



TFP Trade Finance Program

SEMINAR ON INTERNATIONAL RULES AND PRACTICES
FOR SECURE INTERNATIONAL TRADE

17 June 2019

Hyatt Regency Tashkent | Navoi Street 1A, Tashkent, 100000, Uzbekistan

Agreeing International Contracts

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International Standard Banking Practice

for the Examination of Documents under Documentary Credits
2007 Revision for UCP 600



ICC

2010 REVISION



Incoterms® 2010

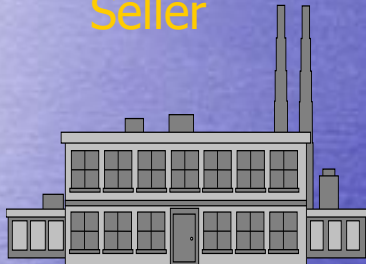
International Chamber of Commerce (ICC)
Use of domestic and international terms



• INCOTERMS

That Contract may take a number of different forms

Seller



SELLER agrees to sell

Formal Agreement

Proforma Invoice

Purchase Order

Exchange of Telexes

emails

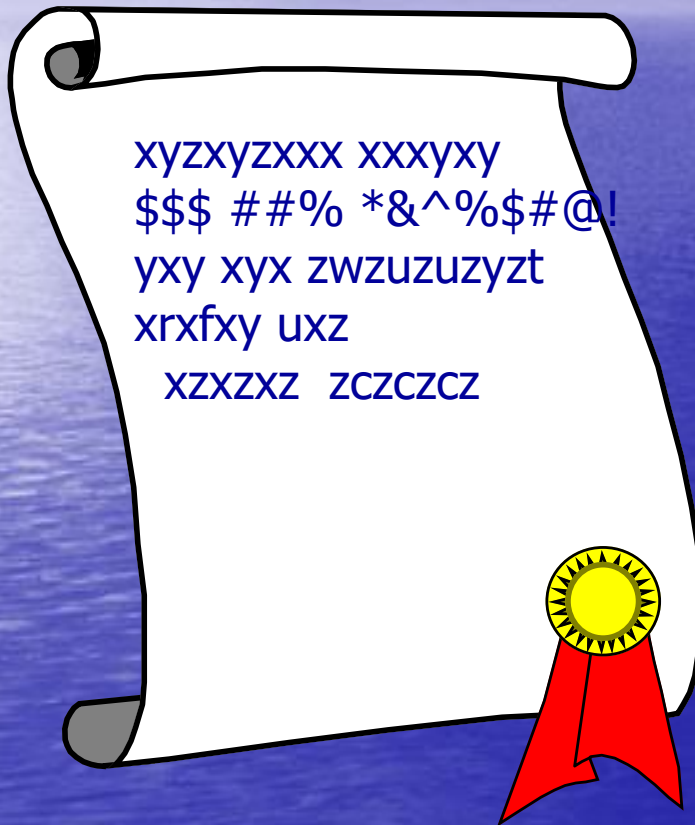
Buyer



BUYER agrees to buy

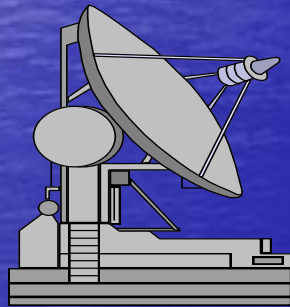
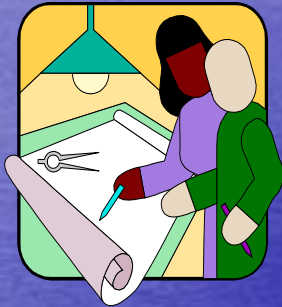


The Sales Contract covers



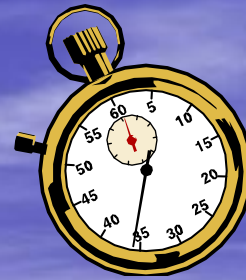
- Goods ...
- SHIPMENT
- FROM...TO...
- TERMS
 - INCOTERMS
 - Financing
- PRICE
 - Currency
- Method of Payment

Merchandise/Goods



- ❑ Description
- ❑ Quantity
- ❑ Quality
- ❑ Model
- ❑ Style
- ❑ Standards
- ❑ Services

