

## Glossary Terms of Foreign Trade

### A

**ACP:** African, Caribbean and Pacific countries.

**ADR:** European Agreement on International Transport of Dangerous Goods by Road.

**CUSTOMS:** Administrative unit in charge of the application of the legislation related to the import and export of merchandise, such as the control of the traffic of goods that are internalized or external to a customs territory, carrying out its valuation, classification and verification, and of the application and the control of a tariff regime and prohibitions.

**AD VALOREM:** Tariff based on a percentage of the value of the load.

**EEIG:** European Economic Interest Grouping.

**EFTA:** European Free Trade Agreement. Since 1958. Iceland, Liechtenstein, Norway and Switzerland.

**AFORO:** Single operation that consists of performing the physical examination and the documentary review in a single action, in such a way that the classification of the merchandise, its evaluation, the determination of its origin when appropriate, and the other data necessary for purposes are checked. of taxation and customs control.

**CUSTOMS AGENT:** Auxiliary professional of the customs public function, whose license enables it to the Customs to provide services to third parties as agent in the clearance of goods.

**CUSTOMS TRANSPORTATION AGENT (A.T.A.):** Person of visible or ideal existence who, in representation of the carriers, is in charge of the procedures related to the presentation of the transporting means and of its charges before the Customs.

**ALADI:** Latin American Integration Association is an international organization with a regional scope. It was created on August 12, 1980 by the Montevideo Treaty of 1980, replacing the Latin American Free Trade Association. Currently, it has 13 Latin American member states; Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela. Any country in Latin America can request its adhesion to the integration process.

**FTAA:** Free Trade Area of the Americas, corresponds to the free trade zone and investments that are being negotiated by 34 democratic countries of the American continent, within the framework of the Summit of the Americas process. The participating countries are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, El Salvador, Ecuador, United States, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica,

Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

**ASEAN:** Association of Southeast Asian Nations. Since 1967. Members: Brunei, Malaysia, the Philippines, Singapore and Thailand. Papua New Guinea, Vietnam and Laos are observers. South Korea has a special status.

**ANZUS:** Since 1951 between Australia, the United States and New Zealand.

**APEC:** Economic Cooperation in Asia Pacific. Since 1989. Members: Brunei, Malaysia, Philippines, Indonesia, Singapore, Thailand, Australia, New Zealand, Japan, USA, Canada, Mexico, Papua New Guinea, South Korea, China, Taiwan and Hong Kong.

**TARIFF:** Is the tax that is applied to the goods that are subject to import. The most widespread is the tax levied on imports, while tariffs on exports are less common; There may also be transit tariffs that are levied on products that enter one country for another.

**GENERAL TARIFF OR MOST FAVORED NATION (MFN):** Clause in international treaties that guarantees that the best treatment to a Member country will be extended to all other member countries, automatically and irrevocably. This term was enshrined in the Agreement on Tariffs and Trade (GATT) and, subsequently, has been used in other multilateral and subregional agreements. An MFN tariff means that tariff charged to all WTO Members. In the case of the General Agreement on Trade in Services (GATS or GATS), this discipline is of general application, that is, no less favorable treatment should be granted to the services and service providers of any Member State or even the best treatment. that was given to the services or service providers of a country not part of the WTO. In the case of services and investments, this treatment extends to that granted to nationals of the country in question.

**ARBITRATION:** Method of resolving disputes that usually bind the parties involved.

**ATEIA:** Association of International Freight Forwarders and Assimilated.

**ATP:** International Agreement on International Transport of Perishable Goods and on Special Vehicles.

**GROSS FAILURE:** When a damage or sacrifice of the merchandise has been done intentionally and reasonably with the objective of preserving a ship and / or the other merchandise

**NOTICE OF DISPATCH:** It is the document with which the shipper communicates to the designated designate in the order of dispatch that the shipment of goods has been carried out.

## B

**BACK TO BACK:** When the beneficiary of the credit is not the final supplier of the merchandise and the credit received is not transferable, the exporter can request his Bank to issue a new documentary credit backed by the first credit received. They are two different credits (unlike the transferable). They are very complex operations and with high risk for banks.

**BACO:** Barge Container Carrier. Ship BAF (Bunker Adjustment Factor). Fuel Adjustment Factor. It influences the calculation of freight. BAfD. African Development Bank.

**ACCEPTANCE BANK:** Similar to the Paying Bank, but in this case, it accepts an expiration effect instead of paying or committing to the payment.

**BANCO AVISADOR:** It is the correspondent Bank of the issuing Bank in the country of the exporter. It only acquires the commitment to notify the beneficiary of the opening of the loan.

