

Chapter 9

International Procedure & Documentation

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9.1 Procedures of an Export Transact



The purpose of export trade is to transfer domestic goods to foreign buyers. The seller must have the goods available for sale, to find the intention to purchase goods from foreign customers, and carry out trade negotiations and reach agreements which both parties are willing to. After the agreement, the seller must supply goods in accordance with the agreement and receive the funds safely.



Figure 1 Operation Program of Export by Sea under L/C Payment



9.2 Procedures of an Import Transaction

The business procedure of import trade is also divided into four stages:

- 1 preparation before the transaction
- 2 transaction negotiation and contract conclusion
- 3 contract fulfillment
- 4 business timely aftermath.

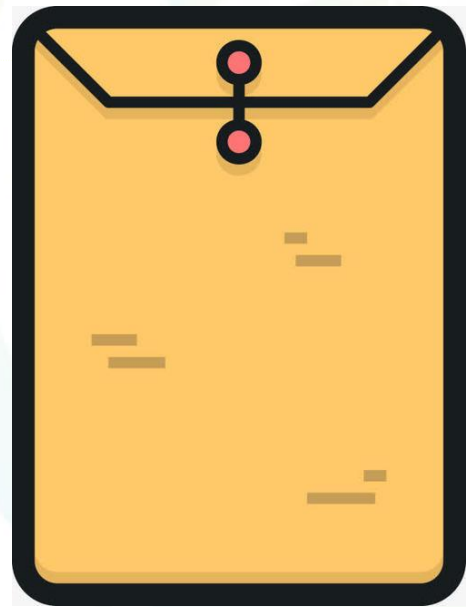
The basic business procedure of import trade is shown in figure 10.1.



9.3 Documentation

1. Significance of Export Documentation

The importance of documentation, in a sense, can be amplified by saying that the exchange of documents takes priority over the exchange of goods in some international transactions.





2. Basic Requirements for Export Documentation

Documentation for every transaction should meet the following basic requirements:



correctness



completeness



conciseness



cleanness



promptness



9.3 Documentation

Mainly Documents for Export:

01 Commercial Invoice

Packing list 02

03 Bill of lading

Insurance policy 04

05 Bill of exchange

Certificate of origin 06



COMMERCIAL INVOICE

1) 8Floor International Building Wuxi Road Fuzhou Fujian China. Cable: "TIANHUI" or "3838" Telex: 92138 SHOE CN. Fax: (0591)7810256 2) TO	3) INVOICE NO.	4) INVOICE DATE
	5) L/C NO.	6) DATE
	7) ISSUED BY	
	8) CONTRACT NO.	9) DATE
	10) FROM	11) TO
	12) SHIPPED BY	13) PRICE TERM
14) MARKS 15) DESCRIPTION OF GOODS 16) QTY 17) UNIT PRICE 18) AMOUNT		
TOTAL AMOUNT IN WORDS: TOTAL GROSS WEIGHT: TOTAL NUMBER OF PACKAGE: <div style="text-align: right;"> 19) ISSUED BY 20) SIGNATURE </div>		

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TOTAL AMOUNT IN WORDS:		
TOTAL GROSS WEIGHT:		
TOTAL NUMBER OF PACKAGE:		
19)ISSUED BY		
20)SIGNATURE		

PACKING LIST

PACKING LIST

TO:

INVOICE NO:

INVOICE DATE:

S/C NO.:

B/L No.:

SHIPMETN FROM: _____ TO: _____

L/C No.: _____ DATE OF SHIPMENT: _____

MARKS &NUMBERS	DESCRIPTION OF GOODS	QAUNTIT Y	G.W.	N.W.	MEAS.
TOTAL					
TOTAL PACKAGE IN WORDS:					
(SIGNATURE)					

