



**CHARTERED INSTITUTE OF BANKERS, GHANA
ASSOCIATESHIP EXAMINATION**

LEVEL IV

CORPORATE BANKING – LAW AND PRACTICE

APRIL 2023

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 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 – ANSWER ANY TWO

QUESTION ONE

In the decided case of **Barclays Bank Ltd. Vs. Sakari** [1996-97] GLR 639 SC the court held that ‘the duty of the bank is to advance money and that of the customer is to repay the loan with interest, if any’.

Describe the implications of this ruling on the banker customer relationship. **(30 Marks)**

QUESTION TWO

Explain the legal implications of the following:

- (a) Letter of comfort
- (b) Rescheduling in term loan agreements
- (c) Discrepancy in documents in international banking transactions
- (d) Tax avoidance schemes
- (e) Not selecting expressly the governing law in cross-border loan agreements.

(Each answer carries 6 Marks)

(Total: 30 Marks)

QUESTION THREE

Describe the following:

- a) The jurisdiction of Ghanaian courts to adjudicate on disputes relating to international banking transactions
- b) The role of alternative dispute resolutions in banking transactions.
- c) Immunities of an international organization.
- d) Role of an agent in syndicated loan agreements.
- e) Interest rate swaps.

(Each answer carries 6 Marks)

(Total: 30 Marks)

SECTION B – ANSWER ANY TWO

QUESTION FOUR

- a) Under the ICC Uniform Customs and Practice for Documentary Credits (UCP) 600, how is a documentary credit defined? **(10 Marks)**
- b) Describe the contractual relations between the parties to documentary credits. **(10 Marks)**
- (Total: 20 Marks)**

QUESTION FIVE

- a) Distinguish between a bond, note and commercial paper. **(10 marks)**
- b) Describe the key characteristics of bonds. **(10 marks)**
- (Total: 20 Marks)**

QUESTION SIX

The Calvo doctrine presents one of the risks associated with lending to a sovereign state.

- (a) Explain what constitutes the Calvo Doctrine. **(5 Marks)**
- (b) Describe the other risks associated with lending to a foreign state. **(15 Marks)**
- (Total: 20 Marks)**