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**EXPORT DOCUMENTATION
AND
FOREIGN COLLECTIONS**



External Affairs and
International Trade Canada

Canada

Dept. of External Affairs
Min. des Affaires extérieures

FEB 23 1994

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EXPORT DOCUMENTATION
AND
FOREIGN COLLECTIONS

1992



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Designed and written for
External Affairs and International Trade Canada
Financial and Business Services Division
by

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The opinions expressed in this report are those of the authors and do not necessarily represent the past or current policy of the Government of Canada.

FOREWORD

This publication on export documentation and foreign collections is one in a series of publications aimed at addressing the distribution and transportation needs of Canadian exporters. Other publications in this series that are currently available include "Export Markets: The Trading House Connection", "Selecting and Using Foreign Agents and Distributors", "Selecting and Using Manufacturers' Agents in the United States", "Safe Stowage", "Transportation Services Between Canada and Mexico" and "The Countertrade Primer for Canadian Exporters". Forthcoming release in this series include "The Exporter's Guide to Transportation" and "The Guide to Distribution Contracts".

Novice exporters are encouraged to study the publication "Export Guide: A Practical Approach" before embarking upon these more detailed and technical publications. The sources for all of the above-noted release are provided in Appendix B.

Exporters are invited to submit to the address below their comments regarding this publication and suggestions for others which may be useful to them in the course of improving their export performance.

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INTRODUCTION

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.

PART I – EXPORT DOCUMENTS

INTRODUCTION

All export shipments leaving Canada must be accompanied by a number of documents. These documents may vary according to the type of goods being exported, practices and regulations, changes in technology, and the political and economic conditions prevalent in the country of importation.

The next section provides a comprehensive description of the basic export documentation required for most overseas export shipments. Accuracy and time are the two main considerations that the exporter must bear in mind when issuing export documents.

When the exporter is unfamiliar with the procedures or particular requirements of the importing country, the assistance of a freight forwarder is advisable. A freight forwarder will act as the exporter's transportation agent in making all the necessary arrangements for overseas shipping. The forwarder will assist the exporter in preparing all required documents, (including special documents) providing freight rates, insurance costs, consular fees etc. as well as the handling of letters of credit.

PRO-FORMA INVOICE

A pro-forma invoice is an advance notice that provides the importer with a general description of a pending shipment. It is issued by the exporter at the request of the importer.

A Pro-Forma Invoice does not require a standard form. It can be issued on a commercial invoice form or simply on the exporter's letterhead. This document must be clearly titled "Pro-forma Invoice". (See exhibit 1 at the end of Part I.)

It must be noted that the Pro-Forma Invoice is not a paying document since it contains only the best possible information (especially in terms of quantities) of the goods to be shipped.

The Pro-forma Invoice will assist the importer in the following:

- to obtain foreign currency;
- to insure the goods;
- to secure import licenses;
- to assess applicable duties and taxes.

COMMERCIAL INVOICE

A commercial invoice is the evidence of a debt for the purchase of goods and/or services. It can be described as both the seller's billing document and the buyer's paying document. Furthermore, it constitutes a complete record of a sale. (See exhibit 2 at the end of Part I.)

In international sales, the commercial invoice in the importing country may also represent the customs clearance document. In certain countries it is required that the commercial invoice be the bearer of a prescribed sworn statement regarding the truthfulness of the data it contains. It may also be required to show additional information such as costs of freight, insurance, commissions as well as the origin of the goods.

It is essential that the Commercial Invoice be accurate and precise since it will be the basis for the preparation of all other documents.

CANADIAN EXPORT DECLARATION (B13)

With few exceptions, all goods exported from Canada must be reported before leaving the country. For this purpose the form B13 has to be completed by the exporter and submitted to Canada Customs at the point of exit. This document is normally handed over to the carrier transporting the shipment. (See exhibit 3 and 3A at the end of Part I.)

Most shipments to the United States including goods valued at less than \$ 2,000 do not require a B13 declaration. However, if a shipment is in transit through the United States and is bound for another country, the exporter must complete this document. (See "Exporting to the U.S.", pg. 7.)

Goods exported to the United States such as airplanes, satellites and telecommunications equipment, simulators, ships and boats, uranium and gold, must be documented on the export declaration form B13.

Goods in transit through Canada for exportation to another country do not require a B13 declaration but must be documented on a cargo control form.

All the information collected from the export declaration B13 will provide Statistics Canada with the necessary data to establish export trade statistics. These statistics will directly have an impact on the country's balance of trade and will consequently influence the government's economic policies. Hence timely and accurate information provided on the B13 by Canadian exporters is essential.

Failure to submit export declarations can result in the detention of goods or monetary penalties. Export shipments may be detained by Canada Customs under the following circumstances:

- lack of required export permits or licenses;
- the quantity being exported is higher than the granted on the export permit or license;
- presentation of an expired license or one that is not yet effective;
- the exporter is in default of payment of duties and/or taxes.

SUMMARY REPORTING OF EXPORTS

Subject to some criteria, exporters may summarize their exports in one report. Although a standard form does not exist, the format of the report must meet certain requirements. (See exhibit 4 at the end of Part I.)

For an exporter to qualify for the summary reporting of exports, an application must be submitted to the nearest customs office to obtain a required authorization under this program. The exporter should also ask customs if the product to be exported qualifies under "authorized commodities".

The following goods are excluded from summary reporting:

- temporarily imported goods being exported;
- goods exported temporarily for exhibitions, repairs etc.
- all other goods that are not required to be individually reported.

One of the following volume requirements must also be met:

- 250 or more shipments per year with a minimum total value of \$100,000;
- 250 or more shipments per year of goods shipped in bulk;
- 250 or more shipments per year of goods classified as a single export commodity. This may apply only if transported by a single mode of transportation directly to the final destination;
- 25 or more shipments of seasonal goods per month, with a minimum value of \$15,000 per month;

- one or more shipments transported by pipeline or other continuous modes of transportation.

The data requirements can be summarized as follows:

- point of exit;
- country or countries of destination (if destined for the United States, the State must be specified);
- mode of transport;
- Harmonized System classification number;
- goods description;
- FOB value in the currency of the transaction (one type of currency per report);
- quantity;
- country or countries, province or provinces of origin.

BILLS OF LADING

A bill of lading is a document that relates to the physical movement of goods. It represents the contract between shipper and carrier for the transportation of goods from a point of origin to a named destination. This contract is issued at the place of departure signed by the carrier or its agent. All the information that appears on the document is supplied by the shipper (bills of lading forms are supplied by the respective carrier free of charge). The bill of lading establishes the carrier's responsibilities and liabilities for loss or damage to the goods while in its custody.

The format of a bill of lading varies in size and appearance. Depending on the mode of transport and the shipping company, they all basically require the same information. The terms and conditions of the contract are usually in fine print on the reverse side of the document.

Bills of lading are issued according to the mode of transport:

- ocean bill of lading;
- inland bill of lading (truck or rail);
- airwaybill.

OCEAN BILLS OF LADING

In addition to a contract of carriage, the ocean bill of lading signed by the owner of the ship represents the document of title to the goods. Subject to certain conditions the ocean bill of lading is also a negotiable docu-

ment. These features make this document a very powerful one, therefore understanding its use and handling is very important. (See exhibits 5 and 5A at the end of Part I.)

Ocean bills of lading can be issued in "straight" or "order" form. A straight bill of lading consigns the goods to a specific party and is not negotiable. The carrier will release the shipment to the consignee named on the document. The designated consignee can then take possession of the shipment without having to surrender the bill of lading to the carrier.

An order bill of lading is a negotiable document and the goods are consigned either to "order of shipper" or to "order of another party". The carrier will only release the shipment to the bearer of an original bill endorsed either in blank or to a named party. The negotiability of this document permits by endorsement the transfer of title to the goods from one party to another.

For an ocean bill of lading to be negotiable, it must meet three conditions:

1. It must be original;
2. It must be made out to order;
3. It must be duly endorsed.

A negotiable bill of lading consigned to the shipper's order allows the exporter to retain control over the shipment as long as the buyer does not have in his/her possession one original copy. How the ocean bill of lading is issued (straight or order) as well as who gets the document and when, clearly becomes very important.

A straight bill of lading vis a vis an order bill of lading does not provide the shipper (exporter) with any control over the goods. It simply represents nothing more than a receipt for goods.

Ocean bills of lading are issued in sets of two or three originals (the number of originals issued will be shown on the document) and any number of non-negotiable copies. A "full set", represented sometimes by "3/3" or "2/2" is understood to mean all originals plus the same number of non-negotiable copies. Any of the originals is sufficient to obtain possession of the shipment.

Once one original has been submitted to the carrier, the remaining originals automatically become void.

"ON BOARD" AND "RECEIVED FOR SHIPMENT" BILLS OF LADING

When "on board" bills of lading have been issued, they represent the carrier's guarantee that the goods have been physically loaded on board and shipped on the vessel named on the document.

A "received for shipment" bill of lading only indicates that the goods have been received by the carrier and are waiting to be loaded on board and shipped on the first available vessel.

CLEAN BILLS OF LADING

A "clean" bill of lading is one that does not carry superimposed notations or statements related to the apparent condition of the goods and/or the packing. A notation to this effect will make the document "clauséd" or "unclean".

"SHIPPER'S LOAD AND COUNT" AND "SAID TO CONTAIN" CLAUSES

Containerized cargo presents the difficulty of proof of count and/or damaged goods when the containers are loaded and sealed by the shipper. Carriers will disclaim any responsibility for quantities, condition, or types of goods stuffed in the container, by including the "shipper's load and count" and "said to contain" clauses on the bill of lading. However, if the stuffing of the container is done under the carrier's supervision, such clauses must not be accepted by the shipper.

HOUSE BILLS OF LADING

House bills of lading are issued by freight forwarders acting as agents for a particular carrier. These types of bills are not negotiable nor are they documents of title. They are primarily used for consolidations which are the combination of small shipments. The freight forwarder will issue a house bill of lading to each shipper involved in the consolidation covering only their part of the consignment.

SHORT AND LONG FORM BILLS OF LADING

A short bill of lading in a letter size format, contains only the most important terms and conditions of the contract. A long bill of lading in a legal size format, contains all the terms and conditions of the contract.

COMBINED TRANSPORT BILLS OF LADING

Containerized movement of goods may involve more than one mode of transport, i.e. cargo transported by truck to a dock for shipment on board a vessel. This kind of movement is also referred to as "intermodal" or "multi-modal" transport. The entire carriage is covered by one single transport document rather than two or three different bills of lading. This type of bill of lading also known as "through bill of lading" is normally issued by container shipping lines.

FIATA COMBINED TRANSPORT BILLS OF LADING

The FIATA combined bill of lading was developed by The International Federation of Forwarding Agents (FIATA).

This form is approved by the International Chamber of Commerce and its members are authorized to issue it.

LINER BILLS OF LADING

Liner bills of lading are issued by shipping lines whose vessels have regular specific routes and sailing schedules.

