



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

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To: All *Comptroller's Handbook* Subscribers

The enclosed booklet, "Trade Finance," is part of an ongoing update and revision of the *Comptroller's Handbook*. The booklet replaces the "Letters of Credit and Guarantees Issued" section of the "*Comptroller's Handbook for National Bank Examiners*," dated 1977. The booklet provides detailed guidance on how to understand and evaluate a bank's trade finance activities. Banker's acceptances, another major trade finance product, are the topic of a separate booklet in the *Comptroller's Handbook*.

The availability of trade finance facilitates the transfer of commodities and manufactured goods between countries. "Trade Finance" includes a discussion of the risks inherent in trade finance activities, identifies various trade financing instruments and the accompanying documentation, and discusses relevant legislation.

This booklet incorporates the OCC's supervision by risk philosophy. Procedures are presented to guide examiners to conclusions about the quantity of a bank's risk and the quality of its risk management. Examiners should consult this booklet, as needed, if a bank engages in trade finance activities.

If you have any questions regarding this booklet, please contact the International Banking and Finance Division at (202) 874-4730.

To order more copies of the booklet, please send your request and \$15 for each booklet to the Office of the Comptroller of the Currency, P.O. Box 70004, Chicago, IL 60673-0004