in Supply Chain Finance (CSCF)?

Supply Chain Finance (SCF) is a term that has been around for some time in the banking and finance market but historically definitions have varied considerably and there has been little consistency across the range of solutions and products available. In fact, the term 'SCF' is often used to describe a Payable Finance solution (a.k.a. Supplier Finance or Reverse Factoring) when in reality this is just one technique amongst a very broad range of solutions. The SCF family of techniques includes both receivables purchase based and loan based solutions as well as traditional documentary trade finance, and the certificate will introduce students to all these valid vehicles for financing supply chains. The defining characteristic of SCF is that the various techniques are driven by events in the physical supply chain and as such, the analysis of the client's underlying trade cycle and the accurate identification of financing, risk mitigation (including foreign exchange management) and settlement needs are central to the approach.

The Certificate in Supply Chain Finance (CSCF) is relevant if you work or are aspiring to work within an area dealing with SCF. In completing this qualification, you will develop an understanding of the standard definitions for techniques of SCF, you will also learn how to identify funding gaps as a result of trade cycle analysis, understand clients needs and develop your skills in structuring and implementing SCF solutions offering a combination of receivables purchase, loan-based and documentary techniques as may be appropriate.

### Objectives

To provide the knowledge and skills required to be an effective international supply chain finance professional.

### Key content areas

- the supply chain finance environment;
- the role of traditional trade finance products;
- the key components of trade cycle analysis;
- the application and implementation of supply chain finance techniques and associated legal, technological, cost and risk implications;
- the importance of innovation and strategy.

## Qualification learning outcomes

On completing this qualification you will:

LO	Detail
LO1	Understand the need for and use of Supply Chain Finance
LO2	Understand and be able to apply Trade Cycle Analysis
LO3	Understand and be able to structure Supply Chain Finance solutions
LO4	Understand the practicalities of the implementation of Supply Chain Finance
LO5	Understand alternative financing and innovation in Supply Chain Finance

## Key skills developed

The qualification will encourage you to:

- develop your ability to undertake trade cycle analysis.
- develop your ability to structure supply chain finance solutions.
- increase your ability to work and study independently and utilise resources effectively.

## Entry requirements

There are no specified entry requirements. However, a working knowledge of the basics of trade finance would be an advantage and you need to be satisfied of your ability to study in English.

## Recognition of prior learning

In line with the London Institute of Banking & Finance regulations, as CSCF is a single unit qualification, recognition of prior learning does not apply.

## Progression and preparation for further study

When you have successfully completed the Certificate in Supply Chain Finance (CSCF) qualification, there are opportunities for further study with The London Institute of Banking & Finance. Our [Professional Qualifications](#) cover a wide range of topics and areas including banking, trade finance, financial advice, mortgage advice, complaints handling and other specialist qualifications.

## Apprenticeships

CSCF is not currently available through an apprenticeship standard.

## Preparation for employment / professional development

This qualification has been designed for you, if you are working or aspiring to work within the Supply Chain Finance industry; it has been designed to develop knowledge and understanding and enhances skills that are valued within the Supply Chain Finance sector.

## Structure

CSCF is made up of **one mandatory unit** which must be successfully completed to achieve the qualification:



The detailed unit syllabus is available as an Appendix to this document and the latest version is always available through our course site.

## 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.

CSCF is primarily considered as a distance learning qualification with on-demand examinations through Pearson VUE.

Guided Learning Hours	3 hours
Other hours	267 hours
Total Qualification Time	270 hours

## Learning resources

CSCF is available as a distance learning qualification, it allows you to study independently with comprehensive online learning materials. Practical (non-academic) support is available from The London Institute of Banking & Finance Student Services.

You are provided with the following learning resources:

- online access to the core text through **MyLIBF**- [www.myLIBF.com](http://www.myLIBF.com);
- access to KnowledgeBank (e-library) through **MyLIBF**;
- online study course;
- unit syllabus;
- study planner;
- specimen examination 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 centres worldwide. You must be registered to sit an examination at a centre of your choosing (subject to demand / availability); this is managed by you. It is recommended that you book your exam 3 weeks in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as 2 working days in advance. Examinations can be booked via the [Pearson VUE website](https://www.pearsonvue.com) or by [phone](#).