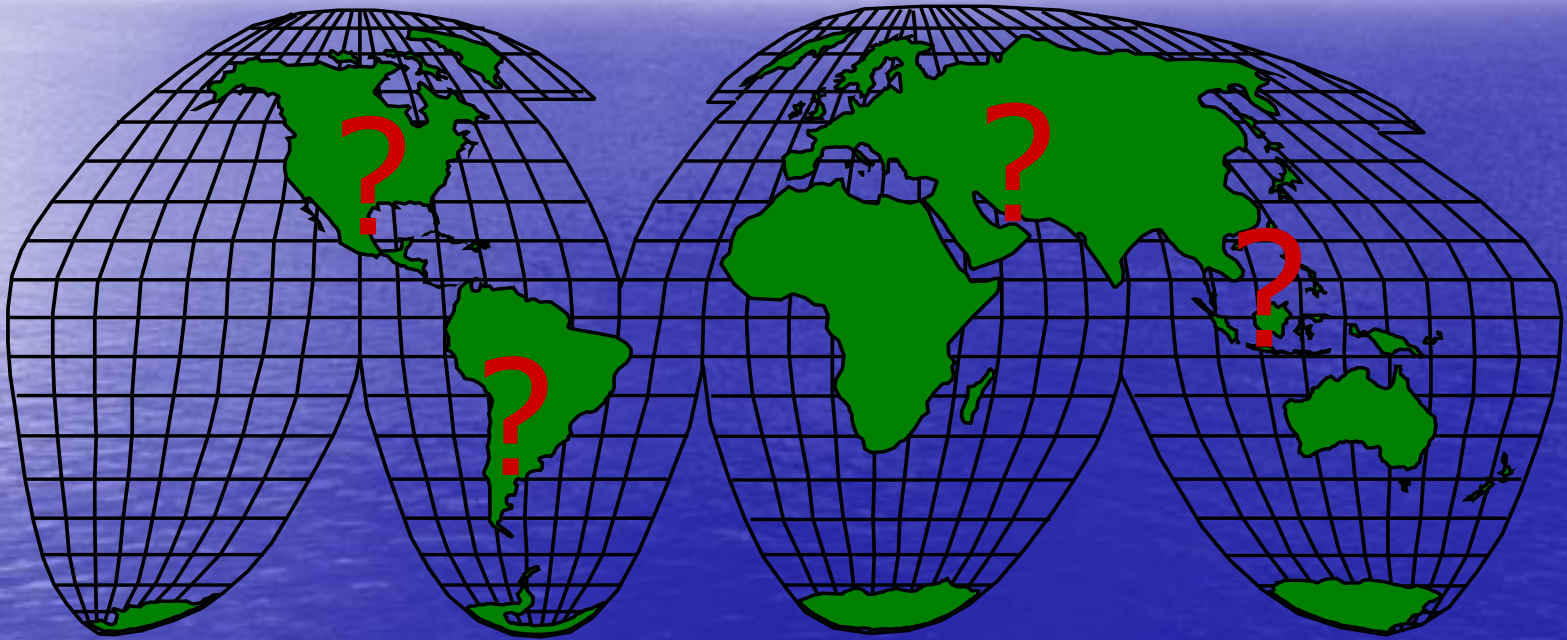
Shipment Date...



| October 2006 | | | | | | |
|--------------|----|----|----|----|----|----|
| | | | | | | |
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

From ...

To ...



The Role of Documents in International Trade.

- Evidence of specific fact or action.
- Presentation of Documents (evidence) to banks under Collections or Letters of Credit.



Documents



Financial or Commercial



COMMERCIAL
INVOICES

PACKING
LIST

CERTIFICATE
OF ORIGIN

INSURANCE
CERTIFICATE

TRANSPORT
DOCUMENTS



**1936 – 1957 – 1967 – 1974 – 1980
– 1990 – 2000 – 2010**



Port of Loading

Place of Receipt

USD3,250,000.00
CIF Jebel Ali Port Terminal 2.
....is acceptable.