CHARTER PARTY BILLS OF LADING

Where the shipper charters a ship or part of the ship, the charterer will issue a charter party bill of lading. It must be noted that this kind of document is not issued by the owner of the vessel but by the charterer. He/she may not necessarily be financially solvent nor responsible for problems that may occur with the cargo.

LETTERS OF INDEMNITY

At considerable risk, undesirable clauses on the bill of lading can be avoided by the shipper offering an indemnity to the carrier. By accepting such indemnity (which releases the carrier of any liability in reference to the apparent condition of the goods), the carrier is hiding facts that the consignee has the right to know. Consequently the seller is deceiving the buyer. The International Chamber of Commerce strongly opposes this practice.

In the case of a difference of opinion between the shipper and the carrier regarding quantities, a bill of lading may carry a clause such as: "one package in dispute if on board to be delivered". Clauses of this nature only reflect a difficulty in ascertaining the correct number of packages shipped. However, this kind of clause does not make the bill of lading "unclean".

TRUCK AND RAIL BILLS OF LADING

A truck or rail bill of lading simply designates the mode of transportation the shipment will take. It can be defined as a receipt for goods and a document of delivery and is not a document of title. They will bear all the necessary data such as names and addresses of shipper and consignee, number of packages, description of goods etc. (See exhibits 6, 6A, 7 and 7A at the end of Part I.)

AIRWAYBILL

The airwaybill is not a document of title and is not negotiable. It merely represents a receipt for goods and a document of delivery.

The form carries a pre-printed airline identification number with the first three digits identifying the specific airline carrying the shipment.

The purpose of the airwaybill can be summarized as follows:

- proof of receipt of goods;
- contract of carriage;
- handling, dispatching and delivery instructions;
- freight bill.

CERTIFICATE OF ORIGIN

The certificate of origin is the document by which the exporter will attest to the country of origin of the goods. It is widely recognized that only the exporter or manufacturer is in a position to know the origin of the goods being exported. (See exhibits 8 and 8A at the end of Part I.)

The purpose of proof of origin is to determine if the exporting country is a beneficiary of preferential tariffs in the importing country. Generally this benefit is extended to developing countries.

In addition to the country of origin, the basic data required in a certificate of origin includes product description, shipping details and consignment information. However, some countries have a mandatory standard form which in most cases requires information regarding not only the good's country of origin but their value and costs of packing, freight and insurance. A typical example is the CARICOM (Caribbean Common Market) Invoice of value and origin. (See exhibits 9 and 9A at the end of Part I.)

The importer may require that the certificate of origin be certified by an independent organization such as the exporting country's Chamber of Commerce or other similar entities.

CONSULAR INVOICE

Except for a small number of countries, the consular invoice is a document that is no longer required. It is highly recommended that the exporter check with the consulate of the importing country if such a requirement is still in effect. However, several countries still require "legalization" of some documents by their own consulate in the country of exportation. The purpose of the consular invoice is to assist the importing country's customs authorities in the assessment of duties and clearance of goods. The consular invoice is also the bearer of important trade information for statistical purposes.

The consular invoice is a simple document that must be completed on a prescribed form. This document consists of a set of several copies in the language of the importing country. In most cases, the form bears subtitles in English and can be purchased from the importing country's consulate. The information required is generally similar to that of the commercial invoice, except that a breakdown of the CIF price is usually required. The completed signed consular invoice must be submitted to the nearest importing country's consulate for legalization, together with one original bill of lading and commercial invoice. It is highly recommended that the exporter contact the appropriate consulate for guidance regarding specific requirements. The consular invoice has to be carefully completed as there are penalties for errors and/or corrections made to the text. If the foreign language presents a problem, assistance from the importer may be required.

If an unavoidable correction or change must be made and the consular invoice has already been legalized with no possibility of replacing it, a "letter of correction" is required. It must be taken into account that not only do the forms have to be purchased, but a fee must also be paid to the importing country's consulate for the legalization.

INSURANCE CERTIFICATE

If the terms of sale are based on a CIF price the exporter will supply an insurance certificate as part of the export documentation.

An insurance company's pre-printed form is to be completed by the insurer (exporter) indicating the insured value (usually CIF value plus 10%), risks covered, description of the goods, packaging, marks and numbers and carriage details. The certificate can be made out to the assured (importer) or to the order of the assured. The certificate is normally endorsed by the insurer to transfer the right of claim of loss to the buyer.

WEIGHT AND PACKING CERTIFICATES

Weight and packing certificates indicate weights (net and gross), contents, marks and numbers in each package, carriage details as well as description of the types of packages. (See exhibit 10 at the end of Part I.)

Weight certificates are usually required when the weight of each individual package is uneven. It may be required that these certificates be issued by a third party. (i.e. In cases where commodities are sold in bulk.)

If one or more packages contain different goods, a detailed packing certificate will enable the importer to locate a particular item.

There are no prescribed forms for weight and packing certificates, therefore they can be completed on the exporter's letterhead unless they are to be issued by a third party.

OTHER DOCUMENTS

Inspection certificates may take different forms; quality, analysis, health or the like. They can also verify certain operations such as loading, unloading, wedging and fastening of the packaged product. The purpose of these kinds of certificates is verification of the contractual specifications. Several countries by decree require pre-shipment inspection certificates issued by independent surveyors.

Certificates such as health, phytosanitary etc. are required by most importing countries for specific commodities like edible goods, grains etc. These certificates are issued by government authorities and other recognized entities.

The consulate of the importing country is the best source of information regarding specific documentation requirements.

EXPORTING TO THE UNITED STATES

A commercial invoice properly completed in accordance with the United States Customs Regulations will suffice as a customs clearance document. If a commercial invoice is not available at the time of exportation, customs invoice form 5515 is still acceptable.

In the absence of a commercial invoice, the importer must file a pro-forma invoice (the exporter need not prepare this document). However, the required commercial invoice must be submitted no later than 120 days from the entry date.

A signed commercial invoice must contain the following basic information:

- port of entry;
- time, place and names of buyer and seller;

- detailed description of the goods, including name by which each item is known, all related specifications and symbols under which the product is sold in the country of exportation, and marks and numbers on the packages;
- quantities in weights and measurements;
- price of each item in the currency sold;
- other charges itemized by name such as freight, insurance, brokerage etc.;
- all discounts, rebates, drawbacks etc. separately itemized;
- country of origin;
- appropriate eight-digit Harmonized System classification tariff number;
- merchandise and quantities contained in each individual package. Packing list in English may be attached.

Additional special certificates and invoice requirements for specific products are described in various sections of the U.S. Customs Regulations. A bill of lading must also accompany all shipments to the United States.

CANADA/U.S. FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN

Under the Free Trade Agreement (FTA) between Canada and the United States, by the year 1998, all tariffs on trade between the two countries will be eliminated.

In order to define those goods entitled to duty free treatment, a set of rules has been incorporated into the Agreement. These rules are known as the Rules of Origin and form an integral part of the FTA.

DECLARATION OF ORIGIN

To ensure that only those goods which qualify under the Rules of Origin receive the benefits of the Agreement, a Certificate of origin (form B151) is required. The data to be supplied on the certificate is common for shipments in both directions. (See exhibits 11 and 11A at the end of PART I.)

It is the sole responsibility of the exporter to determine the origin of the goods being exported and to provide a valid certificate to that effect. If the exporter chooses not to do so, all the applicable duties on the goods will have

to be paid. Exporters who certify goods eligible for FTA treatment must keep all certification related documents for a period of six years.

Blanket certificates can be submitted for multiple shipments of the same goods to the same importer. The validity period of a blanket certificate in the United States is six months.

Certification of shipments under \$1,200 in value can be done on the pertaining signed (authorized signature) commercial invoice. This certification attests that the goods comply with origin requirements and that further processing or assembly has not taken place in a third country, subsequent to processing or assembly in Canada.

EXPORTING TO MEXICO

The following basic documents are required for exporting to Mexico:

1. Commercial Invoice
2. Packing List
3. Bill of Lading
4. Special Certificates (depending on the product)
5. Import Permits (when required)

COMMERCIAL INVOICE

All export shipments to Mexico must be accompanied by a commercial invoice, including gifts, samples etc. The invoice must be in Spanish or it must have a translation attached. The relative data (i.e. weight, measurement etc.) must be measured in metric terms. The original commercial invoice and all copies must be manually signed indicating the name and position of the signing person.

The invoice must contain the following minimum information:

- place and date of issuance;
- complete name and address of the importer;
- complete name and address of the exporter;
- a detailed description of the goods including all relevant data (i.e. brand, serial number etc.);
- FOB unit and total value of each item;
- name and position of the signing officer.

PACKING LIST

The following information must be included if a packing list is required for the product:

- number of packages;
- a detailed list of goods contained in each package;
- if applicable, all weights, measurements etc. in metric equivalents.

SPECIAL CERTIFICATES

For products such as livestock, seeds, plants etc. different types of certificates (i.e. sanitary, phytosanitary etc.) are required.

IMPORT LICENSES

Approximately 350 items are subject to import licenses. When applying for the license, the importer must supply a pro-forma invoice. It may take as long as two months for the process to be completed.

Mexico does not require a consular invoice, however, a consular legalization of some documents may be required.

It is highly recommended that exporters do not ship until all the necessary formalities have been completed. The best source of additional information for the exporter is the nearest Mexican Consulate.

EXHIBIT 1 – PRO-FORMA INVOICE

PRO-FORMA INVOICE

Sold to:

Date:

Shipment Period:	from:	to:
------------------	-------	-----

Terms of Sale:	Terms of Payment:	Currency:
----------------	-------------------	-----------

QUANTITY	DESCRIPTION	UNIT PRICE
	HS Classification Number:	

Marks and Numbers:	Documentation:	Weight:
		Net:
		Gross:

Seller: (signature)
Date:

EXHIBIT 2 – COMMERCIAL INVOICE

COMMERCIAL INVOICE

Sold to:

Invoice No.:

Date:

Shipment on: (date)	Via: (air, rail, water)
---------------------	-------------------------

From: (place of origin)	To: (place of destination)
-------------------------	----------------------------

Terms of payment:	Terms of sale:
-------------------	----------------

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">HS Classification Number:</td> </tr> </table>	HS Classification Number:		
HS Classification Number:				

Documentation:	Marks and Nos.:	Weight: Gross: Net:
----------------	-----------------	---------------------------

 Seller: (signature)

EXHIBIT 3 - EXPORT DECLARATION B13

INVOICE ITEM DESCRIPTION MUST GIVE SUFFICIENT DETAIL TO PERMIT CODING ACCORDING TO STATISTICS CANADA... (vertical text on the left side of the form)



Revenue Canada / Revenu Canada / Customs and Excise / Douanes et Accise

EXPORT DECLARATION / DECLARATION D'EXPORTATION

Main form grid containing 30 numbered fields for export declaration details, including exporter information, shipment details, invoice items, and transport information.

