

Fold each printed sheet in half lengthwise. The left side of the document will list the term and the right side will list the definition. Tape or staple the open edges of your flashcards. Cut out your flashcards on the solid lines indicated and fold them on the dotted lines.

**Module9: Section A:
Infrastructure and Systems**

Term
substitutability

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Definition

When a buyer can purchase similar products from different suppliers. Increases the buyer's power because the buyer doesn't have to rely on just one supplier.

**Module9: Section A:
Infrastructure and Systems**

Term
importer of record (IOR)

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Definition

The entity responsible for ensuring the imported/exported goods comply with local laws and regulations, for filing the documentation for duty entry, and for paying any associated import duties or taxes.

Module9: Section B: Regulations

Term
trade bloc

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Definition

An agreement between countries intended to reduce or remove barriers to trade within member countries. Frequently, but not always, those countries are geographically close. Examples [...] are the European Economic Community and the North American Free Trade Agreement (NAFTA). Syn: trading bloc.

Module9: Section B: Regulations

Term
embargo

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Definition

A ban established by a nation's government that prohibits individuals or organizations from conducting any trade with individuals or organizations from another particular nation.

Module9: Section B: Regulations

Term
bribes

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Definition

A gift, money, or a favor given by one person to another intending to influence the person's decision, judgment, or conduct. Offering or accepting bribes is illegal in most countries and a violation of the UN Global Compact. A complicating factor is that bribes are expected parts of business transactions in some cultures. Syn: facilitating payments.

Module9: Section B: Regulations

Term
anti-bribery regulations

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Definition

Country regulations that penalize organizations that engage in bribery. The OECD Anti-Bribery Convention requires countries to develop such regulations.

Module9: Section B: Regulations**Term**

container security initiative (CSI)

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Definition

An agreement that allows US customs agents in foreign ports to identify and inspect high-risk containers prior to their being loaded on a ship bound to a US port.

Module9: Section B: Regulations**Term**

hazardous materials

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Definition

Any material that a country's relevant government agency has classified as a risk to human, animal, or environmental health or to property-either on its own or due to interaction with other elements. A government's transportation authority may allow transportation only when proper permits and safety precautions are implemented. Similarly, a government may regulate or supervise hazardous material disposal. Categories include explosives, flammable or corrosive liquids or gasses, biohazards, and radioactive materials.

**Module9: Section C: Customs
Clearing and Documentation****Term**

commercial invoice

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Definition

An official document indicating the names of the seller and buyer, the product being shipped, and its value. The document is provided by the seller.

**Module9: Section C: Customs
Clearing and Documentation****Term**

pro forma invoice

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Definition

A quote provided by a seller/exporter prior to the delivery of products or services, informing the buyer/importer of the price. This document is submitted to customs for valuation purposes.

**Module9: Section C: Customs
Clearing and Documentation****Term**

consular invoice

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Definition

A special invoice used for goods being sent to the importer's country. The importing country's consulate provides the stationery. The invoice is written in the language of the importing country and may require a government employee's signature.

**Module9: Section C: Customs
Clearing and Documentation****Term**

certificate of origin

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Definition

A document attesting to a shipment's country of origin.

**Module9: Section C: Customs
Clearing and Documentation**

Term

certificate of manufacture

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Definition

A certificate that attests that the goods were manufactured in the exporter's country. It is provided and signed by the exporter's chamber of commerce.

**Module9: Section C: Customs
Clearing and Documentation**

Term

certificate of inspection

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Definition

A certificate provided by an independent inspection organization attesting to the accuracy of the value and authenticity of the goods as listed on the invoice. The exporter obtains this preshipment certificate in the exporting country.

**Module9: Section C: Customs
Clearing and Documentation**

Term

certificate of free sale

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Definition

A certificate that attests that the goods can be legally sold in the country of export. The intent is to prevent defective products from being exported.

**Module9: Section C: Customs
Clearing and Documentation**

Term

import license

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Definition

An importing country's government document that provides an importer with the express authorization to import a particular product.

**Module9: Section C: Customs
Clearing and Documentation**

Term

certificate of insurance

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Definition

A certificate, required under some terms of trade, that attests that a particular shipment has insurance coverage. It is provided by the exporter's insurance company.

**Module9: Section C: Customs
Clearing and Documentation**

Term

carnet

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Definition

Temporary admission granted to goods that are passing through a country rather than being imported into it. The goods can cross several boundaries duty-free and tax-free without customs inspection. Disposable and consumable items are excluded. Syn: ATA carnet.