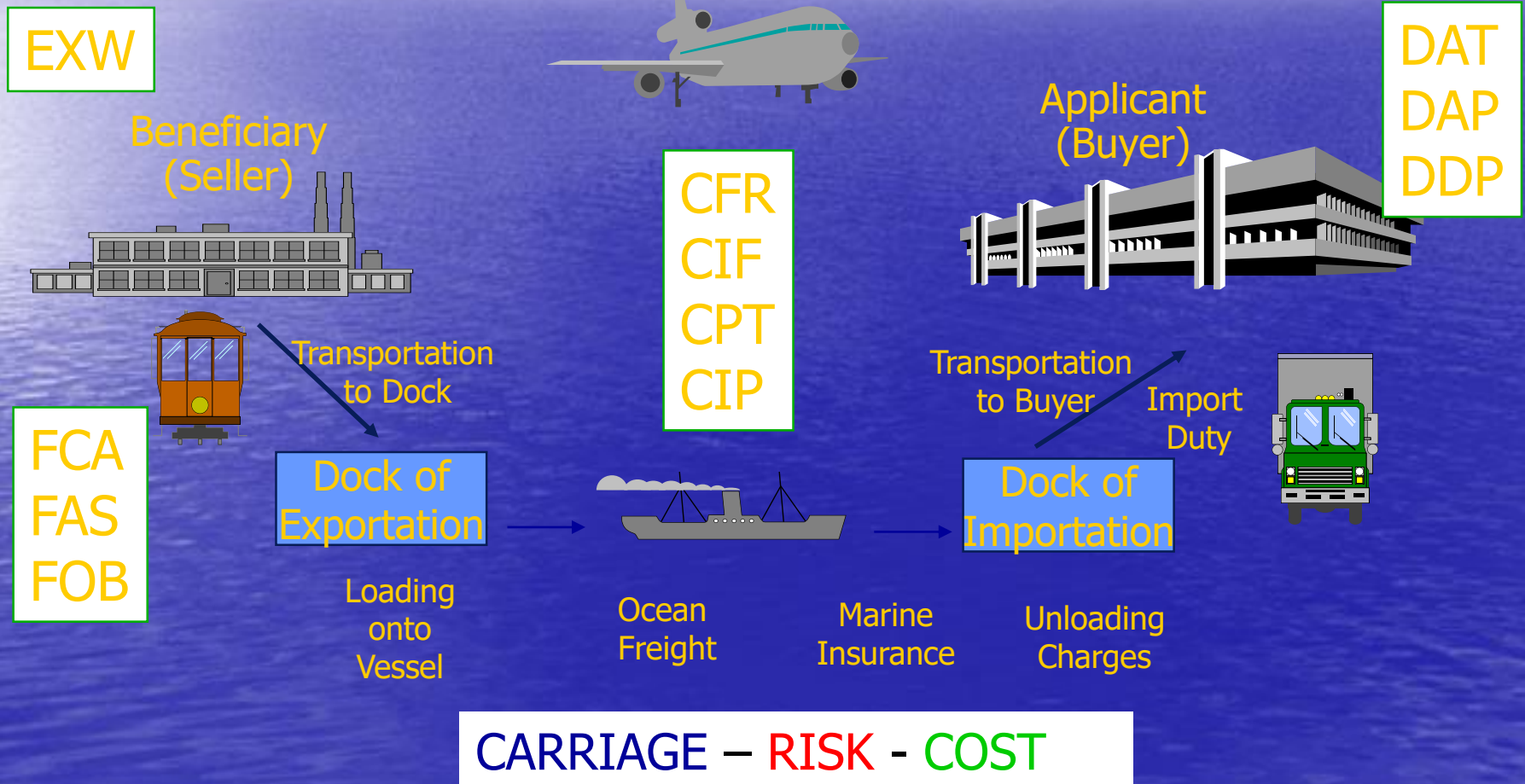
Great ...
.... That was easy
and clear!

Shared Imaging, Inc.(buyer) plaintiff
V
Neuromed Medical Systems & Support (seller)
defendant



INCOTERMS 2010

...international commercial terms



INCOTERMS

What do they define?



Who has to take care and pay for the **transport** of the goods



Who has to take care and pay for the **insurance** of the goods



Who has to take care and pay for **other costs** like, e.g. customs, handling,...



Define the place where the seller has to **DELIVERED** to the buyer.



Define clearly the place and time when the **risk is transferred** from one party to another.