B 13 (11/85)

DEPARTMENT OF NATIONAL REVENUE - CUSTOMS AND EXCISE

MINISTRE DU REVENU NATIONAL - DOUANES ET ACCISE

EXHIBIT 3A – INSTRUCTIONS FOR COMPLETING THE B13

1. Exporter's name and address.
2. For Canada Customs use only.
3. Exporter's reference number.
4. Page number and total number of pages.
5. Full name and address of the final consignee, and the name and address of the foreign importer (if different).
6. United States requirement.
7. The shipment's province of origin. Canada should also be indicated as country of origin unless field 17 applies, in which case field 7 should be blank.
8. Country of final destination of the goods. For goods destined for the United States indicate the State.
9. Name of the initial carrier or vessel which will transport the goods to the point of loading by the exporting carrier. When the initial carrier transports the goods out of Canada, this field may be left blank.
10. Name of the carrier or vessel which will transport the goods out of Canada from or through the point of exit.
11. United States requirement.
12. Terms of the transaction. (i.e. FOB, CIF etc.)
13. to 15. United States requirements.
16. Currency of the transaction for the amounts in fields 23 and 24.
17. If imported goods are exported in the same condition as when imported, show the country of origin. If the goods exported are of Canadian origin or are further processed imported goods, leave this field blank.
18. Marks and numbers on the packages. For container, truckload or carload shipments show the container, trailer or car number. (These numbers can be handwritten after the form has already been filled out prior to submitting it to customs.)
19. Number and type of packages and general description of the goods.
20. Gross weight and cubage as indicated on the transportation document.
21. Full and complete description of the goods in common trade terms as well as the Export Harmonized System Number applied to the commodity. Each commodity bearing a separate classification number must be described on a separate line. Exporters may indicate the Canadian 10 digit Import HS Number instead of the 8 digit Export HS Number.
22. Quantity of each item and the unit of measure in metric terms.
23. Invoice unit price per item as given in field 22.
24. FOB invoice value. If goods shipped at "no charge", indicate the value for which they would have been sold under normal conditions. In all cases a total value must be shown.
25. If goods shipped at "no charge" indicate the reason.
26. Export permit control number for goods subject to export control.
27. Estimated freight charges from the place of origin to the point of exit from Canada. If the charges are not available the total freight charges must be shown.
28. Mark "x" in the appropriate box. If "other", indicate the mode.
29. If the goods are or are not containerized, indicate with an "x" in the appropriate box.
30. This field is to be completed if the form has been prepared by the exporter's agent or broker.
31. Date of completion of the form.
32. Signature of the person completing the form.
33. Indicate with an "x" whether the person signing the form is the owner of the goods, or an agent.
34. to 42. United States requirements.

EXHIBIT 4 - SUMMARY OF EXPORTS

(EXPORTER'S LETTERHEAD)

SUMMARY OF EXPORTS:
FOR THE MONTH OF: July 1, 19-- to July 31, 19--

SUMMARY OF EXPORTS

POINT OF EXIT	DESTINATION	MODE OF TRANSPORTATION	HS N°	DESCRIPTION	VALUE (CURRENCY)	QUANTITY	UNIT OF MEASURE	ORIGIN
Fort Erie	USA/Ohio	Rail	XXXXX	Bicycles	US\$ 10,000	500	N/A	Japan
Halifax	Germany	Water	XXXXX	Fittings	US\$ 15,000	900	Kgs.	Canada

TOTAL VALUE: US\$ 25,000
TOTAL SHIPMENT: 2

EXHIBIT 5 - OCEAN BILL OF LADING

OCEAN BILL OF LADING

SHIPPER / EXPORTER (1)		CONTRACT NUMBER (2)		
		EXPORTER REFERENCE (3)		
CONSIGNEE (IF "TO ORDER" SPECIFY) (4)		FORWARDING AGENT - REFERENCE (5)		
		POINT AND COUNTRY OF ORIGIN		
NOTIFY PARTY (7)		DOMESTIC ROUTING (8)		
PRECARRIAGE BY (9)	PLACE OF RECEIPT (10)	ONWARD INLAND ROUTING (15)		
VESSEL - VOYAGE NO. (11)	PORT OF LOADING (12)			
PORT OF DISCHARGE (13)	PLACE OF DELIVERY (14)			
MARKS AND NUMBERS (16)	NO. OF PKGS. (17)	DESCRIPTION OF PACKAGES AND GOODS (18)	GROSS WEIGHT (19)	MEASUR. (20)
FREIGHT CHARGES PAYABLE AT (21)		BY (22)		
ORIGIN CHARGES (23)	PREPAID	COLLECT	<p>RECEIVED BY THE CARRIER FROM THE SHIPPER IN APPARENT GOOD ORDER AND CONDITION (UNLESS OTHERWISE NOTED HEREIN) THE TOTAL NUMBER OR QUANTITY OF CONTAINERS OR OTHER PACKAGES OR LIMITS INDICATED HEREIN, STATED BY THE SHIPPER TO COMPRISE THE GOODS SPECIFIED ABOVE, FOR CARRIAGE SUBJECT TO ALL THE TERMS HEREOF (INCLUDING THE TERMS ON THE REVERSE HEREOF AND THE TERMS OF THE CARRIER'S APPLICABLE TARIFF) FROM THE PLACE OF RECEIPT OR THE PORT OF LOADING, WHICHEVER IS APPLICABLE, TO THE PORT OF DISCHARGE OR THE PLACE OF DELIVERY, WHICHEVER IS APPLICABLE. IN ACCEPTING THIS BILL OF LADING THE MERCHANT EXPRESSLY ACCEPTS AND AGREES TO ALL ITS TERMS, CONDITIONS AND EXCEPTIONS, WHETHER PRINTED, STAMPEO OR WRITTEN, OR OTHERWISE INCORPORATED, NOTWITHSTANDING THE NON-SIGNING OF THIS BILL OF LADING BY THE MERCHANT.</p> <p>IN WITNESS OF THE CONTRACT HEREIN CONTAINED THE NUMBER OF ORIGINALS STATED BELOW HAVE BEEN ISSUED, ONE OF WHICH BEING ACCOMPLISHED THE OTHER(S) TO BE VOID.</p>	
PORT CHARGES				
OCEAN FREIGHT				
DESTINATION CHARGES				
PLACE AND DATE OF ISSUE (24)		NUMBER OF ORIGINALS (25)		
FOR THE CARRIER (26)		B/L NO. (27)		

EXHIBIT 5A – INSTRUCTIONS FOR COMPLETING A TYPICAL OCEAN BILL OF LADING

1. Shipper's (exporter) name and address.
2. Booking/contract number (obtained from carrier).
3. Shipper's reference.
4. Consignee's name and address, or "to order" or "to order of shipper" as applicable.
5. Freight forwarder's name and reference.
6. Place and country of origin.
7. Name and address of party to be notified on arrival.
8. Routing, if shipment originated at inland point.
9. Name of inland carrier.
10. Place of pick-up by inland carrier.
11. Vessel's name and voyage number.
12. Port of loading.
13. Port of discharge.
14. Place of delivery at destination.
15. Inland routing at destination.
16. Marks and numbers and/or container(s) number(s).
17. Number of packages.
18. Description of goods and type of packages.
19. Gross weight in kilograms.
20. Cubic measurements.
21. Place where freight charges are to be paid.
22. Name of party responsible for freight charges.
23. Freight charges (to be completed by carrier).
24. Place and date of issuance (to be completed by carrier).
25. Number of originals issued (to be completed by carrier).
26. Carrier's signature.
27. Bill of lading number (to be completed by carrier).

EXHIBIT 6 - TRUCK BILL OF LADING

TRUCK BILL OF LADING

Consigno/Shipper (or agent) _____ ①	Shipper No. _____ ②
_____ At _____ ③ Street Address (point of origin)	Carrier No. _____ ④
	Date _____ ⑤

Received at the point of origin on the date specified from the consignor mentioned herein, the property herein described, in apparent good order, except as noted (contents and conditions of contents or package unknown) marked, consigned and destined as indicated below, which the carrier agrees to carry and deliver to the consignee at the said destination, if on its own authorized route or otherwise to cause to be carried by another carrier on the route to said destination at the application rates. It is mutually agreed, as to each carrier of all or any of the goods over all or any portion of the route to destination, and as to each party of any time interested in all or any of the goods, that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, including conditions on the back hereof, which are hereby agreed by the consignor and accepted for himself and his assigns.

Consignee _____ ⑥	Street _____ Address _____
Destination _____ ⑦	Route _____ ⑧

Number of Packages	D.G.	Description of articles, marks and exceptions	Weight	Rate	Amount	FREIGHT CHANGES
⑨	⑬	⑩	⑪	⑫	⑬	⑭
	INDICATE "X" FOR DANGEROUS GOODS					<input type="checkbox"/> Collect <input type="checkbox"/> Prepaid Freight charges will be collect unless marked Prepaid
						C.O.D. SHIPMENTS Amount \$ _____ Collection charge \$ _____ <input type="checkbox"/> Collect <input type="checkbox"/> Prepaid If at consignor's risk write or stamp here
Special agreement between consignor and carrier, advised here Per _____						

DECLARED VALUATION \$ _____ ⑯ Maximum liability of \$2.00 per pound (\$4.41 per kilogram) computed on the total weight of the shipment unless declared valuation states otherwise. (conditions 9 and 10 on back)	NOTICE OF CLAIM a) No carrier is liable for loss, damage or delay to any goods carried under the Bill of Lading unless notice thereof setting out particulars of the origin, destination and date of shipment of the goods and the estimated amount claimed in respect of such loss, damage or delay is given in writing to the originating carrier or the delivering carrier within sixty (60) days after the delivery of the goods, or, in the case of failure to make delivery, within nine (9) months from the date of shipment b) The final statement of the claim must be filed within nine (9) months from the date of shipment together with a copy of the paid freight bill.
---	--

N. B. Note carefully conditions on back hereof which are hereby accepted

Date _____ Signature _____	Consignor _____ ⑰ Date _____ Per _____	Carrier _____ ⑱ Date _____ Unit No. _____ Per _____	Consignee _____ ⑲ Date _____ Per _____
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EXHIBIT 6A – INSTRUCTIONS FOR COMPLETING A TYPICAL TRUCK BILL OF LADING

1. Shipper's name and address.
2. Shipper's reference.
3. Point of origin.
4. Carrier's reference.
5. Date of shipment.
6. Consignee's name and address.
7. Place of final destination.
8. Name of second and third carrier(s) (if applicable).
9. Number of packages and type of packaging.
10. Description of goods including marks.
11. Gross weight.
12. Freight rate (as quoted by carrier).
13. Total freight charges.
14. Select box as applicable.
15. Mark "x" if applicable.
16. Value of shipment.
17. Shipper's name, signature and date.
18. Carrier's name, signature, date and trailer number.
19. Consignee's name, signature and date.