BILL OF LADING

1) SHIPPER			10) B/L NO. CARRIER: SINOTRANS SINOTRANS FUJIAN COMPANY OCEAN BILL OF LADING			
2) CONSIGNEE						
3) NOTIFY PARTY						
4)PLACE OF RECEIPT	5)OCEAN VESSEL					
6)VOYAGE NO.	7)PORT OF LOADING					
8)PORT OF DISCHARGE		9)PLACE OF DELIVERY				
11)MARKS 12)NOS.&KINDS OF PKGS. 13)DESCRIPTION OF GOODS 14)G.W.(kg) 15)MEAS (m3)						
16)						
17)TOTAL NUMBER OF CONTAINERS OR PACHAGES (IN WORDS)						
FREIGHT& CHARGES		REVENUE TONS	RATE	PER	PREPAID	COLLECT
PREPAID AT		PAYABLE AT		21)PLACE AND DATE OF ISSUE		
TOTAL PREPAID		18)NUMBER OF ORIGINAL B(S)L		22)		
LOADING ON		BOARD THE VESSEL				
19)DATE		20)BY				

INSURANCE POLICY

		中国人民保险公司 The People's Insurance Company of China 总公司设于北京 一九四九年创立 Head Office Beijing Established in 1949	
		货物运输保险单 CARGO TRANSPORTATION INSURANCE POLICY	
发票号(INVOICE NO.) _____		保单号次 _____	
合同号(CONTRACT NO.) _____		POLICY NO. _____	
信用证号(L/C NO.) _____			
被保险人: _____ INSURED: _____			
中国人民保险公司(以下简称本公司)根据被保险人的要求,向被保险人向本公司缴付约定的保险费,按照本保险单承保条件和背面所载条款与下列特款承保下述货物运输保险,特立本保险单。 THIS POLICY OF INSURANCE WITNESSES THAT THE PEOPLE'S INSURANCE COMPANY OF CHINA (HEREINAFTER CALLED "THE COMPANY") AT THE REQUEST OF THE INSURED AND IN CONSIDERATION OF THE AGREED PREMIUM PAID TO THE COMPANY BY THE INSURED, UNDERTAKES TO INSURE THE UNDERMENTIONED GOODS IN TRANSPORTATION SUBJECT TO THE CONDITIONS OF THIS OF THIS POLICY AS PER THE CLAUSES PRINTED OVERLEAF AND OTHER SPECIAL CLAUSES ATTACHED HEREON.			
标 记 MARKS&NOS	包装及数量 QUANTITY	保险货物项目 DESCRIPTION OF GOODS	保险金额 AMOUNT INSURED
总保险金额 TOTAL AMOUNT INSURED: _____			
保费: PREMIUM: AS ARRANGED	开始日期 DATE OF COMMENCEMENT: _____	载运货物工具: PER CONVEYANCE: _____	
自 FROM: _____	经 VIA _____	至 TO _____	
承保范围: CONDITIONS: _____			
所保货物,如发生保险单中可能引起索赔的损失或损坏,应立即通知本公司下述代理人查勘。如有索赔,应向本公司提交保险单正本(本保险单共有份正本)及有关文件。如一份正本已用于索赔,其余正本自动失效。 IN THE EVENT OF LOSS OR DAMAGE WHICH MAY RESULT IN A CLAIM UNDER THIS POLICY, IMMEDIATE NOTICE MUST BE GIVEN TO THE COMPANY'S AGENT AS MENTIONED HEREUNDER. CLAIMS, IF ANY, ONE OF THE ORIGINAL POLICY WHICH HAS BEEN ISSUED (ORIGINAL(S)) IN TOGETHER WITH THE RELEVANT DOCUMENTS SHALL BE SURRENDERED TO THE COMPANY, IF ONE OF THE ORIGINAL POLICY HAS BEEN ACCOMPLISHED, THE OTHERS TO BE VOID.			
赔款偿付地点 CLAIM PAYABLE AT _____		中国人民保险公司 The People's Insurance Company of China Authorized Signature _____	
出单日期 ISSUING DATE _____			