**BANK CONFIRMATOR:** Guarantees payment by the issuing Bank. It is used when the guarantees offered by the issuing bank are not considered sufficient. It is usually the warning bank.

**BANCO EMISOR:** Bank chosen by the importer. Make and open the credit. Pay the credit if the conditions demanded in it are met. It is the Importer Bank.

**BANK NEGOCIATOR:** Purchase (discount) an effect to the exporter. Although the payment is usually deferred, the exporter charges at sight (with or without interest).

**PAYING BANK:** Generally it is a Bank in the country of the exporter, which receives the mandate from the issuing Bank to pay or commit to the payment against presentation of the required documentation. For the exporter it is convenient that there is a paying bank in his country.

**BAAsD:** Asian Development Bank.

**BC-Net:** Business Cooperation Network.

**EIB:** European Investment Bank.

**BENEFICIARY:** Person in whose favor the credit is issued and who may demand payment from the issuing Bank or the payer once the conditions stipulated in the credit have been met. It is the exporter.

**EBRD:** European Bank for Reconstruction and Development.

**IDB:** Inter-American Development Bank.

**BILL OF LADING:** It is a receipt given to the shipper for the goods delivered. Demonstrates the existence of a maritime transport contract and grants rights to the merchandise.

**BISE:** Selective Export Information Bulletin. ICEX Database.

**BL TO THE ORDER (To the Order):** When a BL is to the order, the owner of the merchandise (the possessor of the BL), can convert it: in nominative (by means of endorsement), put it to the order of another signature or leave it with the endorsement signed in white. They are the most used.

**BL AL CARADOR (To the bearer):** The holder of the document is the owner of the merchandise.

**BL HOUSE:** When the BL is issued by a freight forwarder. It is a non-negotiable document, which does not give rights to the merchandise.

**BL NOMINATIVO (MADE OUT TO):** They are extended in the name of a specific person, who will be able to take charge of the merchandise previous identification and presentation of one of the original BL. They do not admit endorsement.

## C

**CABOTAGE:** Transportation by sea of national or nationalized merchandise or simple navigation between two points of the country's coast, even if it is outside its territorial waters, but without touching a foreign port.

**CAD:** Payment against Documents.

**CAF (Currency Adjustment Factor):** Currency Adjustment Factor. Influences the freight

**CAG:** Payment against goods.

**CALL OPTION:** Purchase option. Contract that offers its possessor the right, not the obligation, to buy a quantity of currency at a predetermined exchange rate during a period of time or on the expiration date of the contract.

**CHAMBER OF COMMERCE:** Association or institution that at the local, provincial, national or international level, groups the merchants (be they importers, exporters, industrialists, wholesalers, retailers, etc.) in order to protect their interests, improve their commercial activities on the basis of mutual cooperation and promote its prosperity, as well as that of the community in which it is based.

**CARGO:** This is the name of those goods that are transported by paying a price. Also it can be denominated load to the merchandises that a ship, an airplane or another type of transporting vehicle, has in its warehouse or deposit at a given moment.

**UNITIZED LOADING:** It is understood by unifying a load to the meeting or grouping of a certain number of articles or packages in a single set with the purpose of facilitating its handling, stowage, storage, transportation or subsequent use of its contents.

**CHARGER:** It is understood as such to the physical or legal person that delivers one or more cargo to a carrier. It is the user of the transport service.

**CARICOM:** Community and Common Market of the Caribbean. Since 1973. Mainly Anglophone countries: Antigua-Barbuda, Bahamas, Belize, Dominica, Granada, Montserrat, St. Lucia, St. Vincent and the Grenadines, St. Kitts and Nevis.

**CARRIER:** Carrier.

**DOCUMENTARY CREDIT LETTER:** A document by which, at the request of the buyer, your bank authorizes the exporter to charge on a specified date for a specific shipment against the presentation of accurate and detailed documents in accordance with the terms of the credit.

**ICC:** International Chamber of Commerce.

**CEAO:** Economic Community of West Africa. It was founded in 1973, with headquarters in Ouagadougou (Burkina Faso). They are members: Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania, Niger and Senegal. Guinea and Togo are observers.

**ECOWAS:** Economic Community of West African States. Since 1977, based in Lagos (Nigeria). Members: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone and Togo.

**CEI:** Commonwealth of Independent States. Since 1991. Members: Russia, Belarus, Ukraine, Moldova, Azerbaijan, Georgia, Armenia, Kazakhstan, Turkmenistan and Tajikistan

**CONSULAR CERTIFICATE:** Authenticity document, issued by the consular authorities of a country, on contracts, prices and other points of interest for customs clearance.