INCOTERMS 2010

ICC publication 715 E

As of January 1st, 2011 the new “**INCOTERMS 2010**” came into force, involving the following changes in relation to INCOTERMS 2000:

4 INCOTERMS are eliminated and 2 new are created, all belonging to the so-called D's :

Eliminated

DDU

Delivered Duty Unpaid

DAF

Delivered At Frontier

DES

Delivered Ex Ship

DEQ

Delivered Ex Quay

New terms

DAT

Delivered At Terminal

DAP

Delivered At Place



| OBLIGATIONS OF SELLER | OBLIGATIONS OF BUYER |
|---|---|
| A1 General obligations of the seller | B1 General obligations of the buyer |
| A2 Licenses, authorizations security clearances and other formalities | B2 Licenses, authorizations security clearances and other formalities |
| A3 Contracts of carriage and insurance | B3 Contracts of carriage and insurance |
| A4 Delivery | B4 Taking delivery |
| A5 Transfer of risks | B5 Transfer of risks |
| A6 Allocation of costs | B6 Allocation of costs |
| A7 Notices to the buyer | B7 Notices to the seller |
| A8 Delivery document | B8 Proof of delivery |
| A9 Checking-packaging-marking | B9 Inspection of goods |
| A10 Assistance with information and related costs | B10 Assistance with information and related costs |

INCOTERMS

Extent of obligations

From the **standpoint** of the seller

Goods available to the buyer, in our warehouse and unloaded meaning NOT LOADED.



Deliver the goods to the carrier chosen by the buyer.



Deliver the goods to the carrier selected by seller.



Deliver the goods to the carrier chosen by seller, dealing and paying the insurance.



Maximum obligation. Delivering the goods at destination....named place.