Bill of Exchange

BILL OF EXCHANGE

No. 1

For 2 3 (amount in figure)

(place and date of issue)

At 4 sight of this FIRST Bill of exchange (SECOND being unpaid)

Pay to 5 of order the sum of

3

(amount in words)

value received for 6 of 6

(quantity)

(name of commodity)

Drawn under 7

L/C No. 7 dated 7

To:

8

For and on behalf of

9

(signature)

GSP FORM A

1.Goods consigned from (Exporter's business name, address, country) FUJIAN ZHONGYI IMPORT & EXPORT CO.,LTD F. 18 FUXIANG BUILDING NO.119 WUSI FUZHOU FUJIAN P. R. CHINA		Reference No: GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A Issued in THE PEOPLE'S REPUBLIC OF <u>CHINA</u> (country) See Notes, overleaf			
2.Goods consigned to (Consignee's name, address, country) STURM HANDELS GMBH D-72108 ROTTENBURG. GARTENSTR.88 GERMANY					
3.Means of transport and route (as far as known) FROM FUZHOU TO HUMBURG BY SEA		4.For official use			
5.Item Number 01	6.Marks and numbers of packages STURM ZY02TB08019 HAMBURG C/No.1-550	7.Nunber and kind of packages; description of goods 550CTNS (SAY FIVE HUNDRED AND FIFTY CARTONS) 3 ITEMS OF RUCKSACK (CANVAS&NYLON BAGS) * * * * *	8.Origin criterion (see Notes overleaf) "P"	9.Gross weight or other quantity 14740.00KGS	10.Number and date of invoices INVOICE NO.: ZY07540 INVOICE DATE.: JULY.20.2008
11.Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. 中华人民共和国 福建出入境检验检疫局 (盖章) 曾建雄 FUZHOU. 5-AUG-2008 Place and date, signature and stamp of certifying authority			12.Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in CHINA (country) and that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to GERMANY (importing country) FUJIAN ZHONGYI IMPORT & EXPORT CO.,LTD 陈天成 FUZHOU , 5-AUG-2008 Place and date, signature of authorized signatory ,		

Case study 1

Our company exported a batch of motors by irrevocable letter of credit at sight, and the contract stipulated that the time of shipment was August, 2003. After signing the contract, we shipped and exported the goods in time according to the requirements of the letter of credit opened promptly by the other party. However, when making documents, the documentary staff made the commodity name on the commercial invoice into " MACHINERY AND MILL WORKS, MOTORS" according to the letter of credit, while the marine bill of lading only filled in the general designation of the commodity: "MOTORS".

Question: Can the paying bank refuse to make the payment based on this discrepancy? Why?

Case study 2

Our company exported certain product to foreign countries. The shipment period stipulated in L/C was in may, the presentation period was before 10th June , and the validity of L/C was June 25th. After receiving L/C, our company prepared the goods in time. However, due to the long production time of the products, the goods were not completed until May 27. After shipment, the bill of lading issued on May 29 was obtained. When we had prepared the documents and presented them on 8th June , this date coincided with the non-business days of the bank on 8th and 9th June.

Q: Can we finally get the payment from the bank? Why?

Case study analysis

Case study 1 Analysis:

Strictly speaking yes. However, payment can still be made if the bank believed that this was not a material discrepancy.

Case study2 Analysis:

payment is available. The presentation date can be extended to June 10, the first business day.



The background features a light gray hexagonal grid pattern. A large, solid yellow wave shape runs along the bottom edge of the slide. On the left side, there is a circular diagram composed of several concentric rings. The outermost ring is divided into segments labeled 'TWO', 'THREE', 'FOUR', and 'FIVE'. The inner rings contain various colored segments in shades of green and blue. A horizontal line, colored blue on the left and green on the right, extends from the left side of the slide across the middle.

Thanks