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

## Assessment

CSCF is mandatory and assessed by way of a single examination lasting two and a half hours. The examination paper is split into two sections:

- a. 60 marks are available for Section A: 60 multiple-choice questions (MCQs), students will select one answer from four provided, one mark available for each correct answer (total of 60 marks available).
- b. 40 marks are available for Section B:
  - i. five MCQs, students will select one answer from four provided, one mark available for each correct answer (total of 5 marks available);
  - ii. five multiple-response questions, students will select three answers from six provided, one mark available for each correct question (total of 5 marks available); and
  - iii. 6 questions requiring students to evaluate scenarios, including questions that require students to pair statements from a selection of options (total of 30 marks available).

A total of 100 marks are available overall. The pass mark for the examination is 70% of the available marks; however, you must also achieve 60% of the marks available in section B in order to pass the qualification.

The structure of the assessment ensures that all course content is subject to assessment.

## 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](http://www.MyLIBF.com)) in order for you to see the relative strength of assessment performance.

### **Registration period**

CSCF has a twelve month registration period.

### **Re-sit 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.

<b>Qualification title</b>	Level 4 Certificate in Supply Chain Finance (CSCF)
<b>Ofqual qualification number</b>	603/2860/5
<b>Regulated Qualifications Framework (RQF) level</b>	4
<b>European Qualifications Framework (EQF) level</b>	5
<b>Qualification Type</b>	Vocationally Related Qualification
<b>Guided learning hours</b>	2 hours
<b>Total qualification time</b>	270 hours
<b>Total credits</b>	27
<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>	5 March 2018
<b>Qualification description</b>	The CSCF consists of one mandatory unit. A total credit value of 27 must be obtained for achievement of the qualification.

## Appendix 2 – Supply Chain Finance (SCF)

A description of SCF that provides detail on syllabus content, learning outcomes and assessment criteria.

### Unit Profile

This unit introduces you to the supply chain finance environment by focusing on the standard definitions. You will gain an appreciation of the physical and financial supply chain, how to identify funding gaps as a result of trade cycle analysis and understand clients needs. You will also learn how to structure and implement SCF solutions to offer a combination of receivables purchase, loan-based and documentary techniques as appropriate.

<b>Unit title</b>	Supply Chain Finance (SCF)
<b>Ofqual unit reference number</b>	L/616/8320
<b>Unit level</b>	4
<b>Unit credit value</b>	27
<b>Typical study hours</b>	270

### Assessment method

SCF assessment has one component:

- a. 60 marks are available for Section A: 60 multiple-choice questions (MCQs), students will select one answer from four provided, one mark available for each correct answer (total of 60 marks available).
- b. 40 marks are available for Section B:
  - i. five MCQs, students will select one answer from four provided, one mark available for each correct answer (total of 5 marks available);
  - ii. five multiple-response questions, students will select three answers from six provided, one mark available for each correct answer (total of 5 marks available); and
  - iii. 3 case studies comprising a combination of questions requiring students to evaluate the scenario, including questions requiring students to pair statements from a selection of options, 10 marks will available for each case study (total of 30 marks available).
- c. The examination will be worth a total of 100 marks.

To achieve an overall pass, you must achieve a mark of 70% overall and 60% of the marks available in section B.

## Unit learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
1. Understand the need for and use of Supply Chain Finance	<p>1.1 Demonstrate an understanding of supply chain finance.</p> <p>1.2 Understand the history of supply chain finance, the standard definitions and compare to traditional trade finance.</p> <p>1.3 Demonstrate a knowledge of the physical supply chain.</p> <p>1.4 Understand the financial supply chain and its consequences.</p> <p>1.5 Develop an appreciation of the information supply chain and its use.</p> <p>1.6 Identify and understand the client drivers, risk mitigation and trade flows.</p>
2. Understand and be able to apply Trade Cycle Analysis	<p>2.1 Understand the relevance to physical and financial supply chains.</p> <p>2.2 Demonstrate a knowledge of the working capital cycle.</p> <p>2.3 Develop an appreciation of the contractual relationships within supply chain finance.</p> <p>2.4 Analyse the clients needs.</p> <p>2.5 Apply the solutions in principal to supply chain finance problems.</p>

