

DP06

International Trade Finance

11 OCTOBER 1999

1. Time allowed : Three (3) hours
2. Total number of questions : Seven (7) questions on 4 pages
3. Number of questions to be answered : Five (5) questions of which at least two (2) must be from Part A [20 marks each]
4. Candidates must obtain a minimum of 16 marks in Part A as well as pass the paper as a whole.
5. Begin each answer to a new question on a fresh page.
6. Answer **all** questions in **English**.

PART A**ANSWER AT LEAST TWO (2) QUESTIONS**

1. Your customer, Bera Auto Sdn Bhd has found a new supplier in Japan for its components. Samples of the components have proven to be good. However, in order to secure a good buying price for the components, Bera Auto Sdn Bhd has to provide an irrevocable documentary credit payable at sight.

En Salleh of Bera Auto Sdn Bhd comes to see you and says that Bera Auto Sdn Bhd has been asked for a letter of credit (LC) for USD5,000,000 covering shipments over **six** months. En Salleh has the following concerns:

- Issuing such a large LC;
- Receiving a consistent quality of goods throughout the life of the contract; and
- Experiencing fraud in transit, which he has heard is becoming prevalent in some trades.

Required:

- (a) En Salleh wants to know if the LC can be cancelled if the first delivery of the components is not up to the standard of the sample components provided or if Bera Auto Sdn Bhd becomes aware of any fraud. What would be your advice to him? [4]
- (b) Describe how the LC could be worded to cover shipments over a period of **six** months. [4]
- (c) Name and explain documentary evidence that could be built into the LC to minimise the risk of not receiving goods of the required quality. [6]
- (d) Outline ways in which the requested LC could be reworded to provide a greater degree of protection to Bera Auto Sdn Bhd. [6]

(Total:20 marks)

2. (a) Indah Trading Sdn Bhd, your valued customer, has previously sold its goods to a buyer in Indonesia on open account terms. However, due to the uncertainty in the economic situation in Indonesia, Indah Trading Sdn Bhd now requires payment terms which are more secured.

Indah Trading Sdn Bhd's buyer in Indonesia has suggested the following payment terms:

- FCA Jakarta Airport
- Documentary collection sight drafts D/P

Required:

What particular formalities would you suggest to ensure that the new payment terms are more secured than the open account terms? [6]

- (b) Apart from the normal requirements, what particular details would you look for on a bill of lading to ensure that your exporter who sold the goods on the following terms had met the contract terms:
- (i) FAS Bangkok [2]
- (ii) FOB Tokyo [2]
- (iii) CIF Amsterdam [2]
- (c) Your bank customer, who is an exporter, hands you a documentary collection. Your bank then decides to purchase the documents under the customer's bills purchase facility.
- (i) What is your bank's liability in relation to the examination of the documents? [4]

- (ii) What other measures should your bank take to ensure that its interest is equally protected before sending the documents abroad? [4]

(Total:20 marks)

3. (a) Your customer, Shan Glove Manufacturing Sdn Bhd received a letter of credit (LC) which called for a bill of lading as means of transporting the company's goods to a French importer. Prior to the despatch of the goods, Mr Shan of Shan Glove Manufacturing Sdn Bhd received a telex request from the French importer to send the goods via airfreight instead of by sea. Mr Shan agreed to this request in view of the long-term relationship he has with the French importer. Mr Shan now presents the documents to you and has requested you to negotiate and pay him the proceed.

- (i) Would your bank agree to negotiate the LC and pay the proceed to Mr Shan? Explain your answer. [2]

- (ii) Briefly explain the alternative course of action you would take or your suggestion to Mr Shan in relation to your answer in (i) above. [6]

- (b) Your bank issued an LC which called for a complete set of clean, shipped on board bills of lading, bank endorsed. The credit also called for a sight draft. On presentation, the documents are in order, but the applicant is insolvent. Briefly explain what would be your next course of action. [4]

- (c) Why is it important for an importer to have possession of a complete set of bills of lading, properly endorsed, in order to obtain the goods on arrival at an overseas port? [4]

- (d) What is the significance of the words "negotiable" and "not negotiable" on transport documents? [4]
(Total:20 marks)

PART B

4. (a) You have been invited by the local chamber of commerce to present a lecture on the "Roles of Banks in Financing International Trade". After your presentation, a member of the audience asked you of the following:

"My company has recently been approached by a French company to supply plywood. The terms quoted are **90** days after shipment date D/A. As it is a buyer's market, and we are unable to vary the terms of the shipment, what are the risks in my company accepting this quotation? Can you also suggest some remedies to mitigate these risks?"