EXHIBIT 7 – RAIL BILL OF LADING

RAIL BILL OF LADING

Stop At ①			
Car Initials and Number ②	Issued At ③	Date ④	Not Negotiable
Destination ⑤		Point of Origin ⑥	
Route ⑦			
Consignee ⑧		Skipper ⑨	
Special Instructions ⑩			
No. ⑪ Packages	Description of goods ⑫	Weight ⑬	Freight ⑭

Shipper Per ⑮ _____ Carrier Per ⑯ _____

EXHIBIT 7A – INSTRUCTIONS FOR COMPLETING A TYPICAL RAIL BILL OF LADING

1. If additional cargo is to be loaded; show place, name and address of party or parties at stop-off point(s).
2. Rail car initials and number.
3. Place of issuance.
4. Date of issuance.
5. Place of destination.
6. Place of origin.
7. Routing, including name of other railway companies involved.
8. Consignee's name and address.
9. Shipper's name and address.
10. Special instructions.
11. Number of packages.
12. Description of goods including marks.
13. Gross weight in kilograms.
14. Amount of prepaid freight charges (if applicable).
15. Shipper's name and signature.
16. Carrier's agent name and signature.

EXHIBIT 8 - CERTIFICATE OF ORIGIN

Exporter - Exportateur 1	Numbers - Numéros 2	
Consignee - Destinataire 3	CERTIFICATE OF ORIGIN CERTIFICAT D'ORIGINE	
Particulars of Transport (where required) Renseignements relatifs au transport (le cas échéant). 4		
MARKS & NUMBERS, NUMBER & KIND OF PACKAGES, DESCRIPTION OF THE GOODS MARQUES ET NUMÉROS, NOMBRE ET NATURE DES COLIS, DÉSIGNATION DES MARCHANDISES 5	QUANTITY QUANTITÉ 6	GROSS WEIGHT POIDS BRUT 7
SPECIMEN		
Sworn to me this _____ day of _____ Juré devant moi ce _____ jour de _____ Signature _____ 9	It is hereby certified that the above mentioned goods originate in: Le soussigné certifie que les marchandises mentionnées ci-dessus sont originaires de: 8	
Name of Authorized Trade Association Nom de l'association commerciale agréée 10	_____ Place & Date Lieu et date _____ Authorized Signature Fondé de signature	
The undersigned has examined the Manufacturer's Invoice or Shipper's Affidavit concerning the origin of the merchandise and according to the best of his knowledge and belief finds that the products named originated in. Le soussigné a vérifié l'origine des marchandises d'après le facture de fabricant ou la déclaration sous serment de l'expéditeur et, à sa connaissance et à son avis, pense que les produits énumérés ci-dessus sont originaires de. Authorized Signature Fondé de signature	_____ Place & Date Lieu et date _____ Authorized Signature Fondé de signature	

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EXHIBIT 8A – INSTRUCTIONS FOR COMPLETING THE CERTIFICATE OF ORIGIN

1. Full name and address of exporter.
2. Exporter's reference number.
3. Full name and address of consignee.
4. Name of carrier, date of shipment, place of origin and destination.
5. Description of goods, number and types of packages including marks and numbers.
6. Number of units.
7. Gross weight.
8. Country of origin of the goods, exporter/agent name date and signature.
(IF REQUIRED, TO BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC.)
9. Notary Public certification.
10. Certification by an authorized entity (Board of Trade, Chamber of Commerce).

EXHIBIT 9 - CERTIFICATE OF VALUE AND ORIGIN (CARICOM)

CARICOM (CARIBBEAN COMMON MARKET).			Commercial Invoice.		
Certificate of value and origin					
(SELLER (name, full address, country)) <div style="text-align: center; font-size: 2em;">1</div>		INVOICE DATE AND NO <div style="text-align: center; font-size: 2em;">2</div>	CUSTOMER'S ORDER NO <div style="text-align: center; font-size: 2em;">3</div>		
		OTHER REFERENCES <div style="text-align: center; font-size: 2em;">4</div>			
(CONSIGNEE (name, full address, country)) <div style="text-align: center; font-size: 2em;">6</div>		BUYER (if other than consignee) <div style="text-align: center; font-size: 2em;">5</div>			
		PRESENTING BANK <div style="text-align: center; font-size: 2em;">7</div>			
		COUNTRY OF ORIGIN OF GOODS <div style="text-align: center; font-size: 2em;">8</div>			
PORT OF LADING <div style="text-align: center; font-size: 2em;">10</div>		TERMS AND CONDITIONS OF DELIVERY AND PAYMENT <div style="text-align: center; font-size: 2em;">9</div>			
(COUNTRY OF FINAL DESTINATION) <div style="text-align: center; font-size: 2em;">11</div>	(SHIP/AIR/ETC) <div style="text-align: center; font-size: 2em;">12</div>	(CURRENCY OF SALE) <div style="text-align: center; font-size: 2em;">13</div>			
(OTHER TRANSPORT INFORMATION) <div style="text-align: center; font-size: 2em;">14</div>		(MARKS AND NUMBERS) <div style="text-align: center; font-size: 2em;">15</div>	DESCRIPTION OF GOODS <div style="text-align: center; font-size: 2em;">16</div>	GROSS WEIGHT kg <div style="text-align: center; font-size: 2em;">17</div>	CUBE m ³ <div style="text-align: center; font-size: 2em;">17</div>
(NO. & KIND OF PKGS.) <div style="text-align: center; font-size: 2em;">18</div>	(SPECIFICATION OF COMMODITIES (IN CODE AND/OR IN FULL)) <div style="text-align: center; font-size: 2em;">19</div>	NET WEIGHT kg <div style="text-align: center; font-size: 2em;">20</div>	QUANTITY <div style="text-align: center; font-size: 2em;">21</div>	UNIT PRICE <div style="text-align: center; font-size: 2em;">22</div>	AMOUNT <div style="text-align: center; font-size: 2em;">23</div>
SPECIMEN					
IT IS HEREBY CERTIFIED THAT THIS INVOICE SHOWS THE ACTUAL PRICE OF THE GOODS DESCRIBED THAT NO OTHER INVOICE HAS BEEN OR WILL BE ISSUED AND THAT ALL PARTICULARS ARE TRUE AND CORRECT					
(SIGNATURE AND STATUS OF AUTHORIZED PERSON) <div style="text-align: center; font-size: 2em;">28</div>		PACKING <div style="text-align: center; font-size: 2em;">24</div>	FREIGHT <div style="text-align: center; font-size: 2em;">25</div>	OTHER COSTS (Security) <div style="text-align: center; font-size: 2em;">26</div>	INSURANCE <div style="text-align: center; font-size: 2em;">27</div>
					TOTAL INVOICE AMOUNT <div style="text-align: center; font-size: 2em;">29</div>

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EXHIBIT 9A – INSTRUCTIONS FOR COMPLETING THE CARICOM INVOICE

1. Seller's name, address and country of origin.
2. Seller's commercial invoice number and date.
3. Buyer's order number.
4. Other references.
5. Buyer's name if other than the consignee of the goods.
6. Name, address and country of the consignee.
7. Name of bank presenting the export documents to the buyer.
8. Country of origin of the goods.
9. Terms of sale (i.e. FOB, CIF), and method of payment. (i.e. Letter of Credit, Sight Draft.)
10. Port of exportation.
11. Country of final importation:
12. Mode of transport.
13. Currency of the transaction.
14. Other transport information, (departure date, vessel's name, container(s) number(s), etc.)
15. Description of goods including marks and numbers.
16. Total gross weight.
17. Total cubic measurements.
18. Number of pieces and type of packages.
19. Full product specifications (product code if applicable).
20. Total net weight in kilograms.
21. Total number of units.
22. Unit price.
23. Total value as per commercial invoice.
24. Export packing cost.
25. Total freight cost.
26. Other additional costs.
27. Insurance premium.
28. Exporter/agent authorized signature.
29. Total invoice value.

EXHIBIT 10 – WEIGHT AND PACKING CERTIFICATE

WEIGHT AND PACKING CERTIFICATE

Seller:

Date:

Buyer:

Packing: Net Weight: Gross Weight:
--

Shipment from:	to:
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Via: (air, rail, water)	on: (date)
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QUANTITY	DESCRIPTION

Marks and Numbers: HS Classification No.:	Container(s) Number(s):
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Seller (signature)
Date:

EXHIBIT 11 – CERTIFICATE OF ORIGIN (FREE TRADE AGREEMENT)