<p>3. Understand and be able to structure Supply Chain Finance solutions.</p>	<p>3.1 Identify traditional trade finance instruments.</p> <p>3.2 Demonstrate an understanding of receivables purchase products.</p> <p>3.3 Demonstrate an understanding of advanced payable products</p> <p>3.4 Distinguish and understand loan and advance based products.</p> <p>3.5 Understand and apply the benefits of supply chain finance solutions.</p> <p>3.6 Understand and apply the supply chain finance framework.</p>
<p>4. Understand the practicalities of the implementation of Supply Chain Finance.</p>	<p>4.1 Understand the legal framework underpinning supply chain finance.</p> <p>4.2 Develop an appreciation of the pricing and capital requirements of supply chain finance.</p> <p>4.3 Understand and apply onboarding and the implications for supply chain finance.</p> <p>4.4 Understand the operational procedures associated with supply chain finance.</p> <p>4.5 Demonstrate a knowledge of the technology that supports supply chain finance.</p> <p>4.6 Analyse the asset and risk management associated with supply chain finance.</p>

<p>5. Understand alternative financing and innovation in Supply Chain Finance.</p>	<p>5.1 Understand the evolving landscape and non-bank solutions.</p> <p>5.2 Understand and analyse the competitive environment.</p> <p>5.3 Understand and apply supply chain finance strategy.</p> <p>5.4 Demonstrate an understanding of innovation and development within the supply chain finance sector.</p>
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## Unit syllabus (indicative content)

UNIT 1 INDICATIVE CONTENT	
<b>LO1:</b>	<b>Understand the need for and use of Supply Chain Finance</b>
AC1.1	<ul style="list-style-type: none"><li>• Financing</li><li>• Risk mitigation</li><li>• General principles including transactional v 'flow based', post &amp; pre shipment</li></ul>
AC1.2	<ul style="list-style-type: none"><li>• History:<ul style="list-style-type: none"><li>- Credit crisis</li><li>- Key industry impacts and developments</li><li>- Standard definitions for Techniques of Supply Chain Finance</li></ul></li><li>• Comparison to traditional trade finance</li></ul>
AC1.3	<ul style="list-style-type: none"><li>• Physical Supply Chain Finance roles &amp; responsibilities<ul style="list-style-type: none"><li>- Parties</li><li>- Events</li></ul></li></ul>
AC1.4	<ul style="list-style-type: none"><li>• Financial supply chain:<ul style="list-style-type: none"><li>- Processes</li><li>- Events</li><li>- Activities</li></ul></li><li>• Financial consequences:<ul style="list-style-type: none"><li>- Risk</li><li>- Funding</li><li>- Cashflow</li></ul></li></ul>
AC1.5	<ul style="list-style-type: none"><li>• Data creation</li><li>• Digitalisation of information</li></ul>
AC1.6	<ul style="list-style-type: none"><li>• Client Drivers:<ul style="list-style-type: none"><li>- Motivation to adopt for both buyers and suppliers</li><li>- Balance Sheet Management</li></ul></li><li>• Risk Mitigation and Trade Flows<ul style="list-style-type: none"><li>- Open account</li><li>- Cash</li></ul></li></ul>