Required:

- (i) What are the risks in the company accepting the above quotation? [6]

- (ii) State your suggestions, which would help the company, mitigate some of the risks. [6]

- (b) A bank purchases a bill of exchange drawn in connection of a documentary collection.

- (i) Will the presenting bank know of the purchasing aspect when it receives the collection? [2]

- (ii) The exporter instructs the bank **not** to protest on the collection order. Can the remitting bank legally amend the collection order to indicate the protest? [2]

- (iii) Why is "noting" cheaper than "protesting"? [2]

- (c) Between a D/P and a D/A, which is considered more secured from an exporter's point of view? Explain your answer. [2]

(Total:20 marks)

5. (a) Timuran Steel Sdn Bhd (“Timuran”) manufactures and exports steel pipes. Timuran has just obtained a sale abroad on confirmed irrevocable letter of credit (LC) terms. The LC has been issued, confirmed and advised to the exporter. The exporter needs to obtain supplies from a local supplier and requires credit.

How could the exporter use the LC to assure his local steel supplier that payment for the steel would be forthcoming? [8]

- (b) Naoki Timber Trading Sdn Bhd (“Naoki”) is your customer who exports timber to Netherlands. Naoki has always found difficulty in obtaining supplies of logs from their local supplier. However, Naoki has recently found a reputable supplier, Deep Wood Sdn Bhd to supply the logs. Deep Wood Sdn Bhd has offered to supply the logs to Naoki subject to receiving finance for each transaction.

Briefly explain the methods available to Naoki to arrange for the finance of such transactions by using only documentary credits. Your answer should include the details of the various steps to be taken, and the roles and responsibilities of the various parties involved. [6]

- (c) There are **three** types of loans that may be drawdown by direct exporters under the ECR pre-shipment scheme.

Name and briefly describe the **three** types of loans. [6]
(Total:20 marks)

6. (a) You have received documents for collection from a bank in South Africa comprising the following:

- Sight draft of USD25,075.23 drawn on your customers, Indri Sdn Bhd;
- Invoice showing value of the goods as USD25,075.23 CIF Port Kelang;
- Insurance certificate; and
- Full set of bills of lading evidencing shipment of goods from Johannesburg to Port Kelang.

The instruction from the South African bank is to release the documents against payment at sight draft. On presentation, your customer has offered USD15,000 cash and a **one**-month post-dated cheque.

How would you respond to the offer and why? [8]

- (b) **One** of the most common short-term working capital trade financing is trust receipt.

(i) In order to have the maximum protection under trust receipts, banks expect importers to undertake several measures. Name any **three** of these measures. [6]

(ii) Explain why would a bank also request the importer to accept a usance bill of exchange drawn on the bank after the importer has signed the trust receipt. [2]

- (c) There are several features under the Bankers’ Acceptances scheme. Name **four** of these features. [4]
(Total:20 marks)

7. Your customer, Bukit Seraya Bhd, acts as a “middleman” selling a range of engineering products to various countries in the Middle East. Mr Leong, one of the directors of Bukit Seraya Bhd, comes to see you to discuss a potential contract of USD5,000,000 with his buyer. The proposals are that the supplier of the goods would require a guarantee of payment, and that the eventual purchaser would arrange for some form of undertaking in Bukit Seraya Bhd’s favour. As Bukit Seraya Bhd’s balance sheet has insufficient strength to finance an operation of this nature, you are asked if you could suggest a banking instrument which will assist them.

You understand that the contract will be established in USD and the price is ex-works. The supplier and buyer are aware of one another’s existence, but both parties insist that their names are not to be disclosed to anyone other than your bank.

Required:

- (a) Suggest a banking instrument that will cater for the needs of all parties, bearing in mind the customer's financial position. Give reasons for your answer and include specific reference to the internationally agreed applicable procedures. [8]
- (b) What are the terms and conditions that should be incorporated into the banking instrument? Explain your answer. [8]
- (c) From the point of view of the exporter's bank, why is a standby letter of credit less onerous than a bank guarantee? [4]

(Total:20 marks)

OUTLINE ANSWERS

PART A

Question 1

Only a few candidates who attempted the question on ways documents can help to structure and minimise risk managed to pass this question. Many candidates did not describe the exact document that was asked for in the question and lost valuable marks.