CANADA – U.S.
FREE TRADE AGREEMENT

ACCORD DE LIBRE-ÉCHANGE ENTRE
LE CANADA ET LES ÉTATS-UNIS

EXPORTER'S CERTIFICATE OF ORIGIN

CERTIFICAT D'ORIGINE DE L'EXPORTATEUR

<p>1. Goods consigned from (Exporter's business name, address, country, tax identification number) Marchandises en provenance de (nom ou raison sociale, adresse et pays de l'exportateur et son numéro d'identification aux fins de l'impôt)</p>		<p>2. If Blanket Certification / Si il s'agit d'un certificat général, en indiquer la</p> <p>Effective Date Date d'entrée en vigueur _____</p> <p>Expiration Date Date d'expiration _____</p>	
<p>3. Goods consigned to (consignee's name, address, country) Marchandises expédiées à (nom, adresse et pays du destinataire)</p>		<p>4. Producer's name, address, country, tax identification number (if different from exporter) Nom, adresse et pays du producteur et son numéro d'identification aux fins de l'impôt (s'il est différent de ceux de l'exportateur)</p>	
<p>5. Origin Criteria for goods covered by the Certificate</p> <p>A. Wholly produced or obtained in Canada or the United States; or</p> <p>B. The goods have been transformed in the United States or Canada so as to be subject:</p> <p>1) to a change in tariff classification, as described in the Rules of Annex 301.2; or</p> <p>2) to a change in tariff classification as described in the Rules of Annex 301.2 and the value of originating materials plus the direct cost of processing in Canada or the United States is not less than 50 percent or as required by Section VI Rule 15 of Annex 301.2, 70 per cent of the value of exported goods; or</p> <p>3) to Rule 5, Section XII of Annex 301.2; or</p> <p>C. No change in tariff classification because goods and parts are provided for in the same tariff subheading or goods were imported in unassembled or disassembled form and were classified pursuant to General Rule of Interpretation 2a) of the Harmonized System, and the value of originating materials plus the direct cost of assembly in Canada or the United States is not less than 50 per cent of the value of exported goods.</p>		<p>Critères d'origine pour les marchandises visées par le certificat</p> <p>A. Les marchandises ont été entièrement produites ou obtenues au Canada ou aux États-Unis; ou</p> <p>B. Les marchandises ont subi, aux États-Unis ou au Canada, une transformation ou:</p> <p>1) entraîne un changement de leur classement tarifaire, prévues dans les règles de l'annexe 301.2; ou</p> <p>2) entraîne un changement de leur classement tarifaire conforme aux règles de l'annexe 301.2 et où tel est en sorte que la valeur des matières originaires du Canada ou des États-Unis ajoutée au coût direct de leur traitement n'est pas inférieure à 50 p. 100 de leur valeur à l'exportation ou, comme le prévoit la règle 15 de la section VI de l'annexe 301.2, à 70 p. 100 de cette valeur; ou</p> <p>3) répond aux exigences de la règle 5 de la section XII de l'annexe 301.2; ou</p> <p>C. Aucune modification au classement tarifaire n'est requise parce que les marchandises et leurs parties sont classées dans la même sous-position tarifaire ou qu'elles ont été importées sous forme non montée ou démontée et classées conformément à la règle générale d'interprétation 2a) du Système harmonisé, et que la valeur des matières originaires ajoutée au coût direct de leur montage au Canada ou aux États-Unis n'est pas inférieure à 50 p. 100 de leur valeur à l'exportation.</p>	
<p>6. Special Declaration for textile products, subject to tariff rate quotas.</p> <p>A. Apparel goods cut and sewn in Canada or the United States from fabric produced or obtained in a third country.</p> <p>B. Non-wool fabric and non-wool made-up textile articles, woven or knitted in Canada from yarn produced or obtained in a third country.</p>		<p>Déclaration spéciale pour les articles textiles assujettis à des contingents tarifaires</p> <p>A. Vêtements taillés et cousus au Canada ou aux États-Unis dans des tissus produits ou obtenus dans un pays tiers.</p> <p>B. Tissus et articles textiles autres qu'en laine, tissés ou tricotés au Canada à partir de fils produits ou obtenus dans un pays tiers.</p>	
<p>7. Origin Criterion (see items 5 or 6) Critères d'origine (voir les zones 5 et 6)</p>	<p>8. Description of Goods Designation des marchandises</p>	<p>Tariff Classification (to six digits) Classement tarifaire (6 premiers chiffres)</p>	<p>9. Gross weight or other quantity Poids brut ou autre quantité</p>
		<p>10. Invoice Number(s) and Date(s) Numéro et date de la ou des facture(s)</p>	
<p>11. Certification of Origin</p> <p>I certify that the information and statements herein are correct, that all the goods were produced in Canada or the United States, that they comply with the origin requirements specified for those goods in the Canada - United States Free Trade Agreement, and that further processing or assembly in a third country has not occurred subsequent to processing or assembly in Canada or the United States.</p> <p>I agree to maintain and to present upon request, the documentation to support the certification and, if this is a blanket certification, to inform the importer or other appropriate party of any change that would affect the validity of this certification.</p>		<p>Certificat d'origine</p> <p>J'atteste que les renseignements et énoncés fournis dans les présentes sont exacts, que toutes les marchandises ont été produites au Canada ou aux États-Unis, qu'elles répondent aux exigences relatives à l'origine prévues dans l'Accord de libre-échange Canada - États-Unis, et que tout complément de traitement ou de montage dans un pays tiers n'a pas eu lieu après leur traitement ou montage au Canada ou aux États-Unis.</p> <p>Je conviens de conserver et de produire sur demande les documents à l'appui du présent certificat et, dans le cas d'un certificat général, d'informer l'importateur ou toute autre partie intéressée de tout changement qui influerait sur la validité du certificat en question.</p>	
<p>This certificate consists of _____ page(s) Ce certificat contient _____ page(s)</p>			
<p>Place and Date / Lieu et date</p>		<p>Authorized Signature / Signature autorisée</p>	
		<p>Tax / Taxe</p>	

EXHIBIT 11A – INSTRUCTIONS FOR COMPLETING THE FTA CERTIFICATE OF ORIGIN

1. Exporter's full legal name, address, country and tax identification number.
2. Effective dates and expiry dates (maximum 12 months for shipments imported into Canada, 6 months for shipments exported to the United States), if the certificate covers multiple FTA qualified goods to the same importer.

Note: If changes occur related to materials, costs or production sites that would materially affect the accuracy or validity of the certificate, it is the responsibility of the exporter to notify the party to whom the blanket certificate is issued. Failure to do so results in the exporter being subject to sanctions.
3. Full legal name, address and country of the consignee or importer of record. The name of a customs broker or a agent is not acceptable.
4. Producer's full legal name, address, country and tax identification number (if known). Only to be completed if the exporter is not the producer of the goods.
5. Various origin criteria by which the goods described in the certificate may be eligible for FTA treatment. The appropriate criteria (or special declaration from Field 6) must be entered in Field 7 for each item described in the certificate.
6. Special declarations for textile products subject to tariff quotas. The appropriate declaration must be entered in Field 7.
7. Appropriate origin criteria or special declaration identified in Fields 5 or 6 for each item described in the certificate. If necessary, additional continuation sheets may be used to list the respective origin criteria for each item described in the certificate.
8. Full description of the goods. If more than one item is covered by the certificate, a complete description of each article is required. The tariff classification number of each item up to the 6th digit, must be shown next to the respective article.
9. Gross weight or other pertinent quantities of each item listed in Field 8. If a blanket certificate is issued, the weight or quantities anticipated or contracted during the certificate's validity period must be entered (if known).
10. Invoice number(s) and date(s) covering all items described in the certificate. If a blanket certificate is issued this Field need not be completed.
11. Information as required must be entered including the number of pages that are part of the certificate.

Note: Where the certificate makes reference to Canada or the United States it is to be interpreted as meaning either Canada or the United States or both.

PART II – FOREIGN COLLECTIONS

INTRODUCTION

Obtaining payment is the key element in successfully completing an export sale. Payment terms are dependent upon several important factors; the credit standing and integrity of the trading partner, the economic and political stability of the country of importation, the existence of foreign exchange controls, the competitiveness of the product, etc. It must also be noted that in highly competitive markets exporters are often forced to grant generous terms of payment.

The choice by which an exporter is going to obtain settlement for the sale of goods to a foreign buyer is one that requires careful consideration. In some cases obtaining payment for an export sale may well depend on the method chosen.

Knowledge and familiarity with international collection procedures and the role that banks play in facilitating the process, is of utmost importance. One must also recognize the costs and different degrees of risk attached to each method of payment.

The following is a brief review of the different methods of payment for the international sale of goods. Letters of credit will be dealt with separately in PART III.

BILL OF EXCHANGE

One must begin with a clear understanding of the Bill of Exchange commonly known as "draft" particularly as it constitutes the essential mechanism for foreign collections, and in most cases, for letters of credit.

The bill of exchange initiated by the exporter, can be described simply as a dated form signed by one party to another demanding payment of a specific amount of money, either at sight or on a specified future date and made to the order of a specified party or to the bearer. (See exhibit 12 at the end of PART II.)

PARTIES TO A BILL OF EXCHANGE

The parties to a bill of exchange are:

- the drawer (exporter, seller) – recipient of funds;
- the drawee (importer, buyer) – the party requested to pay;

- the payee – the party to whom payment is to be made.

Another element of a bill of exchange is the "tenor" which establishes when and how the payment will take effect.

THE BILL OF EXCHANGE IN CANADA

In Canada, the Bill of Exchange Act governs the Bill of Exchange (see exhibit 13 at the end of PART II). When the bill is processed through the Canadian banking system it may be drawn under three different terms:

1. Demand – payment to be made by the drawee on first presentation of the bill.
2. Sight – payment to be made within two business days.
3. Term – payment to be made at a specific future date.

When presented with a draft at sight the drawee is required to pay upon presentation. A term draft will permit the drawee to "accept" by signing it and thereby promising to pay at maturity. (normally 30, 60 or 90 days)

METHODS OF PAYMENT

All methods of payment involve costs, risks and advantages for both the importer and the exporter.

In international transactions there are four methods by which an exporter can obtain payment. They are:

1. Open Account.
2. Payment in Advance.
3. Documentary Collections.
 - (i) documents against payment (D/P)
 - (ii) documents against acceptance (D/A)
4. Documentary Credit. (Letter of Credit)

OPEN ACCOUNT

When using an open account term of payment the risk to the exporter is high. Consequently, it should only be considered when there is a high level of trust often based

on the importer's credit and reputation. One must also consider if free transfer of funds is prevalent in the importing country as well as the existence of tight foreign exchange controls.

In granting open account terms to the buyer, the exporter will ship the goods and forward the pertaining documents to the importer with the understanding that settlement, with no guarantees, will take place at a pre-determined date. If the buyer should default, the exporter then will lose control over the documents and thereby the goods.

PAYMENT IN ADVANCE

Prepayment or cash in advance, which is uncommon, is the most risk-free condition for the exporter.

DOCUMENTARY COLLECTIONS

The principle of a documentary collection is that the exporter will ship the goods before receiving payment. He/she will use a bank in the importing country (normally the importer's bank) to exchange on his/her behalf documents for payment. The exporter will then obtain payment by one of the two forms of the following documentary collections:

1. Documents against payment (D/P), which involves a sight draft;
- or
2. Documents against acceptance (D/A), which involves a term draft.

Settlement by documents against payment (D/P) will give the exporter certain security of payment since the documents will remain under the bank's protection until payment is effected. Thus the exporter will retain control over the documents and thereby the goods.

In the case of settlement by documents against acceptance (D/A) the bank in the importing country will release the documents solely on the strength of the importer's signed acceptance of the draft to pay at a specified future date. The importer's signed acceptance establishes only his/her obligation to pay but not his/her ability to do so. Therefore the exporter may be in a situation of losing control of the documents and goods.

PARTIES TO A DOCUMENTARY COLLECTION

The parties to a documentary collection are:

1. **Drawer:** the party signing the bill of exchange (exporter).
2. **Remitting bank:** the drawer's bank (in the exporting country) that will remit the documents to the importer's bank.
3. **Collecting bank:** the bank (in the importing country) that will collect the funds or obtain acceptance of the term draft against the release of the documents.
4. **Drawee:** the party (importer) who is presented with the bill of exchange and will effect payment or accept the term draft.
5. **Payee:** the party (bank or drawer) to which payment is made.

It must be clearly understood that in documentary collections, banks act simply as a reliable conduit for the flow of documents and funds, not as guarantors of payment. Furthermore, banks are under no obligation to examine the documents except to verify that they (the documents) appear to be as listed in the collection instructions.

THE AVAL

The AVAL signifies the undertaking by a bank or another financial institution to guarantee payment of a term draft. Canada and some European and Latin American countries accept and recognize this concept.

The "avalist" (guarantor) name and signature will be added to the term draft. The exporter should obtain information on the solvency of the avalist.

DOCUMENTARY CREDITS (LETTERS OF CREDIT)

A documentary credit commonly known as a "letter of credit", is widely used in trade on an international level. This payment vehicle must certainly be considered as the most secure and advantageous for the exporter. The most important aspect is that the responsibility of payment shifts from the buyer to a bank, thus greatly reducing the risk to the exporter. This enables the seller to engage in transactions that otherwise might not take place.