**Module9: Section C: Customs
Clearing and Documentation**

Term

shipper's export declaration (SED)

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Definition

An export/import document prepared by the shipper before a shipment can be exported and presented to a government authority of the country in which the shipper resides. Specifies details on the goods to be shipped, including their value, weight, and destination.

**Module9: Section C: Customs
Clearing and Documentation**

Term

export license

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Definition

A document received from a governmental agency authorizing a certain quantity of an export to be sent to a given country.

**Module9: Section C: Customs
Clearing and Documentation**

Term

bill of lading (international) (B/L)

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Definition

A bill of lading used in international trade to help ensure exporters are paid and importers receive the promised goods. When they are used for international transport, these include master bills of lading, house bills of lading, intermodal bills of lading, and air waybills.

**Module9: Section C: Customs
Clearing and Documentation**

Term

ocean bill of lading

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Definition

A contract between an ocean carrier and a shipper arranging for carriage of freight. It provides evidence of the carrier's receipt of the cargo and lists the origin and destination ports, rates, quantities, weight, and any special handling requirements. The shipper is responsible for all losses other than for negligence on the part of the ocean carrier.

**Module9: Section C: Customs
Clearing and Documentation**

Term

air waybill (AWB)

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Definition

A bill of lading for transporting domestic or international freight by air. It specifies the destination and terms of trade agreed upon by the shipper and transportation organization.

**Module9: Section C: Customs
Clearing and Documentation**

Term

road waybill

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Definition

A shipping document used to control shipments of goods for road transport. The document travels with the shipment and serves as a receipt for goods and evidence of the contract of carriage.

**Module9: Section C: Customs
Clearing and Documentation****Term**

rail waybill

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Definition

A freight document that indicates goods have been received for shipment by rail. The shipper receives a copy as a receipt for acceptance.

**Module9: Section C: Customs
Clearing and Documentation****Term**

packing list

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Definition

A list showing merchandise packed, a copy of which is sent to the consignee to help verify the shipment. Often used as part of the order picking and processing.

**Module9: Section C: Customs
Clearing and Documentation****Term**

duty

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Definition

A tax levied by a government on the importation, exportation, or use and consumption of goods.

**Module9: Section C: Customs
Clearing and Documentation****Term**

harmonized system classification codes

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Definition

An internationally standardized description of goods that uses a system of numbers to provide increasingly detailed classification and descriptions.

**Module9: Section C: Customs
Clearing and Documentation****Term**

Harmonized Tariff Schedule (HTS)

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Definition

The US International Trade Commission's mechanism by which international tariffs are standardized. Importers and exporters classify goods moved across international borders using the harmonized system of the country of import. Then based on this classification the [this concept] is used to determine the amount of tariff they must pay.

**Module9: Section D: Finance and Payment
Options/Currency and Tax Considerations**

Term
terms of trade

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Definition

The portion of a contract of sale that specifies the responsibilities of the seller or exporter and the responsibilities of the buyer or importer, especially the point at which one party's responsibilities end and the other party's responsibilities begin (including the point at which title to the goods is transferred). Commonly specified using International Commercial Terms (Incoterms(tm)).

**Module9: Section D: Finance and Payment
Options/Currency and Tax Considerations**

Term
incoterms

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Definition

A series of pre-defined commercial terms published by the International Chamber of Commerce relating to international commercial law. These terms do not cover property rights.

**Module9: Section D: Finance and Payment
Options/Currency and Tax Considerations**

Term
cash in advance payment

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Definition

Payment by the importer to the exporter before the exporter ships the goods, providing the maximum protection to the exporter and no protection to the importer.

**Module9: Section D: Finance and Payment
Options/Currency and Tax Considerations**

Term
bill of exchange payment

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Definition

A promissory note that the importer uses to formally acknowledge its debt to the exporter. Syn: draft.

Module9: Section D: Finance and Payment Options/Currency and Tax Considerations**Term**

open account payment

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Definition

A method of payment for goods shipped in advance of payment, in which the buyer or importer sends the seller or exporter an invoice requesting payment by a certain date.

Module9: Section D: Finance and Payment Options/Currency and Tax Considerations**Term**

foreign/free trade zone (FTZ)

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Definition

Designated areas within a country that are considered to be outside the country. Material in the zone is not subject to duties and taxes until the material is moved outside the zone for consumption. There is no limit on the time material may remain in the zone. [...].