(a) **Irrevocable credits and sub-standard goods**

An irrevocable credit is one that cannot be cancelled or amended in anyway without the consent of all parties to the credit. There is nothing to prevent Bera Auto Sdn Bhd from asking the issuing bank to cancel the credit, but the beneficiary can simply reject the proposed amendment.

Fraud and irrevocable credit

Bera Auto Sdn Bhd would not have to pay if the fraud was evidenced by the documents, for example if the documents evidenced the goods shipped in dock instead of on board. Bera Auto Sdn Bhd could also take legal action to prevent further shipments of goods. Otherwise, the position is as above.

- (b) The credit should have a six months expiry date and should describe the goods, unit price and total amount. It should then state that partial shipments are allowed. However, under UCP Art 40, partial shipments and partial drawings are allowed unless the credit states otherwise.

The credit could set out the shipments schedule showing the instalment, along with the latest shipment date for each instalment. As per UCP Art 41, if any instalment is not drawn or goods are not shipped by the stipulated period, the credit ceases to be effective as regards to that instalment and any other instalment, unless otherwise stipulated in the credit.

- (c) The credit could call for a third party inspection certificate, issued by a reputable organisation in the seller's country, stating that goods are of a specific standard. Under Art 21 of UCP, the credit must state by whom the document is to be issued and must specify the wording or data content, otherwise, the bank will accept such document as presented, provided they are consistent with the other documents presented.

The credit could also call for a certificate signed by Bera Auto Sdn Bhd to certify that it has accepted and approved the sample of goods within a certain number of days prior to shipment. Alternatively, the credit could also call for a certificate signed by Bera Auto Sdn Bhd or its authorised agent to certify that the goods have been inspected and approved within a given number of days prior to shipment.

It all depends on the bargaining power between the two parties as to which type of documents they would like to have to ensure certification has been done.

- (d) (i) Call for third party documents.
- (ii) State that documents must be presented in strict compliance of the terms and conditions of the letter of credit and that banker's indemnity is not allowed.
- (iii) Nominate an office or subsidiary of the issuing bank as negotiating/paying bank.
- (iv) Show the amount of goods and money for the first shipment only. If that shipment is satisfactory the credit could be amended for further shipments.
- (v) Issue the credit with an expiry date six months' thereof, but show the amount only one-sixth of the full amount. The credit could then state that it is a revolving credit and the amount could be re-instated provided the issuing bank provides a tested telex amendment.

- (vi) Issue the credit as a standby credit for one-sixth of the full amount. The credit could guarantee payment against a copy invoice and copy bill of lading, together with a signed certificate from the named beneficiary, to say payment has not been made. The beneficiary would then trade on an open account but the standby letter of credit would serve as a guarantee for payment.
- (vii) The credit could also ask for a retention monies guarantee, whilst not allowing Bera Auto Sdn Bhd to revoke the credit, would subsequently allow them to claim reimbursement if the goods were proved to be sub-standard.

Question 2

Another poorly attempted question by most of the candidates was on how to mitigate risk. Majority of the candidates went out of topic by providing other means of mitigating risk.

- (a) FCA Jakarta Airport means Free Carrier to Jakarta. Consignee will pay the main carriage fee. If the airway bill shows the importer as consignee, then the documentary collection will be NO more secured than open account. On arrival of the goods at the overseas airport, the importer will be notified and he will then be able to collect the goods simply by providing identification.

Thus, if the importer is shown as the consignee, he will be able to obtain possession of the goods whether or not he pays the collection. This is because an airway bill is not a document of title.

In order to make this payment more secured, the airway bill should show the collecting bank as the consignee. Under this arrangement, the collecting bank will not allow the goods to be released to the importer until he pays for them. The prior permission of the importer and the collecting bank is necessary, otherwise the collecting bank is entitled to refuse to have any dealings whatsoever with the goods. In practice, the collecting bank is unlikely to agree to act unless its customer is of major importance.