**CERTIFICATE OF ANALYSIS:** Document certifying that the nature, composition, grade, etc. of the merchandise corresponds to the quality contracted.

**CERTIFICATE OF DEPOSIT:** It is required in cases in which the existence of a previous deposit obliges to have done it before dispatching the goods.

**INSPECTION CERTIFICATE:** Certificate that indicates that the goods have been examined and found in accordance with the one mentioned in a contract or a

proforma. It is done by specialized companies. SGS, Bureau Veritas, Lloyd's, etc. Generally, 10% is inspected

**CERTIFICATE OF ORIGIN:** Document that identifies the goods issued and expressly declares where the merchandise was manufactured. In Spain it is carried out by the Chambers of Commerce.

**WEIGHT CERTIFICATE:** It is a document that shows the weight of the merchandise (net and gross) package by package.

**CERTIFICATE OF HEALTH:** Document certifying that the merchandise has been examined and is in perfect condition for human consumption.

**INSURANCE CERTIFICATE:** Document that proves that the insurance of a specific expedition has been contracted.

**CFR:** Incoterm. Cost and freight.

**CFS:** Container Freight Station. Container Freight Station.

**CGC:** Gulf Cooperation Council. Since 1979. It includes Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar.

**CHECK:** It is a title of value to the order or bearer and abstract by virtue of which a person, called drawer, unconditionally orders a credit institution to pay at sight of a sum of money determined in favor of a third party called beneficiary.

**CIF:** Incoterm. Cost, insurance and freight (before C & F).

**CIM:** International Waybill for Railroad.

**CIM CONVENTION:** International Goods Convention, Bern, 1890.

**CIP:** Incoterm. Freight and insurance paid.

**CLAUSE OF THE MOST FAVORED NATION:** Clause inserted in trade agreements or treaties, which stipulates that all benefits, advantages or franchises of any kind (in terms of tariffs, transportation, fees, etc.) granted in the future to any third country one of the contracting parties, will be automatically extended to the other contracting parties.

**GUARD SAVING CLAUSES:** Their purpose is to enable countries to adopt, on a temporary basis, measures of a different nature tending to counteract undesirable consequences for their economy.

**RED CLAUSE:** Allows the exporter to fully or partially dispose of the amount of the credit before submitting the required documents and even before issuing the merchandise. It is financing from the importer to the exporter.

**CMR:** International Waybill for road transport.

**CODEX ALIMENTARIUS:** Joint Commission of FAO and WHO dealing with international standards on food safety.

**TARIFF CODE:** Harmonized System Number identifies all existing assets. The tariff codes are classified into chapters (which are identified by the first 2 digits), items (the first four digits), subheadings (first six digits) or tariff item (the first eight digits of the tariff classification).

**STYLE COEFFICIENT:**  $C_e = V / P$ ; where  $V = \text{Volume (m}^3\text{)}$  and  $P = \text{Weight (Tn}^3\text{)}$ .

**COFIDES:** Development Financing Company.

**COLLECT SURCHARGE:** Surcharge for collection of freight at destination.

**COLLECTION CREDITS:** Actually it is not a documentary credit, but are credits issued in the usual way but available for payment in the banks of the issuing Bank, that is, the issuing Bank is the payer. It is inadvisable for the exporter, that it is better for him that the paying bank is in his own country.

**CLEARING COMMERCE:** Agreement between two countries to settle their commercial exchanges by means of the compensation of certain merchandise.

**KNOWLEDGE OF SHIPMENT:** Receipt of goods placed on board a ship, signed by the person or agent who undertakes by contract to transport them.

**KNOWLEDGE OF CLEAN SHIPMENT ON BOARD:** It refers to the state of the merchandise on board the ship. Clean on board means that in appearance the cargo does not present a defect in the packaging, lack of numbers or other marks.

**KNOWLEDGE OF BILLING TO THE ORDER:** (To The Order) When a BL is to order, the owner of the merchandise (the holder of the BL), can convert it: in nominative (by endorsement), put it under the command of another firm or leave it with the endorsement signed in white. They are the most used.

**KNOWLEDGE OF NOMINATIVE SHIPPING:** They are extended in the name of a specific person, who can take charge of the goods after identification and presentation of one of the original BL. They do not admit endorsement.

**KNOWLEDGE OF AIR SHIPPING:** Air freight consignment document filled out by or on behalf of the shipper.

**AWB.** Give title to the goods.

**BALTIC SEA COUNCIL:** Created in March 1992. Members: Germany, Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland, Russia and Sweden.