EXW

FCA – FAS - FOB

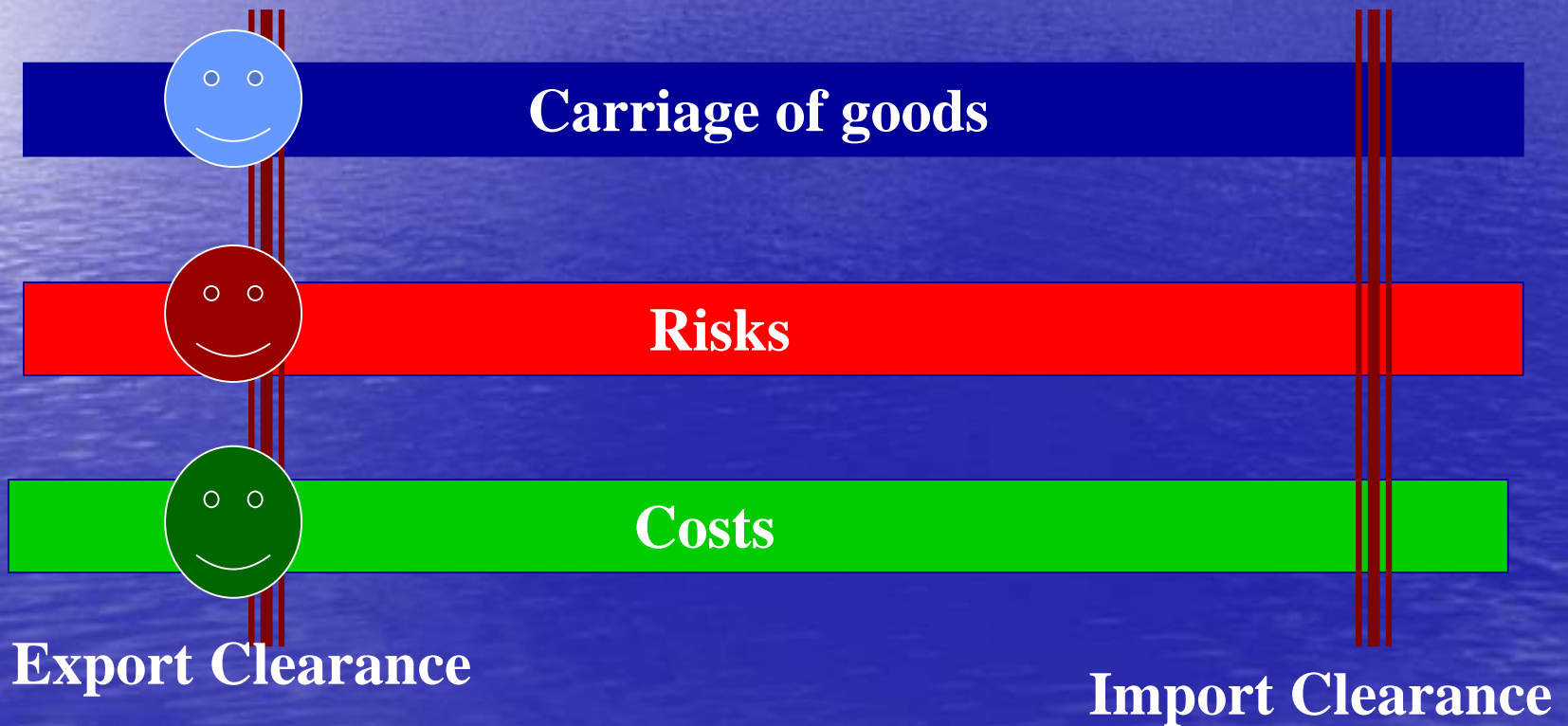
CFR - CPT

CIF - CIP

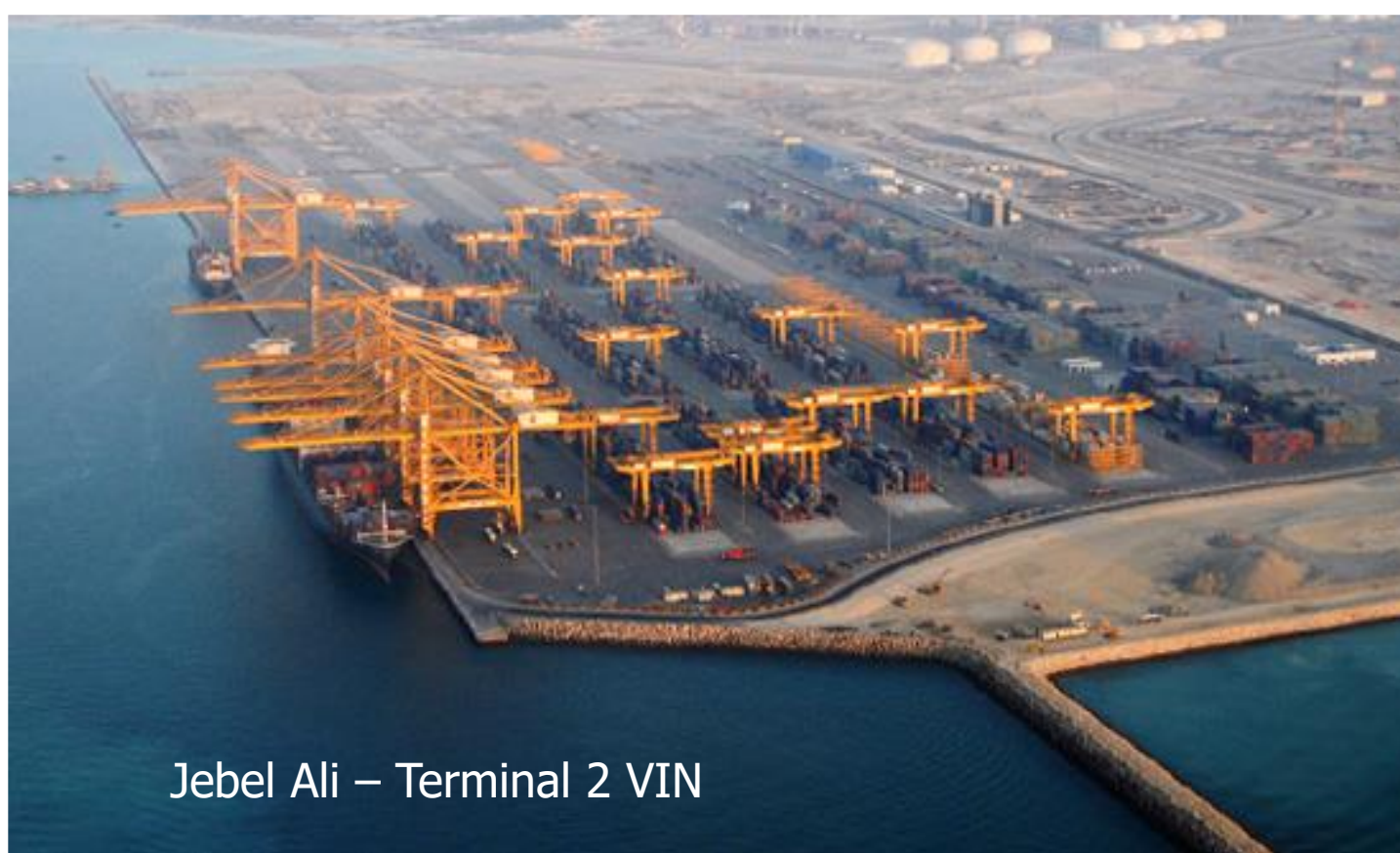
DAT – DAP - DDP



- FCA (..named place)



Baltycki Terminal Kontenerowy
International Container
Terminal Services, Inc.