One other possible way of increasing the security is for the exporter to have his name shown as the consignee on the airway bill. The documentary collection is then sent in the usual way, but among the documents, is the delivery order, signed by the exporter in favour of the importer. If the importer pays or accepts the bill of exchange, he will obtain the delivery order that will authorise the Freight Company to release the goods to him. Without the delivery order, the company cannot obtain the goods.

- (b)
 - (i) The bill of lading would show the goods as being received for shipment by the port of Bangkok. It would be marked *freight payable at destination*.
 - (ii) As (a) above, the bill of lading would show the goods as shipped on board a named vessel at the port of Tokyo.
 - (iii) The bill of lading would show the goods as shipped on board a named vessel, destination Amsterdam, and would be marked *freight prepaid*.
- (c)
 - (i) The bank's legal liability is set in the URC. The bank must check that they appear to have received the documents specified in the collection order, but they have no liability to examine the documents in more details.
 - (ii) If the bank decides to purchase the documents, the bank will ensure the following additional checks before it sends the documents abroad.
 - Ensure that the BE is correctly drawn, signed and endorsed.
 - Ensure amount in BE agrees with invoice (and collection order).
 - If BL is made out to order, it has been endorsed in blank by shipper.
 - Ensure full set of BL is presented. If any are missing, an explanation should be obtained and the collecting bank must be advised.
 - Ensure shipping mark ties up with rest of documents.
 - If invoice shows Incoterm applies, check that the remaining documents conform to

- Incoterm, e.g. CIF means the BL is marked prepaid and Insurance Certificate is presented.
- Ensure the instruction order in the collection is in order.
- Ensure customer signs the collection order.

Question 3

The most popular question attempted by almost all the candidates was to test candidates understanding on ways to resolve discrepancies. Those candidates who understood the concept scored above average marks for this question. However, a few of them lost marks when they did not support their arguments strongly by providing good examples.

- (a) (i) Under UCP, bank deals in documents only, not in goods, and banks are not directly concerned with the underlying sales contract. Hence, the bank will reject the presentation/negotiation, since the documents do not conform to the credit.
- (ii) The best course of action would be for the documents to be corrected/amended. In this case, Mr Shan could possibly ask his importer to amend the LC to allow shipment by air. However, this might not be possible if the LC is nearing expiry date. When amendment is not possible, the other alternatives are:
- Mr Shan can ask the bank to treat it as a simple documentary collection and send the documents to the issuing bank for payment. Since the importer is a long-term business associate of Mr Shan, the possibility of the payments being rejected is minimal. Besides, the importer requested the change of transportation terms.
 - You may choose to negotiate the documents under reserve. Mr Shan will provide you with his indemnity in case the issuing bank refuses payment due to the discrepancy. To do this, you must have assessed Mr Shan's credit standing with the bank.
 - You may choose to telex the issuing bank first, seeking authority to negotiate despite the discrepancy. Since the request for change of means of transportation came from the applicant, it would not be a problem for the issuing bank to get the applicant's agreement for this.
- (b) The issuing bank must pay for the credit. It will obtain the controls of the goods, via the bills of lading and will sell them for reimbursement. The bank has the right to take action against the applicant with regards to any shortfall in the sales proceed.
- (c) The shipping company will release the goods from the overseas port against production of any one of the original bill of lading. Hence, if a third party holds an original bill of lading, he may be able to obtain the goods before the importer arrives to claim them.
- (d) Generally, the word negotiable indicates that a document is a document of title whereas not negotiable indicates that the transport document is not a document of title.

PART B**Question 4**

The question on Risk in International Trade was attempted by most of the candidates. This question required candidates to focus on the risk mainly in relation to the macro level. Some candidates lost marks when they elaborated on various risks, thus providing lengthy but irrelevant answers.

- (a) (i) The risks to the company are:

Buyer Risk

- The buyer may not take up the documents. In this case, the exporter still retains legal control, but the actual goods are physically in France.
- The buyer will obtain the documents, and hence the goods, once he accepts a bill of exchange. But there is no guarantee that the bill of exchange will be paid on the due date.

Country Risk

The French government could impose exchange controls to prevent buyer from paying. This is most unlikely to happen in the case of France.

Transit Risk

The goods could be damaged on their journey to France.