The ideal situation in buying and selling goods internationally would be that the buyer does not effect payment until the goods are in his/her possession, and the seller does not ship until payment is in his/her bank account. A letter of credit offers both buyer and seller a compromise in that they will enter into a contract for documents, these documents representing the seller's performance. The essence of a letter of credit is that payment is made against documents, with no concern over the goods. Another important aspect is the direct

participation of a bank, one of the most trusted and respected neutral institutions.

In simple terms a letter of credit can be defined as a letter written by a bank at the request of a customer and addressed to the exporter through another bank. In complying with all the terms and conditions of this letter, the addressee will then obtain a sum of money. Furthermore, a letter of credit is a conditional written bank undertaking of payment. This payment is subject to the presentation of certain specified documents independent and separate from any other contracts. (See exhibit 14 at the end of PART III.)

The goods covered by the documents are of no concern to the banks involved in the transaction. Banks are only concerned with documents and that they be issued in accordance with the conditions specified in the letter of credit. Consequently, any disputes that may arise between buyer and seller regarding the product's colour, size, quantity etc. become irrelevant to the operation and must be resolved separately from the credit transaction. If all the terms and conditions of the letter of credit have been met by the seller, payment will be honoured in spite of any financially related problems that may arise on behalf of the buyer.

It must be mentioned that under exchange control regulations in some countries, a letter of credit is the only means for handling their imports.

PARTIES TO A LETTER OF CREDIT

There are three basic parties to a letter of credit:

1. The applicant (importer/buyer)
2. The issuing bank
3. The beneficiary (exporter/seller)

In addition to the three basic parties and depending on the conditions of the credit, others, mainly the advising bank, can be brought into the operation.

THE APPLICANT

The letter of credit is to be issued at the request and instructions of the applicant. The application (initiated by the buyer) for the issuance of the credit serves two purposes:

- a contract between the issuing bank and its customer whereby the customer (applicant) is promising to reimburse the bank the funds paid on his/her behalf, including all commissions, fees etc.

- the applicant's mandate to the issuing bank as to the terms and conditions of the letter of credit, based on the underlying sales contract between the buyer and seller.

The exporter's input on the terms and conditions of the agreement is very important. The letter of credit as a precision instrument, involves both buyer and seller fully understanding all the terms and conditions.

THE ISSUING BANK

The bank to which the buyer applies for the issuance of a letter of credit is known as the issuing bank. The issuing bank is the party that undertakes a conditional firm commitment to pay the beneficiary upon compliance with all the terms and conditions of the credit. The issuing bank's undertaking to pay is independent and separate from the contract for the sale of goods between the buyer and the seller and from the reimbursement contract between the applicant and the issuing bank.

The issuing bank is not obligated to translate letters of credit issued in a language other than the one of the exporting country, nor is it liable for misrepresented documents, signatures or falsifications. The letter of credit must be transmitted in writing and signed by the issuing bank.

THE BENEFICIARY

The beneficiary (exporter) is not obligated to act upon a letter of credit unless he/she is absolutely certain that the terms and conditions are acceptable. It must be emphasized that payment is conditional to absolute compliance with all terms and conditions outlined in the credit agreement.

An additional party involved in the transaction is the **ADVISING BANK**. The role of this bank is limited to the transmission of the credit to the beneficiary and this role may also be extended to that of the confirming bank. In this capacity, the confirming bank will be the party responsible for effecting payment. Generally, the issuing bank will nominate the advising bank, however, the beneficiary may request the appointment of the bank through which he/she wishes the credit be advised.

A letter of credit may be cancelled or terminated with the consent of all the parties concerned namely the applicant, the issuing bank, the confirming bank (if any) and the beneficiary.

REVOCABLE AND IRREVOCABLE LETTERS OF CREDIT

There are two distinct types of letters of credit; **Revocable** and **Irrevocable**. The flexibility of the letter of credit

allows it to adapt to special circumstances. (i.e. Revolving Letters of Credit, Transferable Letters of Credit etc.)

REVOCABLE LETTERS OF CREDIT

A revocable letter of credit involves very high risk to the exporter because it offers little or no guarantee that the transaction will be completed. This type of credit gives the importer the right to modify or even cancel the credit at any time without the consent of the exporter. This is also a prerogative of the issuing bank. Revocable letters of credit are not widespread, thus the exporter should exercise extreme caution with this type of credit.

IRREVOCABLE LETTERS OF CREDIT

An irrevocable letter of credit constitutes a legal and binding undertaking by the issuing bank to pay the beneficiary. Unlike the revocable letter of credit, it cannot be modified or cancelled without the consent of the applicant, the issuing bank, the confirming bank (if any) and the beneficiary. If the letter of credit does not indicate that it is irrevocable, it will be considered revocable.

To obtain payment for the sale of goods, the beneficiary of an irrevocable letter of credit has the commitment of the issuing bank rather than that of the buyer.

IRREVOCABLE CONFIRMED LETTERS OF CREDIT

At the specific request of the issuing bank, the advising bank can add its confirmation to the letter of credit in turn adding its own commitment to pay the beneficiary.

Before adding its confirmation, the confirming bank will consider the following factors:

- the issuing bank's credit rating;
- the political and economic stability of the importing country;
- the terms of the commitment;
- the amount of the credit.

It is the prerogative of the advising bank not to add its confirmation to the credit. By doing so, the confirming bank does not acquire the right to change any of the terms and/or conditions of the agreement.

The beneficiary may request another bank (other than the advising bank) to add its confirmation to a letter of credit. However, banks are sometimes reluctant to add a "silent" confirmation unilaterally without the knowledge of the issuing bank.

There is no doubt that an irrevocable confirmed letter of credit represents the most secure method of payment to the exporter. However, a confirmed letter of credit is costly therefore it should be considered whether or not it merits the request of such a confirmation.

A confirmed letter of credit will contain a clause added by the confirming bank that may read: "this credit carries our confirmation and we hereby engage that payment will be honoured provided all terms and conditions of the credit have been complied with and provided that documents have been presented to us".

SETTLEMENT

All letters of credit must indicate if settlement is to be made by sight, acceptance, negotiation or deferred payment. In addition, a nominated bank must be authorized to pay, accept or negotiate payment.

CREDITS SETTLED BY PAYMENT

Upon receipt of documents and draft (if called for), the paying bank will honour the drawings provided all the terms and conditions of the credit have been complied with. Under a confirmed letter of credit, payment will be effected without delay. However, if the credit is unconfirmed, settlement may be subject to reimbursement of funds to the paying bank.

A credit available by payment may or may not require a draft. If one is required, it must be issued at sight on the paying bank. If a draft is not required, payment will be made against the commercial invoice.

CREDITS SETTLED BY ACCEPTANCE

A credit available by acceptance will require a term draft drawn on the accepting bank. The accepting bank will settle on the date of maturity of the draft which may be at 30, 60 or up to 180 days, or at a determined number of days from the bill of lading date. Whether the credit is confirmed or unconfirmed, settlement will be effected at maturity.

CREDITS SETTLED BY NEGOTIATION

Under a letter of credit available by negotiation, the required draft will be drawn at sight or at a specified tenor on the applicant (buyer) or the issuing bank. Therefore it is the buyer or the issuing bank that will effect payment. If an intermediary bank agrees to negotiate the credit, it will simply finance the transaction by paying the beneficiary and charging a negotiation fee plus interest. The

interest will apply from the time of settlement until the negotiating bank is reimbursed by the drawee. Under this type of settlement, negotiation may be restricted to a specific bank or it may allow negotiation by any bank.

CREDITS SETTLED BY DEFERRED PAYMENT

Credits settled by deferred payment normally do not call for drafts. They provide for payment to be made after a specified number of days from presentation of documents, after shipment date, or after any other stipulated date.

SUMMARY OF PROCEDURES

The procedure for the establishment of a letter of credit can be summarized as follows: (See exhibit 15 at the end of PART III.)

1. Buyer and seller conclude a contract for the sale of goods.
2. The buyer (applicant) by means of an application instructs his/her bank (issuing bank) to issue a letter of credit in favour of the seller (beneficiary).
3. Once the letter of credit is established, the issuing bank transmits it to the seller through a bank (advising bank) in the exporting country. The issuing bank might ask the advising bank to add its confirmation to the credit.
4. The advising bank informs the seller that a letter of credit has been issued in his/her favour.
5. Upon receipt of the credit, the seller satisfied that he/she can meet all the specified terms and conditions, ships the goods.
6. The seller presents all the required documents to the bank where the credit is available.
7. According to the terms of the credit, the bank will pay, accept or negotiate if the documents meet all the requirements.
8. The documents are sent to the issuing bank.
9. If all the terms and conditions of the credit have been met, the issuing bank will effect payment/reimbursement according to the terms of the credit.
10. The documents are released to the buyer.
11. The buyer reimburses the issuing bank.

AMENDMENTS

It is the beneficiary's option to accept or refuse any amendments to an irrevocable letter of credit irrespective

of their nature. It must be noted that if an amendment contains more than one change, the beneficiary must accept or refuse it in its entirety. Partial acceptance of an amendment is not permitted unless the issuing bank, the confirming bank (if any) and the beneficiary all agree. Once an amendment is accepted, it becomes an integral part of the letter of credit. If the same item is amended more than once, the most recent will supersede the previous.

Upon receipt of the letter of credit, the exporter must make sure that all the terms and conditions are acceptable in accordance with the underlying sales contract. If it is not, the appropriate amendment(s) must be requested immediately. The request can be made directly to the buyer who in turn will instruct the issuing bank to act accordingly.

DISCREPANCIES

It is estimated that 70% of all documents presented under letters of credit contain discrepancies, and therefore are not honoured on first presentation.

Minor discrepancies such as typographical errors or spelling mistakes can easily be corrected. Where discrepancies are inevitable (i.e. missing the latest shipping date due to a delay of the estimated departure date), the exporter has to make a quick decision as how to proceed. There are only three available options:

1. Instruct the bank holding the documents to forward them on a "collection basis". The documents will then be sent to the issuing bank outside the protection of the letter of credit. This is not the best alternative for the exporter since it will be the buyer's option to accept the documents and honour the payment.
2. Request the paying bank to honour the drawing under an indemnity signed by the exporter. It is of utmost importance that the exporter fully understands this undertaking. If the bank accepts the indemnity and effects payment, and the documents are rejected by the buyer, the exporter will have to reimburse the bank the funds paid to him/her plus applicable interest. At the same time the exporter loses control over the documents and the goods.
3. Instruct the bank to obtain acceptance of the discrepancies from the buyer and to hold the documents until such acceptance has been received. This is the best option available to the exporter.

DATE OF EXPIRY

All letters of credit must have an expiry date. Often a latest shipping date is incorporated in the credit as well as a period of time allowed to the beneficiary for presentation of documents (i.e. 10 days from shipment date). If the latest shipping date is not specified, the expiry date will be the time limit by which the goods must be shipped. If presentation of documents time is not indicated, the beneficiary has 21 days from shipment date to do so.