**OECD CONSENSUS:** It is an agreement between the most developed countries to limit the financial conditions of their international offers, avoiding financial competitions.

**CONSIGNEE:** Person designated by the Shipper of the Product to take charge of it and deliver it to the importer; the consignee and the importer may be the same natural or ideal person, if so determined by the sender of the same.

**CONSOLIDATION:** System for issuing different packages of different consignors under one agent to a common destination (GRUPAJE).

**CONTAINER:** Large and recoverable metallic packaging, of internationally agreed types and dimensions.

**CONTINGENT:** A contingent is the eventual limitation to export or import a certain quantity or during a certain time, a merchandise.

**CONTINGENT TARIFF:** During a period of time, exports or imports are not taxed by customs duties.

**QUANTITATIVE QUANTITATIVE:** When it is prohibited to export or import: a certain amount of merchandise, or during a certain time a type of merchandise, or both prohibitions together.

**MERCANTILE CONTRACT:** A commercial contract or commercial contract is a bilateral legal business that has a legal-mercantile nature. In general, in order for a contract to be classified as commercial, it must refer to acts of commerce, defined according to the applicable legislation.

**ECONOMIC COOPERATION OF THE BLACK SEA:** Since 1991. Members: Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine.

**BANK COSTS CRÉD. DOC .:** These bank charges are: notice, notification and confirmation, payment commissions, deferred payment, acceptance or negotiation, the costs of the modifications, the non-use of the credit, the interests of the negotiation and the costs of the messages.

**CPA:** Customs Procedure Code.

**CPT:** Incoterm. Freight paid until (before DCP).

**DOCUMENTARY CREDIT AGAINST ACCEPTANCE:** Credit is available against acceptance of documents and a term (giro) effect against a Bank designated by the credit (Accepting Bank) that may be the issuer itself. The accepting bank assumes the payment commitment at maturity independently if it has confirmed the credit or



not. The effect can be discounted if the Bank considers it appropriate. The discount expenses are for the account of the beneficiary, unless the credit specifies otherwise.

**CREDIT DOCUMENTARY AGAINST NEGOTIATION:** The credit is available upon presentation of the documents and of an effect, at sight or on time, issued against the issuing bank or against the credit payer. The negotiating Bank is limited to financing the beneficiary on behalf of the issuing Bank. The negotiating bank buys the rights of the beneficiary on the credit on behalf of the issuer. It can be negotiated by any Bank.

**DOCUMENTARY CREDIT AGAINST PAYMENT:** The beneficiary is paid upon presentation of the documents indicated in the credit. The credit is available without effects. In the case of payment on demand, it may demand an effect drawn by the beneficiary against the Bank determined in the credit. You must designate a paying bank that can be the issuer itself. If it is payable ON SIGHT and confirmed by the designated payer bank, it can not delay payment pending funds, after checking the documents. If it is payable to TERM and confirmed, the confirming bank undertakes to deliver documents to be paid at maturity. If it is not confirmed, the Bank can communicate that it takes the documents without commitment. The expiration can be fixed by: a term, date of receipt of merchandise, date of shipment merchandise, date of delivery of documents, etc.

**IRREVOCABLE DOCUMENTARY CREDIT:** The credit can not be modified or canceled without the agreement of the issuing Bank, confirming Bank (if any) and the beneficiary. It is a firm commitment on the part of the issuing Bank in favor of the exporter. **IMPORTANT NOTE:** in the absence of a clear indication in the credit, it will be considered as irrevocable. The Irrevocable Documentary Credit can be confirmed or not confirmed.

**REVOCABLE DOCUMENTARY CREDIT:** They can be canceled or modified by the issuing Bank at any time and without having to notify the beneficiary. However, the issuing Bank is bound by all payments, commitments, acceptances or negotiations made prior to the receipt of the notice of modification or cancellation. Its use is absolutely discouraged, since it is not a commitment of firm payment. In practice, they are never used, with few exceptions.

**TRANSFERABLE DOCUMENTARY CREDIT:** A Transferable Documentary Credit is issued in favor of a beneficiary who is not the one who produces the merchandise but an intermediary, who has established a sale contract with a buyer, but depends on a third party (the exporter), to supply the merchandise to your customer. Especially suitable for Trading Companies. The beneficiary can instruct the paying, accepting or negotiating Bank so that the credit can be used, partially or totally, by one or more beneficiaries from his country or from another country. If a Documentary Credit is to be transferable, it must be specified in the credit conditions, indicating the mention: transferable.

**DOCUMENTARY CREDIT:** It is an agreement under which a Bank (Issuing Bank), acting at the request of a client (payer) and in accordance with its instructions, is obliged to make a payment to a third party (beneficiary) or authorizes another Bank to make said payment, against presentation of the required documents within the specified time limit, provided that the terms and conditions of the credit have been met.