- (ii) Recommendation for remedies:

Buyer Risk

- Failure to take goods. Insert a store and insure clause on the collection order, plus details of a case of need if your exporter has a reliable agent in France near to the buyer. The extent of the case of need's authority must be stated on the collection order.
- Failure to pay the accepted bill. The risk can be reduced by:
 - Inserting a protest instruction on the collection order. If not paid, it will cause severe damage to the credit of the French buyer;
 - Take out insurance against non-payment via MECIB;
 - Obtain a status report on the drawee/buyer;
 - See if arrangement can be agreed for acceptance of aval.

Country Risk

Probably not applicable, but could be covered if insurance is held.

Transit Risk

- Insure the goods in accordance with the Incoterms.
- Consider sellers' interest insurance if FOB, etc terms apply.
- Use reliable freight forwarder. The bank can recommend one.

- (b) (i) The presenting bank will not know about the purchasing aspect. The remitting bank will submit the documents and will use the normal collection order.

- (ii) The exporter will have signed a purchasing authority that will authorise the bank to amend his instruction on the collection order as he deems fit. In view that the bank has its financial interest in the documents, amending an instruction would protect its interest.
- (iii) With noting, the notary public does not personally visit the drawee but with protesting, he does.
- (c) D/P is more secured as the exporter retains control over the goods until payment is made under the D/P terms whereas under D/A terms, the buyer would have taken possession of the goods with a promise to pay on a future determinable date.

Question 5

Most candidates attempted the question on structuring solutions for various exports financing alternatives poorly. Only a few candidates who attempted this question managed to pass. These candidates failed to understand the question thoroughly. Candidates lost marks further when they were unable to differentiate between transferable Letters of Credit, back-to-back Letters of Credit and red clause Letters of Credit.

- (a) The exporter could arrange for the confirming bank to issue a letter of assignment which could bind the bank to pay over a stated amount from the proceeds, if any, received from the presentation under the credit terms.

(Back-to-back and Transferable Credit are not applicable here as the exporter is purchasing a semi-finished product from his supplier unless his bank is prepared to take the master LC as a collateral for the issuance of the slave or second LC to the local supplier).

- (b) (i) A red clause letter of credit is required. The applicant is Naoki, the issuing bank is ourselves and the beneficiary is Deep Wood Sdn Bhd. The credit will authorise the advising bank to advance to Deep Wood prior to the delivery. Deep Wood will use the money to purchase the logs. A red clause letter of credit amounts to an unsecured loan to the beneficiary for which the applicant is liable.
- (ii) An ECR pre-shipment facility.
- (iii) A Packing Credit facility.

- (c) (i) **Value added loan (VAL)**

The proceeds of VAL have to be used to finance the exporters overhead expenses in relation to the products to be exported. The amount available should not exceed 30% of the 'eligible' amount whichever finance method is used – order-based or certificate of performance. The amount differs depending upon the reasons why finance is needed. Agricultural producers may draw down merely at his request. Trading companies are not permitted to draw down VAL.

- (ii) **Domestic input loan (DIL)**

The proceed of DIL have to be used to purchase input materials from domestic suppliers. Again, the conditions that need to be satisfied for disbursement vary. It may be drawdown either against the reimbursement of the ECR DLC, ECR DPO or under the Cash Reimbursement method.

- (iii) **Domestic output loan (DOL)**

This type of loan is only available to trading companies. Such companies can raise finance in relation to their purchases of intermediate or final products from domestic suppliers. As in the case of DIL, the drawdown will be against an ECR DLC, ECR DPO or CRS.

Question 6

The question on collections-product and other import-based products and Bankers' Acceptances was the most preferred question by candidates. Most of the candidates managed to score above average marks for this question.

- (a) The Malaysian presenting bank is acting as an agent of the South African bank. The duty of care is owed to the South African bank.

The collection order will stipulate that it is subject to Uniform Rules for Collection, unless any clause in the collection order contradicts these rules. If the Rules contravene any Malaysian law, then the Malaysian law will prevail.

Proceed as follows:

- (i) Do not release the documents as URC will only allow release of documents against full payment. Treat the bill as being dishonored.
- (ii) Advise the South African Bank of the offer and ask for instructions.
- (iii) Examine the collection order for:
 - Whether to protest.
 - The method of advise of dishonor to the South African Bank (cable or airmail).
 - Whether there is a case of need.
 - Whether to store or insure the goods.

Follow the instructions of the South African bank when they reply. Any expenses incurred by the Malaysian bank will be claimed from the South African bank, as they are the principals and the Malaysian bank is the agent.