TRANSFERABLE LETTERS OF CREDIT

A transferable letter of credit must indicate that it is "**TRANSFERABLE**" and can be transferred once only. It gives the beneficiary the right to request the paying, negotiating or accepting bank to make the credit available in whole or in part to one or more parties (second beneficiaries). The second beneficiaries can be located in the country of the original beneficiary or any other. The bank that is requested to transfer the credit is under no obligation to do so even if it has added its confirmation.

When a credit is transferred it can only be done on the same terms and conditions contained in the original credit with the following exceptions:

- the name and address of the beneficiary can be substituted;
- the amount and unit price can be reduced;
- the expiry and other deadline dates may be curtailed;
- the insurance coverage (if the term of sale is CIF) may be increased.

BACK-TO-BACK LETTERS OF CREDIT

The beneficiary of a letter of credit can request a bank (need not necessarily be the advising or confirming bank), to issue a **BACK-TO-BACK LETTER OF CREDIT** in which he/she becomes the applicant. A back-to-back letter of credit involves the issuance of a **SECOND CREDIT** (secondary credit) and unlike a transferable credit, the two transactions are separate and independent.

The bank that agrees to issue a back-to-back letter of credit will demand that the terms and conditions of the first credit remain the same except for the following:

- the amount of the secondary credit may be curtailed;

- the place of validity may be changed;
- the expiry and other deadline dates may be shortened.

A back-to-back letter of credit is a useful financing mechanism for the beneficiary who is not the actual supplier of the goods.

REVOLVING LETTERS OF CREDIT

A revolving letter of credit allows an amount to be drawn during a specified period of time after which the full original amount becomes available again. The purpose of a revolving letter of credit is to avoid the issuance of a series of credits with the same requirements to the same beneficiary.

Revolving letters of credit can be renewed in terms of value and time. In terms of value, the amount is reinstated upon utilization and continues to be drawn until the expiry date. In terms of time, an amount can be available for weekly or monthly drawings. If the credit allows it to be accumulative, unused amounts are carried forward and added to the balance for the next drawing.

UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS

In 1933 The International Chamber of Commerce formulated a code of principles and responsibilities known as the **Uniform Customs and Practice for Documentary Credits (UCP)**. The UCP is a set of rules covering various aspects of documentary credit operations. These rules, with all their revisions, the latest in 1983, have been recognized around the world by most trading countries.

Nevertheless, specific conditions contained in a letter of credit will override the UCP rules, therefore many of the 55 UCP Articles include the following phrase: "...unless otherwise stipulated in the credit..."

The UCP rules are incorporated into a letter of credit by a statement that reads:

"Except as otherwise expressly stated this documentary credit is subject to uniform customs and practice for documentary credits (1983 Revision), International Chamber of Commerce Publication No. 400".

CHECKLIST FOR DOCUMENTARY CREDITS

- Does the credit agree with the sales contract ?
- Is the credit **Irrevocable** ?
- Is the credit **Confirmed/Unconfirmed** ?
- Are the names and addresses correct ?
- Is the unit price correct ?
- Is the amount sufficient ?
- Is there sufficient time to comply with the terms and conditions of the credit ?
- Can the "latest shipping date" be met ?
- Are the points of departure and arrival feasible ?
- Can the required documents be supplied ?
- If Insurance is required, can the conditions be fulfilled ?
- If a certificate of origin is required, does it have to be certified by the Chamber of Commerce ? does it have to be issued in the goods' country of origin ?
- If legalization of documents is required, does the importing country maintain a consulate in Canada ?
- Does the credit call for specific declarations on documents which cannot be made ?
- Can the documents be presented to the bank within the required deadline ?
- Can the "partial and transshipment" conditions be met ?
- Is the description of the goods accurate ?
- Are you familiar with the meaning of all the requirements ?
- Is the credit subject to the current **ICC Uniform Customs and Practice for Documentary Credits** ?

NOTE: If any of the terms and/or conditions stipulated in the documentary credit need clarification, contact your bank immediately.

INTERNATIONAL COMMERCIAL TERMS — INCOTERMS

In 1936, in an attempt to standardize trade terms, the International Chamber of Commerce published the first set of **International Rules for the Interpretation of Trade Terms**. These rules known as **INCOTERMS** have been revised periodically to keep up with changes in trade practices.

The last revision of INCOTERMS was completed in 1990 and came into effect on July 1st of that year. INCOTERMS are now compatible with Electronic Data Interchange (-EDI- which is the use of electronic messages to replace documents) and changes in transportation techniques.

INCOTERMS deal specifically with:

- a) **delivery** of the goods from seller to buyer,
- b) division of **costs** and **risks** between buyer and seller,
- c) buyer's and seller's obligations.

In defining the above three elements, INCOTERMS determine at what point responsibility for the shipment passes from the seller to the buyer. These terms range from total responsibility on the buyer to total responsibility to the seller.

It must be noted that INCOTERMS **do not** deal with the transfer of title to the goods but will determine at what point the goods are considered to have been delivered to the buyer.

Freight and Insurance costs constitute a significant portion of the cost of the product. The choice of the right trade term can minimize these costs.

INCOTERMS 1990 is comprised of 13 terms divided into four groups as follows:

GROUP E: EXW Ex Works

GROUP F: FCA Free Carrier

FAS Free Alongside Ship
FOB Free On Board

GROUP C: CFR Cost and Freight
CIF Cost Insurance and Freight
CPT Carriage Paid To
CIP Carriage and Insurance Paid To

GROUP D: DAF Delivered At Frontier
DES Delivered Ex Ship
DEQ Delivered Ex Quay
DDU Delivered Duty Unpaid
DDP Delivered Duty Paid

A complete description of INCOTERMS and the implications of their use is contained in INCOTERMS 1990 which can be obtained from the Canadian Chamber of Commerce, 1080 Beaver Hall Hill, Suite 1730, Montreal, Que. H2Z 1T2. Telephone: (415) 866-4334.

A FINAL WORD

By far an exporter's biggest concern is obtaining payment. If payment for the sale of goods to a foreign buyer is dependent upon strict compliance with documentation requirements, one must recognize that accuracy and familiarity with different methods of payment are two of the key elements for successfully completing an international transaction.

Often a high price is paid for lack of knowledge of exporting technicalities. For example, in the case of letters of credit, 70 percent of documents presented to banks are incorrect and today the penalty for each discrepancy is over 30 dollars. Therefore, careful consideration must be given to this aspect of international trade.

Basic knowledge of the importing country's requirements regarding documentation, restrictions, import quotas, duties, government policies, economic conditions etc. are extremely important. Not only will this help to successfully conclude an export sale but it could lead to a long-term business relationship. The financial consequences of goods being held in foreign ports due to faulty documentation can be disastrous.

Goods are traded worldwide everyday and the majority of these transactions are concluded with accurate documents exchanging hands successfully. Export documents may seem discouragingly complex to many. However, they need not be if one begins to consider that knowledge and familiarity with forms and procedures can make the task simpler and ultimately enable the exporter to become cost-efficient and therefore more competitive.

EXHIBIT 12 – BILL OF EXCHANGE

THE BILL OF EXCHANGE

<u>US\$ 10,550.00</u>	(1) <u>Toronto, December 20, 19--</u>
	(2) <u>At sight</u> PAY TO _____
THE ORDER OF	(3) <u>(NYZ BANK) (ABC Exports Canada)</u>
THE SUM OF	(4) <u>Ten Thousand Five Hundred and fifty US\$</u>
TO	(5) <u>Toys & Games</u> <u>142 Page Road</u> <u>London, England</u>
	(6) <u>ABC Exports Canada</u>

- (1) PLACE AND DATE OF ISSUANCE
- (2) TENOR
- (3) PAYEE (PARTY RECEIVING THE FUNDS)
- (4) AMOUNT AND CURRENCY AS PER INVOICE
- (5) DRAWEE (IMPORTER)
- (6) DRAWER (EXPORTER)

EXHIBIT 13 – THE BILL OF EXCHANGE IN CANADA

THE BILL OF EXCHANGE IN CANADA

- ① ADDRESSED BY ONE PERSON (DRAWER)
- ② TO ANOTHER (DRAWEE)
- ③ SIGNED BY THE PERSON GIVING IT (DRAWER)
- ④ REQUIRING THE PERSON TO WHOM IT IS ADDRESSED (DRAWEE)
- ⑤ TO PAY
- ⑥ ON DEMAND OR AT A FIXED OR DETERMINABLE FUTURE TIME
- ⑦ A CERTAIN SUM OF MONEY
- ⑧ TO, OR TO THE ORDER OF A SPECIFIED PERSON OR BEARER (PAYEE)

<u>US\$ 10,550.00</u>	Toronto, December 20, 19--
	⑥ At sight _____ PAY TO ⑤
THE ORDER OF ⑧	(NYZ BANK) (ABC Exports Canada)
THE SUM OF ⑦	Ten Thousand Five Hundred and fifty US\$
TO ② Toys & Games ④	_____
_____	142 Page Road
_____	London, England
	③ _____
	① ABC Exports Canada

EXHIBIT 14 - LETTER OF CREDIT EXAMPLE

LETTER OF CREDIT EXAMPLE

XYZ BANK LTD.
INTERNATIONAL DEPARTMENT
1A MAIN STREET
LONDON - ENGLAND

DATE: NOVEMBER 5, 19--

IRREVOCABLE DOCUMENTARY CREDIT

CREDIT NO. 23570

BENEFICIARY:
INTERNATIONAL EXPORTS INC.
15 HIGHLAND STREET
TORONTO, ONTARIO
CANADA

APPLICANT:
ABC TRADING CO. LTD.
130 MIDWAY AVE.
LONDON - ENGLAND

ADVISING BANK
X BANK INTERNATIONAL
3rd AVENUE
TORONTO, ONTARIO

AMOUNT:
US\$ 20, 400.00
TWENTY THOUSAND FOUR HUNDRED
UNITED STATES DOLLARS

CREDIT AVAILABLE BY:
PAYMENT

EXPIRY DATE
MARCH 15, 19-- IN TORONTO

DEAR SIR(S):
WE HEREBY ISSUE IN YOUR FAVOUR THIS DOCUMENTARY CREDIT AVAIL-
ABLE BY YOUR DRAFT(S) AT SIGHT DRAWN ON XYZ BANK LTD., LONDON - ENGLAND
ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. SIGNED COMMERCIAL INVOICE IN TRIPPLICATE
2. FULL SET (3/3) CLEAN ON BOARD OCEAN BILLS OF LADING, MADE TO ORDER OF XYZ BANK LTD., MARKED "FREIGHT PREPAID" AND NOTIFY THE APPLICANT DATED NO LATER THAN APRIL 20, 19--
3. CERTIFICATE OF ORIGIN
4. PACKING LIST
5. INSURANCE CERTIFICATE COVERING ALL RISKS AND WAR