**STAND-BY CREDIT:** A Stand-by credit is used as a substitute for a guarantee. It is an endorsement of documentary execution subject to the URUs. They can be used in any type of transaction and are based on the concept of breach of contract by the payer of the Stand-by credit.

**CS:** Congestion Surcharge.

**CTBL:** Combined Transport Bill of Lading. Multimodal transport document.

**CY:** Container Yard. Container warehouse.

**CHARTER PARTY:** If an exporter hires a tramping vessel, the document issued is the BL Charter Party. It is not governed by the same criteria as a normal BL. They are governed by article 25 of the URU.

## D

**DACON:** Database of the World Bank on Consultants.

**DAF:** Incoterm. Franco Frontera

**DDP:** Incoterm. Delivered with paid taxes.

**DDU:** Incoterm. Delivered without paying taxes.

**DECLARATION OF CUSTOMS:** It is the document presented by the importer (or his agent or freight forwarder) for the dispatch of the merchandise, in order that he / she happens to take charge of the same.

**DEG:** Special Drawing Right.

**CUSTOMS DEPOSIT:** These are enclosures, under the control of Customs in which the goods do not pay import duties. They are used mostly when an importer does not know what the final destination of the import will be. The same operations are allowed as in the Free Zones. The maximum time that a merchandise can be in a Customs Warehouse is five years.

**DEQ:** Incoterm. Delivered next to the pier (before EXQ).

**DES:** Incoterm. Delivered next to the ship (formerly EXS).

**THREAD DISPLACEMENT:** It is the weight of the ship built but without fuel, luggage, crew or cargo.

**DOD:** Right to Obtain Foreign Exchange. They are the expenses and banking commissions for the payment of the maritime freight. Approx. 1% of freight DUA: Single Customs Document. Not necessary in intra-community trade. Yes for third countries (import and export).

## E

**ECU:** European Currency Unity. European Account Unit. Electronic data interchange.

**EEA:** European Economic Area. Since 1992, it has grouped the countries of the European Union and those of the EFTA.

**EFTA:** European Free Trade Association (EFTA).

**EIP:** European Investment Partners. European program that subsidizes the creation of joint ventures or investments in the Mediterranean countries, Asia and South America. ELS (Extra Length Surcharge): Surcharge for freight length.

**ERM:** Exchange Rate Mechanism. Mechanism of Changes and Intervention.

**EUR.1:** Document that serves as proof of the preferential treatment between two countries. It serves for export. and impor.

**EURODIVISA:** They are convertible currencies, outside the control of the monetary authorities of the country of orgien.

**EUROMARKETS RATE:** Interest rates on the international capital market for the contracting of loans or investments in different currencies.

**EWS:** Extra Weight Surcharge. Surcharge for overweight in contracting freight

## F

**PROFORMA INVOICE:** It is a pre-invoice delivered by the exporter to the importer, in order to inform the importer exactly the price he will pay for the merchandise and the payment method.

**FAD:** Development Assistance Funds (loans to developing countries).

**FBL:** Knowledge FIATA negotiable for multimodal transport.

**FCL:** Full cargo container. Full Container Load.

**FCLA (Full Container Load Allowance):** Reduced freight for use of full container.

**FEDER VESSEL:** Feeder vessels.

**EAGGF:** European Agricultural Guidance and Guarantee Fund.

**FILO:** Free in Liner Out. Freight contracting clause. All the port operations are for the merchandise, except the unloading at destination.

**FIOS:** Free in and out stowed. Freight contracting clause. The totality of the port operations are for the merchandise account. The freight only covers maritime transport.

**FREIGHT:** Cost of maritime transport (Freight).

**FCL:** Full cargo container. Full Container Load.

**FORFAITING:** Purchase of accepted bills of exchange, documentary credits or other promises of payment, the acquirer renouncing these effects to any right or demand against the exporter and the previous holders.

**FORM A. CERTIFICATE OF ORIGIN OF THE SPG (System of Generalized Preferences):** It is an import document. It shows the preferential treatment granted to the developing countries.

**FPA:** Free of Particular Average. Franco of Private Breakdown. This clause protects the goods against loss, total damages and gross faults.

**FRA:** Forward Rate Agreement. It is an agreement between two parties on the interest rate to apply in a deposit at a future date.