- (b) (i) (1) To hold in trust the following:
 - the goods and/or documents of title relating thereto.
 - the sales proceed (and, upon receipt, pay the proceeds to the importer's bank).
 - amount that relates to any insurance claims (and, upon receipt, pay the proceeds to the importer's bank).
- (2) To keep the goods adequately stored and insured at all times.
- (3) If any goods are not sold following their release from the bank's control, to return them to the bank's control.
- (4) To provide, upon the bank's request, a signed letter of indemnity.
- (ii) Besides asking the customer to sign a trust receipt, some banks may additionally get the importer to accept a usance bill of exchange, on which the financing bank is both the drawer and payee and the importer is the drawee. The reasons for doing so are:
 - The bank may not want to solely rely on the goods as security.
 - The goods may not always be in control of the bank, e.g. if the customer holds the documents of title, or the customer places the goods in his warehouse of choice, or if the customer attends to the delivery of the goods to the onward buyer, etc.

By taking the accepted bill of exchange, in any event of default, the bank can present the bill of exchange to the importer on the maturity date for payment. If the importer does not pay for the bill, it can be enforced under the Bill of Exchange Act. To obtain payment from the BE Act is much simpler than having to sue someone for repayment of debt.

- (c) (i) The bill of exchange, which is to be used to obtain finance, is drawn payable on a specified future date and excludes days of grace.
- (ii) The maturity date of the BE is beyond the date the importer is expected to pay. This, then, enables the accepting bank to be put 'in funds' to meet payment that will be demanded from it on the maturity day.
- (iii) The bills of exchange either drawn on the commercial or merchant bank must be payable at the head office, central office or main office of the bank.
- (iv) BE must be drawn payable to the drawer.
- (v) BE can only be drawn in multiples of RM1,000 and cannot be for an amount of less than RM30,000. When it is not in multiples of RM1,000, it should be rounded to the lower thousand.
- (vi) The BE can neither be drawn for a period of less than 21 days nor can it be for a period of more than 365 days from date of acceptance.
- (vii) The tenor should be reflective of the credit period that would normally be given by the business engaged in that particular trade. Hence, if the normal credit period is 180 days, then the BE should not be drawn for a period longer than that. When the credit sales is made to a non-resident and the normal credit period is in excess of 6 months, prior approval of the Controller of Exchange is needed before the BE is drawn and accepted.
- (viii) BE should not mature either on a Sunday or Public holiday. Should the bill exceptionally mature on a public holiday, it will fall due for payment on the next working day.
- (ix) The bill of exchange must be drawn on a standard format and size and written on the face where finance is being drawdown in relation to a trade transaction.

Question 7

The most unpopular question was on the various export trade products. Only a small percentage of candidates attempted this question and most of them did not understand the requirement of the question.

- (a) The fact that the customer has been asked to give a guarantee means that the customer's facilities would be severely curtailed and he would not be able to finance his operations. The question does not say that the customer's balance sheet has insufficient strength to finance an operation of this nature. Therefore, one has to suggest a banking instrument that would cater for the needs of all parties bearing in mind the customer's financial position. This is an irrevocable letter of credit that should be transferable in whole or in part.

A transferable letter of credit, issued subject to UCP 500 Art 48 would satisfy the need of all parties. It is an unalterable undertaking of the issuing bank which would guarantee the supplier that payment would be made, providing the documents presented are in accordance with the terms and conditions of the credit.

- (b) The terms and conditions that I, as the banker to Bukit Seraya, would 'insist' upon are as follows:
- The LC should be confirmed by my bank and payable at my counter.
 - The transferred LC would be issued in the name of Bukit Seraya, as opener.
 - The transferred LC would be for a lesser amount, if appropriate for a smaller unit price, shorter shipments date, and would expire earlier than the master credit.
 - Any other documents should be issued in the name of Bukit Seraya, or alternatively the documents should be issued in a neutral name. Alternatively, I should also insist that the master LC permits third party documents to be acceptable.

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- The transferred LC should also include a clause to state “Discrepant documents not acceptable and bankers indemnities are prohibited”.
- (c) SBLC is governed by a clear set of rules, UCP. In addition, there is a stated expiry date that cannot be amended without the exporter’s consent and that of his bank.