<b>LO2:</b>	<b>Understand and be able to apply Trade Cycle Analysis</b>
AC2.1	<ul style="list-style-type: none"> <li>Physical and financial supply chains</li> <li>Values and timings</li> </ul>
AC2.2	<ul style="list-style-type: none"> <li>Cash conversion in the working capital cycle: <ul style="list-style-type: none"> <li>DSO / DPO / DIO</li> </ul> </li> </ul>
AC2.3	<ul style="list-style-type: none"> <li>Contractual commercial relationships</li> <li>Commercial contracts</li> </ul>
AC2.4	<ul style="list-style-type: none"> <li>Identifying and quantifying client needs: <ul style="list-style-type: none"> <li>Process / Funding gaps</li> <li>Integration with supply chain</li> <li>Accelerating cash flow</li> </ul> </li> <li>Conduct risk compliance</li> </ul>
AC2.5	<ul style="list-style-type: none"> <li>Case studies and example structures</li> <li>Values and timing</li> </ul>
<b>LO3:</b>	<b>Understand and be able to structure supply chain finance solutions</b>
AC3.1	<ul style="list-style-type: none"> <li>Traditional trade finance instruments: <ul style="list-style-type: none"> <li>Collections</li> <li>Letters of credit</li> <li>Guarantees</li> </ul> </li> </ul>
AC3.2	<ul style="list-style-type: none"> <li>Receivables purchase based: <ul style="list-style-type: none"> <li>Receivables Discounting</li> <li>Forfaiting</li> <li>Factoring</li> <li>Payables finance</li> </ul> </li> </ul>
AC3.3	<ul style="list-style-type: none"> <li>Advanced payable products</li> </ul>
AC3.4	<ul style="list-style-type: none"> <li>Loan or advance based: <ul style="list-style-type: none"> <li>Loan/advance against receivables</li> <li>Distributor finance</li> <li>Loan or advance against inventory</li> <li>Pre-shipment finance</li> </ul> </li> </ul>
AC3.5	<ul style="list-style-type: none"> <li>Benefits to each participant</li> <li>Case studies</li> </ul>
AC3.6	<ul style="list-style-type: none"> <li>Enabling Framework <ul style="list-style-type: none"> <li>Innovation and digitisation</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>- e-Invoicing</li> <li>- BPO</li> </ul>
<b>LO4:</b>	<b>Understand the practicalities of the implementation of supply chain finance</b>
AC4.1	<ul style="list-style-type: none"> <li>• Legal framework: <ul style="list-style-type: none"> <li>- Receivable purchase agreements</li> <li>- Assignment</li> <li>- Master documents</li> <li>- Jurisdiction</li> <li>- Legal opinions</li> </ul> </li> </ul>
AC4.2	<ul style="list-style-type: none"> <li>• Pricing: <ul style="list-style-type: none"> <li>- Cost of funds</li> <li>- Margin</li> <li>- Discounting methods</li> </ul> </li> <li>• Capital requirements: <ul style="list-style-type: none"> <li>- Basel III</li> <li>- Risk Weighted Assets</li> <li>- Models and hurdle rates</li> </ul> </li> </ul>
AC4.3	<ul style="list-style-type: none"> <li>• On boarding including know your customer / customer due diligence (KYC / CDD)</li> <li>• Anti-money laundering (AML)</li> </ul>
AC4.4	<ul style="list-style-type: none"> <li>• Monitoring invoices and flows</li> <li>• Change management</li> <li>• Delivering best practice</li> </ul>
AC4.5	<ul style="list-style-type: none"> <li>• Bank &amp; independent platforms</li> <li>• Marketplaces</li> <li>• B2B</li> <li>• Integration</li> </ul>
AC4.6	<ul style="list-style-type: none"> <li>• Risk participation</li> <li>• Secondary market</li> <li>• Credit insurance</li> <li>• Foreign currency management</li> </ul>
<b>LO5:</b>	<b>Understand alternative financing and innovation in supply chain finance</b>
AC5.1	<ul style="list-style-type: none"> <li>• Evolving landscape: <ul style="list-style-type: none"> <li>- Relevant industry bodies</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>- Objectives / Activities</li> <li>• Non-bank providers</li> </ul>
AC5.2	<ul style="list-style-type: none"> <li>• Competition</li> <li>• Key drivers/ disruptors</li> </ul>
AC5.3	<ul style="list-style-type: none"> <li>• Strategy for supply chain finance</li> </ul>
AC5.4	<ul style="list-style-type: none"> <li>• Market developments</li> <li>• Innovation</li> <li>• Industry standards</li> <li>• Technology</li> <li>• Changing client needs</li> <li>• Digital / virtual (Fin-tech)</li> </ul>