**ESF:** European Social Fund.

**FORCE MAJEURE:** A clause that limits the responsibilities of suppliers and carriers under certain circumstances.

## G

**INDEMNIFICATION GUARANTEE:** Document that guarantees the agent or consignee of the compensation of any risk or claim originated by the improper use of a B / L

**FOB EXPENSES:** Expenses for receiving, hauling and loading a merchandise since it is received at the port until it is loaded on board.

**GATT:** General Agreement on Tariffs and Trade.

**BANK TRANSFER:** Check extended by a bank to another bank payable to a third party.

**GROUPAGE:** System of issuing different packages of different shippers under one agent to a common destination. (= Consolidation)

**GRUPO DE VISEGRA:** Free Trade Agreement of Central Europe. Since 1992. Members: Czech Republic, Slovakia, Hungary and Poland.

## H

**HAWB:** House Air Waybill. It is the AWB issued by a freight forwarder instead of a regular airline.

**HEDGING:** Coverage. Cover against eventual loss by speculation through compensatory transactions in other currencies.

## I

**IATA:** International Air Transport Association.

**ICEX:** Spanish Institute of Foreign Trade. **ICO:** Official Credit Institute

**IFC:** International Financial Corporation.

**II FOB (Named Inland Carrier at Named Inland Point of Departure):** Trade Terms USA.

**II B FOB (Named Inland Carrier at Named Inland Point of Departure):** Freight Prepaid (named port of export). Trade Term USA.

**II C FOB (Named Inland Carrier at Named Inland Point of Departure):** Freight Allowed (named point). Trade Term USA.

**II D FOB (Named Inland Carrier at Named Inland Point of Exportation):** Trade Term USA.

**II E FOB Vessel (Named Port of Shipment):** Trade Terms USA.

**II FOB (Named Inland Point In Country of Importation):** Trade Term USA.

**IMARCO:** Maritime Institute of Arbitration and Contracting. Spanish arbitration body specialized in maritime issues.

**INCOTERMS:** These are international rules for the interpretation of commercial terms set by the International Chamber of Commerce. Its objective is to establish defined criteria on the distribution of expenses and transmission of risks, between exporter and importer. There are 11 terms: EXW, FAS, FCA, FOB, CFR, CIF, CPT, CIP, DAT, DAP, DDP. The Incoterms regulate: the delivery of goods, the transmission of risks, the distribution of costs, the paperwork of documents. But they do not regulate: the form of payment nor the applicable legislation.

**INTENDED PORT:** Projected port.

**INTERMODAL, TRANSPORTATION:** Haulage by several means of transport (air, sea, road or rail) (= multimodal transport).

## J

**JETRO:** Japanese Foreign Trade Corporation

## L

**LASH:** Lighter Aboard Ship. Lash Barges

**LCL:** Less full cargo container.

**LETTER OF EXCHANGE:** Document or title value by means of which a physical or legal person (drawer) orders another (drawee) to pay an amount in favor of a third party, upon expiration.

**LEVANTE DE UNA MERCANCIA:** The provision by the Customs Authority of a good for the purposes envisaged in the customs regime to which it is subject.

**EXPORT LICENSE:** Document that grants permission to export specified goods within a specific term.

**IMPORT LICENSE:** It is the official authorization that allows the entry of the goods in the importer's country. If the goods are not subject to customs restrictions, they are automatically issued.

**LIFO:** Liner in Free out. Freight contracting clause. All the port operations are for the merchandise, except stowage at destination. The freight only covers maritime transport.

**LINER TERMS:** Line terms. When the ship is of regular service.

**BLACK LIST:** Negative Black List Certificate. Certifies that the exporting beneficiary is not included in the black list of the country to which the goods are destined.

**LOADED ON BOARD:** Indicates that the goods have been loaded on board.

## M

**MANIFESTO:** The loading list of a ship.

**MATE'S RECEIPT:** It is a document signed by the master of the ship acknowledging receipt of the goods on board. Based on this document, the shipping companies extend the B / L.

**MCCA:** Central American Common Market. Formed by Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua

**MERCOSUR:** Common Market of South America. Since 1991. Brazil, Argentina, Paraguay and Uruguay.

**MOMS:** VAT in Denmark.

**MTD:** Multimodal Transport Document. These are the multimodal transport documents, normally issued by container shipping lines to cover the dispatch of goods from a place of charge to a place of delivery.

**MUELLAJE:** Fees paid for using a dock or dock services (dock fees).

## N

**N.O.P.E.:** Pre-Export Notification. Necessary to export goods subject to prior statistical surveillance.

**N.O.P.I.:** Prior Notice to Import. Necessary to import merchandise subject to prior statistical surveillance.

**CONSIGNMENT NOTE:** Document that declares the conditions under which the goods are transported.

**N.R.A .:** Customs Registration Number.

## OR

**OECD:** Organization for Economic Cooperation and Development.

**OCE:** Economic Cooperation Organization. Since 1985. Members: Turkey, Iran, Pakistan, Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan.

