Economic activities around the world are highly regulated. Among them, international trade is subject to international, national, regional and local regulations and procedures thus making it one of the most controlled activities in today's highly competitive global market.

There are several parties involved in an international sales transaction; carriers, insurance companies, banks and government authorities among others. To satisfy the needs and requirements of all parties involved, documentation must be accepted as an essential component of trade.

Shipping across international boundaries involves high risk. Familiarity with the technicalities of exports and trade requirements of foreign countries will dictate the success or failure of an international trade transaction. It has been estimated that a single shipment may require more than 40 different documents. The accuracy of these documents is vital in order to avoid unnecessary costly delays and problems in obtaining payment.

Payment for the sale of goods to foreign countries is dependent upon strict compliance with documentation requirements. Insufficient knowledge of these requirements can give rise to problems and considerable losses.

In addition to the well-known risks attached to exports, other problems have become all too frequent due to long delays in the transfer of export proceeds. To the detriment of the exporter, this can tie up large sums of money. Risks and complications begin to arise when payments of purchased goods involve two different currencies. One must bear in mind that each country manages and controls its own monetary system.

Further difficulties associated with international trade of goods are tariffs, exchange controls and the prohibition of the importation of certain commodities. All of these inherent aspects of international trade make it imperative for the exporter to be thoroughly informed about all the requirements of documentation and payment mechanisms prevalent in the importing country.

One must also recognize the difficulty of anticipating the rapid and spectacular changes in political and economic conditions in some countries. These changes can seriously affect the performance of both buyer and seller. Consequently, any export sales transaction must be made in the form of a contract that will clearly establish the buyer's and seller's rights and responsibilities. Ambiguity in the agreement will only create conflict between the trading partners. An export sales contract requires mutual agreement of the parties involved in the transaction. In more general terms, there must be an offer by one party and the acceptance of another.