COVERING: 300 SETS OF COOKWARE ITEM 3D2 US\$ 68.00 PER SET CIF LONDON

SHIPMENT FORM:
ANY CANADIAN PORT
TO LONDON, ENGLAND

PARTIAL SHIPMENTS:
NOT PERMITTED

TRANSHIPMENT:
NOT PERMITTED

SPECIAL INSTRUCTIONS:
DOCUMENTS MUST BE PRESENTED WITHIN 10 DAYS AFTER BILL OF LADING DATE
BUT WITHIN THE VALIDITY OF THE CREDIT.
ALL BANKING CHARGES OUTSIDE ENGLAND ARE FOR THE BENEFICIARY'S ACCOUNT.
ALL DOCUMENTS MUST SHOW LETTER OF CREDIT NO. 23570

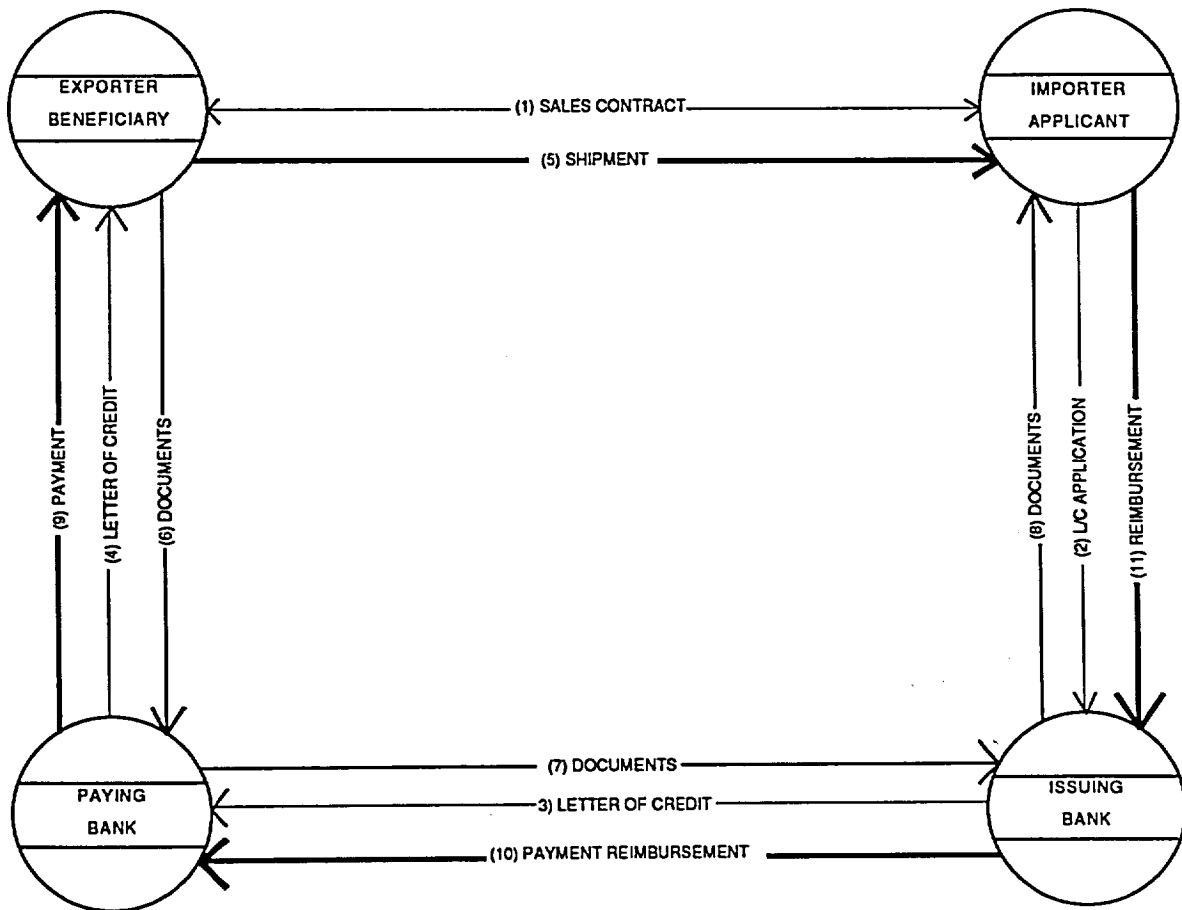
ALL DRAFTS MUST BE MARKED: "DRAWN UNDER XYZ BANK LTD. CREDIT NO. 23570
DATED NOVEMBER 5, 19--"

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO
UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION),
INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 400.

SPECIMEN
AUTHORIZED SIGNATURE

EXHIBIT 15 – SUMMARY OF PROCEDURES FOR A TRANSACTION UNDER A DOCUMENTARY CREDIT

SUMMARY OF PROCEDURES FOR A TRANSACTION UNDER A DOCUMENTARY CREDIT



APPENDIX A – USEFUL ADDRESSES

Canadian Chamber of Commerce

Head Office
55 Metcalfe Street
Suite 1160
Ottawa, Ontario
K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-7643

Canadian Chamber of Commerce

Montreal Branch
1080 Beaver Hall Hill
Suite 1430
Montreal, Quebec
H2Z 1T2
Tel: (514) 866-4334
Fax: (514) 866-7296

Canadian Chamber of Commerce

Toronto Branch
120 Adelaide Street West
Suite 2109
Toronto, Ontario
M5H 1T1
Tel: (416) 868-6415
Fax: (416) 868-0189

Canadian International Freight Forwarders' Association

Box 929
Streetsville, Ontario
Tel: (416) 567-4633
Fax: (416) 542-2716

The Carswell Company

2075 Kennedy Road
Scarborough, Ontario
M1T 3V4
Tel: (416) 609-3800

Revenue Canada – Customs and Excise

Origin Determination Directorate
Customs Programs
Connaught Building
Mackenzie Avenue
Ottawa, Ontario
K1A 0L5
Tel: (613) 957-0279

Canadian Manufacturers' Association

1 Yonge Street
14th Floor
Toronto, Ontario
M5J 1J9
Tel: (416) 363-7261
Fax: (416) 363-3779

Canadian Exporters' Association

99 Bank Street
Suite 250
Ottawa, Ontario
K1P 6B9
Tel: (613) 238-8888
Fax: (613) 563-9218

Canadian Association of Customs Brokers

121 York Street
Ottawa, Ontario
K1N 5T4
Tel: (613) 238-3394

International Trade Centres

External Affairs and International Trade Canada and Industry, Science and Technology Canada have established **International Trade Centres (ITCS)** across Canada to assist first-time and experienced Canadian exporters by providing export publications, recruiting participants for trade fairs and missions, and providing a wide range of services to companies seeking export counselling, technology transfer or joint ventures with foreign investors. For further information, contact the ITC nearest you.

ITCs are co-located with the offices of Industry, Science and Technology Canada except in the Northwest Territories and Yukon.

Newfoundland

International Trade Centre
P.O. Box y Street East
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Fax: (709) 772-2373

Prince Edward Island

International Trade Centre
P.O. Box 1115
Confederation Court Mall
134 Kent Street, Suite 400
Charlottetown, P.E.I.
C1A 7M8
Tel: (902) 566-7400
Fax: (902) 566-7450

Nova Scotia

International Trade Centre
 P.O. Box 940, Station M
 1801 Hollis Street
 Halifax, Nova Scotia
 B3J 2V9
 Tel: (902) 426-7540
 Fax: (902) 426-2624

New Brunswick

International Trade Centre
 P.O. Box 1210
 Assumption Place
 770 Main Street
 Moncton, New Brunswick
 E12C 8P9
 Tel: (506) 851-6452
 Toll free (N.B. only):
 1-800-332-3801
 Fax: (506) 851-6429

Quebec

International Trade Centre
 Stock Exchange Tower
 800 Victoria Square
 Suite 3800
 P.O. Box 247
 Montreal, Quebec
 H4Z 1E8
 Tel: (514) 283-8185
 Fax: (514) 283-8794

Ontario

International Trade Centre
 4th Floor
 Dominion Public Building
 1 Front St.
 Toronto, Ontario
 M5J 1A4
 Tel: (416) 975-5053
 Fax: (416) 973-8161

Manitoba

International Trade Centre
 P.O. Box 981
 330 Portage Avenue
 8th Floor
 Winnipeg, Manitoba
 R3C 2V2
 Tel: (204) 983-8036
 Fax: (204) 983-2187

Saskatchewan

International Trade Centre
 105-21st Street East
 6th Floor
 Saskatoon, Saskatchewan
 S7K 0B3
 Tel: (306) 975-5925
 Fax: (306) 975-5334

International Trade Centre
 1955 Smith Street
 4th Floor
 Regina, Saskatchewan
 S4P 2N8
 Tel: (306) 780-6108
 Fax: (306) 780-6679

Alberta

International Trade Centre
 Canada Place
 9700 Jasper Avenue
 Room 540
 Edmonton, Alberta
 T5J 4C3
 Tel: (403) 495-2944
 Fax: (403) 495-4507

International Trade Centre
 510 – 5th Street S.W.
 Suite 1100
 Calgary, Alberta
 T2P 3S2
 Tel: (403) 292-6660
 Fax: (403) 292-4578

British Columbia

International Trade Centre
 P.O. Box 11610
 900-650 West Georgia Street
 Vancouver, B.C.
 V6B 5H8
 Tel: (604) 666-0434
 Fax: (604) 666-8330

Industry, Science and Technology Canada**Northwest Territories**

Industry, Science and Technology Canada
 Precambrian Building
 P.O. Box 6100
 Yellowknife, N.W.T.
 X1A 2R3
 Tel: (403) 920-8568
 Fax: (403) 873-6228

Yukon

Industry, Science and Technology Canada
 108 Lambert Street
 Suite 301
 Whitehorse, Yukon
 Y1A 1Z2
 Tel: (403) 668-4655
 Fax: (403) 668-5003

APPENDIX B – EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA PUBLICATIONS

The publications listed relate to exporting assistance available, general export guides and those specifically covering other forms of export representation. These are available by contacting InfoExport toll free at 1-800-267-8376, or your nearest International Trade Centre listed in Appendix A. Other publications covering country-specific marketing guides, sectoral studies, lists of trade shows and export assistance programs are also available from these sources:

Directory of the Canadian Trade Commissioner Service

Export Guide: A Practical Approach

Selecting and Using Manufacturers' Agents in the United States

So You Want to Export

Export Markets: The Trading House Connection

Selecting and Using Foreign Agents and Distributors

Safe Storage

The Exporter's Guide to Transportation

Transportation Services Between Canada and Mexico

Canada Export. A bi-monthly trade newsletter with a national circulation of 54,000. It provides readers with information on international trade opportunities, new projects offering export potential, changes in government programs and assistance, forthcoming events (e.g. trade fairs, missions and conferences) and export success stories and winning strategies. To subscribe free of charge contact InfoExport.

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