



**CHARTERED INSTITUTE OF BANKERS (GHANA)
ASSOCIATESHIP EXAMINATION**

LEVEL IV

CORPORATE BANKING – LAW AND PRACTICE

JULY 2020

N.B:

1. Read carefully the instructions on the cover of the answer book.
2. **SECTION A** contains **THREE 30-mark** questions from which candidates should answer **TWO**. **SECTION B** contains **THREE 20-mark** questions from which candidates should answer **TWO**.
Candidates will answer a total of **FOUR** questions.
3. The total number of questions in this paper is **SIX**.
4. No aids such as calculators, books, dictionaries, papers, mathematical sets or slide rules are permitted in this examination.
5. Time allowed: **THREE HOURS**.
6. An additional **15 minutes** reading time is allowed at the beginning of the examination when candidates may write on this paper but **NOT** in the answer book.
7. Candidates must ensure that they answer questions in the appropriate answer book and **NOT** on loose sheets which are used only as supplementary sheets. Such answers will be cancelled.
8. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOK.**
9. **DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE INSTRUCTED TO DO SO**

SECTION A

QUESTION ONE

1. (a) Describe the method of payments mentioned in Article 6(b) of the UCP 600 for documentary credits.
(b) Explain the issues relating to:
 - (i) payment under reserve
 - (ii) Payment by mistake.

(30 Marks)

2. As part of the lending process,
 - (a) Describe the duties or functions of the following:
 - (i) credit reference bureau, and
 - (ii) collateral registry
 - (b) Provisions under section 62 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

(30 Marks)

3. (a) Describe the type of assets used by borrowers as security in banking transactions.
(b) What must be considered by the lender in accepting assets as security?

(30 Marks)

SECTION B

4. (a) Describe the nature of the negotiability of bonds and notes.
(b) Explain the legal issues with negotiability of bonds and notes.
(c) The negotiability of foreign bonds.

(20 marks)

5. What is the significance of arbitration clauses in international banking arrangements?

(20 marks)

6. What is the basic structure of a syndicated loan agreement?

(20 marks)