**OCI:** Central Intrastat Information Office.

**OAS:** Organization of American States. Since 1948. Groups the 34 independent American states, with the exception of Cuba.

WTO World Trade Organization. It replaces the GATT.

**ORDERING:** Person or entity that requests the opening of the credit to its Bank, committing to make the payment. It is the importer.

**OTM:** Multimodal Transport Operator.

**OUTRIGHT FORWARD:** Term Futures. All foreign currency purchase / sale transactions, with a rating greater than 2 business days.

**OUTSIDERS:** Vessels that do not belong to a Maritime Conference.

## P

**PA (Pallet Allowance):** Reduced freight contracting for palletized merchandise.

**PACKING LIST:** A list that specifies the content of each package of an export operation.

**PALLET:** Platform consisting of two floors joined by stringers. Measurements: Universal = 1200 x 1000 mm Europalet = 1200 x 800 mm. Maximum height = approx. 1.70 m.

**I WILL PAY:** The promissory note is a common method of payment in commercial transactions between companies. The promissory note is a document with which the company or legal entity that makes the purchase, the issuer, unconditionally undertakes to pay the seller or beneficiary an amount of money on a specific date, which is called maturity, and in a specific bank account, as it must be domiciled.

**GDP:** Gross Domestic Product.

**PLAFOND. MAXIMUM TARIFF LIMIT:** It is a combination of quantitative and tariff quota. A specific time is established for the suspension or prohibition of imports or exports.

**GNP (= Gross National Product).** It comprises the sum of the total of private and public investment and public and private consumption that has been made in a country for a year.

**INSURANCE POLICY:** It is the document that includes the conditions in which the goods are insured. They can be nominative or to order.

**POSTPANAMAX:** Vessels that can not cross the Panama Canal.

**PRE-ENTRY:** The process of presenting documents at the customs before the shipment or arrival of the goods.

**PREMIUM:** Prima. It is the amount charged by the issuer of an option and that compensates the exchange risk that it assumes.

**PREMIUM TO THE COMMISSIONER:** The guarantee of the agent before the principal of the solvency of the parties to whom it makes sales. It is included in the agency agreements.

**PROTESTA DE MAR:** It may be due to breakdowns, shipwreck, collision or failure to present the cargo.

**PUERTO FRANCO:** It is a territory that enjoys exemptions and bonuses of customs duties. You can load and unload goods. In Spain: Ceuta, Melilla and Canarias.



**PUT OPTION:** Sale option. Contract that offers its possessor the right, not the obligation, to sell a quantity of currency at a predetermined exchange rate during a period of time or on the expiration date of the contract.

**PVD:** Developing countries.

**PVD- ALA:** Developing countries in Asia and Latin America.

## R

**REGIME OF ADMINISTRATIVE AUTHORIZATION:** The operations of export or import that are under this regime, will need a previous document that authorizes the same ones. The necessary document is the Export Administrative Authorization for exports, and the Administrative Import Authorization for imports. The application must be filed with the Secretary of State for Commerce. It has a validity period of 6 months.

**TOTAL COMMERCIAL FREEDOM REGIME:** Within this regime most of the operations with the exterior are carried out. No prerequisite to export or import is required.

**PREVIOUS STATISTICS SURVEILLANCE REGIME:** Certain goods are within this regime. It is the responsibility of the Secretary of State of Commerce to decide if a merchandise is subject to this regime.

**LIGHT TRAILER:** If the PMA is less than 750 Kg.

**RESERVATIONS OF A DOCUMENTARY CREDIT:** If the documents do not strictly comply with the terms and conditions established in the conditions of the credit, then we will speak of RESERVATIONS.

**REVOLVING (ROTARY):** A revolving CD is one that can be used for an amount that remains constant for a specified period of time. In this way, when it is used, it is available for the entire amount, either automatically or as soon as the issuer receives notice of having received the documents of the previous use.

**ROLL ON ROLL OFF:** Vessels for transporting ro-ro cargo.

**LOAD BREAK.** Breaking Bull: It is the total or partial decomposition of the container in its elements to proceed to its storage or transport to the receiver of the load.

## S

**SAARC:** Association of South Asia for Regional Cooperation. Since 1983 between Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

**SACU:** Southern African Customs Union. Since 1979, based in Pretoria (South African Rep.), Members: Botswana, Lesotho, South African Republic and Swaziland.