Jebel Ali – Terminal 2 VIN

planowana

ul. Logistyczna

bocznicza kolejowa

Kwiatkowski

DAT can be used now if you used **DEQ** before

When the MONEY is paid ?

PAYMENT METHOD – SHOW ME THE MONEY???





PRE-EXPORT



*Payment...
...Risk!...
export finance?*



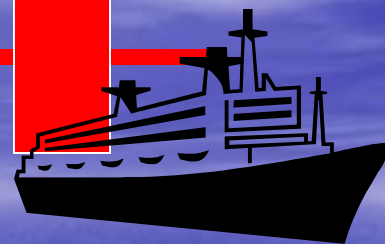
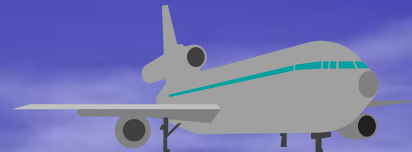
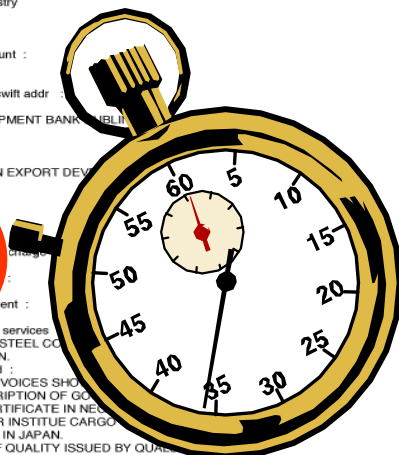
**Trade
Exporter**

S.W.I.F.T Letter of Credit in favour of Jordan Heavy Industry
Issued by First Bank of Japan, Tokyo Japan

Letter of Credit

FIN MESSAGE (1 : F01SWAABET0AXXX0170000754)
700 Issue of a documentary credit (2 : 1700SWAABET0XXXXN) >

: 27 sequence of total :
1/1
: 40A form of documentary credit :
IRREVOCABLE
: 20 documentary credit number :
1234567
: 31C date of issue :
97/07/01
: 31D date and place of expiry :
97/09/30 Dublin
: 50 applicant :
Orient Construction
123 Bird of Paradise Boulevard
Tokyo
: 59 beneficiary
Jordan Heavy Industry
67 Hill Street
Dublin
: 32B currency code amount :
currency code
amount
date with/by - swift address :
2D
DEVELOPMENT BANK
IN EXPORT DEVELOPMENT
and/or services
UNITS OF STEEL CO
TOKYO, JAPAN.
documents required :
COMMERCIAL INVOICES SHOWING
DETAILED DESCRIPTION OF GOODS
+INSURANCE CERTIFICATE IN NEW YORK
ALL RISKS AS PER INSTITUTE CARGO
CLAIMS PAYABLE IN JAPAN.
+CERTIFICATE OF QUALITY ISSUED BY QUALITY
+CERTIFICATE OF ORIGIN ISSUED BY CHAMBER OF COMMERCE
+FULL SET 3/3 CLEAN ON BOARD MARINE BILL OF LADING
CONSIGNED TO ORDER FIRST BANK OF JAPAN,
TOKYO MARKED FREIGHT
: 47A additional conditions :
THE NUMBER AND DATE OF THIS CREDIT AND THE NAME OF
OUR BANK MUST BE QUOTED ON ALL DOCUMENTS REQUIRED
: 71B charges :
ALL CHARGES OUTSIDE JAPAN ARE FOR THE BENEFICIARY'S
ACCOUNT
: 48 period for presentation :
WITHIN 21 DAYS OF THE ISSUE OF THE TRANSPORT DOCUMENTS
BUT WITHIN THE VALIDITY OF THE CREDIT
: 49 confirmation instructions :
CONFIRM
: 78 instructions to pay/acc/neg bk :
WE AUTHORISE YOU TO CLAIM ON OUR ACCOUNT NO 9899876
WITH INTER BANK NEW YORK AT MATURITY, SUBJECT TO
UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY
CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF
COMMERCE PUBLICATION NO 500 FORWARD ORIGINAL
DOCUMENTS DIRECT TO US BY COURIER.
-)
(5 : (MAC : 32EFFDD7) AUTHENTICATION RESULT
(CHK : F4D3AC6C8805) Checksum Trailer
END



*Performance...
...Risk!....
import finance.....*



**Trade
Importer**