**SADC:** Development Community of Southern Africa. Since 1980, based in Gaborone (Botswana), Members: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

**SDT:** Declaration of shippers for the transport of dangerous goods.

**SEA WAYBILL (SWB):** Non-negotiable Shipping Document. It allows access to the merchandise of the consigned part against identification. Useful for sale of goods in transit.

**SHORT FORM BL (Blank Back):** This is a document that does not include all the conditions of the maritime transport contract on the back of the document. It must always be accepted, unless a documentary credit specifies that this type of BL is not accepted.

**SME:** European Monetary System. SMI: International Monetary System.

**OVERWEAR:** Money paid by the exporter for delays in loading, unloading or occupying space in a port or warehouse beyond a specified period.

**SOIVRE:** Official Service of Inspection, Surveillance and Regulation of Exports.

**SPG:** Generalized System of Preferences.

**SPOT:** Counted. It is the change of purchase sale of one currency with respect to another (usually USD).

**SPREAD:** Differential. Difference between taking and borrowing interest rate.

**STRIKE PRICE:** Exercise Price. It is the type of change prefixed in a currency option.

**SWAP:** Currency exchange transaction consisting of a "spot" purchase, against a forward sale or vice versa.

**SWAPTIONS:** Options on Swaps.

**SWIFT:** Society for Worldwide Interbank Financial Telecommunication. Electronic data exchange messages between banks.

## T

**TAKEN IN CHARGE:** Indicates that the goods have been taken for loading.

**TEEM:** Trans Europe Express Merchandise.

**THROUGH B / L:** If the shipping is carried out by more than one carrier, one of the documents that may cover the entire shipment in the Through BL.

**EXCHANGE RATE:** The price of one currency in relation to another.

**TIR:** Convention Douanière au Transport International of Merchandises par Route.

**FTA:** Free Trade Agreement. From 1-1-1994 between the US, Mexico and Canada.

**TLO:** Total Loss Only. The insurer pays if the cargo is so damaged that recovery is uneconomical.

**TLVO:** Total Loss of Vessel Only. Total Effective Loss. The insurer pays the cargo only if the ship is destroyed. It is the minimum guarantee.

**TO THE BEARER. TO THE SHORT TON CARRIER:** Short Ton = 2000 pounds = 907.18 Kg. LONG TON: Long Ton = 2240 pounds = 1016.16 Kg.

**TOTAL METRIC:** Metric Ton = 2204 pounds = 1000 Kg.

**DEADWEIGHT TONNAGE:** Includes the weight of the cargo and the consumables of a vessel.

**TRADE MARTS:** Building dedicated to the permanent exhibition of products manufactured by companies.

**TRANSFER:** The process of transferring the load from one means of transport to another.

**TRANSITORY:** The party responsible for organizing the export and / or import of cargo.

**TVA:** VAT from France

## U

**UDEAC:** Customs and Economic Union of Central Africa. Since 1964. Headquarters in Bangui (Central African Republic). Members: Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic and Chad. Since 1994, the CEMAC Economic and Monetary Community of Central Africa has been created, whose Central Bank is the BEAC (Bank of Central African States). Franco CFA zone.

**UEMOA:** Economic and Monetary Union of West Africa. Since 1994, it has replaced UMOA (Monetary Union of West Africa) Members: Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger and Senegal The central bank is the BCEAO (Central Bank of West African States). CFA.

**UMA:** Union of the Arab Maghreb. Since 1989. Members: Algeria, Libya, Morocco and Tunisia. In serious problems due to the situation in Algeria.

**UN:** United Nations.

**UNCTAD:** Conference on Trade and Development of the United Nations.

**URU:** Uses and Uniform Rules of the International Chamber of Commerce.

**V**

**CUSTOMS VALUE:** To calculate the Customs duties that must be applied, Customs defines the concept of Customs Value, which is the value of the goods plus all expenses (insurance, transport, etc.) that have occurred up to the moment of go through customs. On this value in customs, the type of tariff to which the merchandise is subject will be applied. The tariff to apply depends on the merchandise and the country of origin. The corresponding VAT is applied to the result of applying the tariff to the customs value. This value is the Value of the Merchandise.

**Z**

**FREE ZONE:** Any national enclave created by the competent authorities of each Member State of the European Union in order to consider the goods that are there as if they were not in the customs territory of the Community for the application of customs duties, restrictions and any other tax. In the Free Zones, goods of any type, quantity, country of origin or destination are admitted. You can load and unload, transfer, store, and handle goods. There are free zones in almost every country in the world. Free Zones offer tax advantages such as suspension of customs duties, VAT and special taxes, no quantitative or qualitative restrictions, etc.