

- 高等院校商务专业系列教材
- 21世纪商务人士必备工具书
- 内容涵盖当今国际商务最新观点、最新动态
- 帮助您迎接新世纪国际商务业态的新挑战

现代实用商务英语丛书
Modern Practical Business English

丛书主编 \ 张立玉

国际贸易结算

第三版

International Trade Payment

主编 何康民 易静 于建



WUHAN UNIVERSITY PRESS

武汉大学出版社

现代实用商务英语

Modern Practical Business

丛书主编 \ 张立玉

国际贸易结算

International Trade Payment

第三版

主 编 何康民 易 静 于 建

副主编 杨 静 严 慧 樊金其



WUHAN UNIVERSITY PRESS

武汉大学出版社

图书在版编目(CIP)数据

国际贸易结算 = International Trade Payment/何康民,易静,于建主编. —3 版.
—武汉: 武汉大学出版社, 2017. 1
现代实用商务英语丛书
ISBN 978-7-307-19198-3

I. 国… II. ①何… ②易… ③于… III. 国际贸易—国际结算—英语 IV. F830.73

中国版本图书馆 CIP 数据核字(2016)第 326900 号

责任编辑:谢群英 责任校对:李孟潇 版式设计:韩闻锦

出版发行: 武汉大学出版社 (430072 武昌 珞珈山)

(电子邮件: cbs22@whu.edu.cn 网址: www.wdp.com.cn)

印刷:湖北金海印务有限公司

开本: 787 × 1092 1/16 印张: 15.25 字数: 363 千字 插页: 1

版次: 2004 年 2 月第 1 版 2010 年 9 月第 2 版

2017 年 1 月第 3 版 2017 年 1 月第 3 版第 1 次印刷

ISBN 978-7-307-19198-3 定价: 30.00 元

版权所有, 不得翻印; 凡购我社的图书, 如有质量问题, 请与当地图书销售部门联系调换。

前 言

自中国加入 WTO 以来,“遵守国际游戏规则,按国际惯例办事”已成为各级政府和工商企业的共识。特别是近几年来,国外著名跨国集团公司、金融机构、工商企业纷纷抢滩中国市场,在中国设立分支机构、分公司及合资企业,引发了新一轮对高素质复合型外经贸人才的需求:要求他们具备良好的英语听、说、读、写、译及对外交流、沟通能力,同时熟知外经贸专业知识及国际贸易惯例。所有这些对高等院校在人才培养方面提出了新的挑战,如何充分利用现有教育资源,培养大批社会急需的复合型跨境电商人才是我们所面临的重大研究课题。

为了实现高等教育培养目标,大力推行专业课程双语教学法,培养高素质复合型跨境电商专业人才,我们在《国际贸易结算》第二版的基础上,重新编写了《国际贸易结算(第三版)》。本书重点介绍有关国际贸易结算方面的基本理论、基本知识和基本技能,以及相关的国际贸易惯例和规则。在引进消化国外原版教材的基础上,进行了本土化移植,使之既保留了相关专业内容的原汁原味,又符合中国的具体国情,并力争做到专业语言与国际接轨。

由于国际贸易结算是一门实践性、操作性极强的应用性课程,本书在编写过程中,一方面力争使语言精练、通俗易懂,体系完整,知识系统全面,另一方面尽可能用图示方法辅以文字说明来准确阐明国际贸易结算的操作程序,以加深和巩固学习者的理解及记忆。

因编写人员能力有限,难免在编写中出现一些疏漏或错讹之处,欢迎读者予以批评指正。

编者

武汉晴川学院

2016 年 12 月于武汉

Table of Contents

»	Chapter 1 Overview of International Settlement	/ 1
	1. Definition and Implications of International Trade Payment	/ 1
	1.1 Key Issues in International Payment	/ 2
	1.2 The Purpose of Learning This Course	/ 7
	2. Prospect of International Trade Payment	/ 8
	2.1 Usage of Documentary Credits	/ 8
	2.2 Usage of Electronic Data Interchange	/ 9
	Exercises	/ 11
»	Chapter 2 International Trade Terms	/ 14
	1. An Overview of Trade Terms	/ 14
	1.1 Meaning and Significance of Trade Terms	/ 15
	1.2 International Conventions of Trade Terms	/ 16
	1.3 Incoterms	/ 17
	2. Incoterms 2010	/ 18
	2.1 Differences Between Incoterms 2000 and Incoterms 2010	/ 18
	2.2 Specific Introduction to Incoterms 2010	/ 20
	3. Main Factors Concerning Selection of Trade Terms	/ 28
	3.1 Transport Conditions	/ 28
	3.2 Supply Market	/ 28
	3.3 Freight	/ 28

3.4	Risks During Transit	/ 28
3.5	Difficulty in Carrying out Customs Formalities	/ 29
	Exercises	/ 30

>> Chapter 3 Remittance / 32

1.	Overview of Remittance	/ 32
1.1	Parties to a Remittance	/ 33
1.2	Type of Remittance	/ 33
2.	Reimbursement of the Remittance Cover	/ 37
2.1	Bank Instruction	/ 37
2.2	Relationship Between Correspondent Banks	/ 37
3.	International Transferring and Clearing System	/ 38
3.1	Clearing Principles	/ 38
3.2	World Leading Payment and Clearing Systems	/ 39
4.	Laws, Rules and Uniform Customs	/ 42
4.1	Relating to International Trade Payment	/ 42
4.2	The International Customs	/ 43
	Exercises	/ 46

>>> Chapter 4 Instrument / 49

1.	Overview of Instruments	/ 49
1.1	Negotiation	/ 50
1.2	Semi-negotiation	/ 51
1.3	Assignment	/ 51
2.	Currency and Bill of Exchange	/ 52
2.1	Parties to a Bill of Exchange	/ 53
2.2	Key Elements of a Bill of Exchange	/ 53
2.3	Classification of Bill of Exchange	/ 53
3.	Legal Acts on Instruments	/ 55
3.1	Issue	/ 55
3.2	Endorsement	/ 55
3.3	Presentation	/ 56
3.4	Acceptance	/ 56
3.5	Payment	/ 57
3.6	Dishonor	/ 57
3.7	Notice of Dishonor	/ 57
3.8	Protest	/ 58

3.9 Recourse	/ 58
4. Promissory Notes	/ 58
4.1 Essentials to a Promissory Note	/ 59
4.2 Classification of Promissory Notes	/ 59
5. Checks	/ 60
5.1 The Main Parties Involved in a Check	/ 60
5.2 Essential Elements of a Check	/ 61
5.3 Classification of Checks	/ 61
5.4 Legal Acts on a Check	/ 63
Exercises	/ 66



Chapter 5 Collections / 68

1. Overview of Collections	/ 68
1.1 The Main Parties Involved in Collection	/ 68
1.2 Basic Documentary Collection Procedure	/ 69
2. Classification of Collections	/ 71
2.1 Clean Collection	/ 71
2.2 Documentary Collections	/ 71
3. Documents Under Collection	/ 75
3.1 Transaction Documents	/ 75
3.2 The Collection Order	/ 76
4. Uniform Rules for Collection	/ 78
4.1 Summary of the Provisions of URC	/ 78
4.2 Legal and Practical Position Regarding the Duties of Remitting Bank	/ 80
4.3 The Theory Involved in Collection	/ 81
4.4 Timing of Payment; the Practice	/ 81
4.5 Acceptance Pour Aval	/ 81
4.6 Risks to Exporter Selling Documents	/ 82
Exercises	/ 84



Chapter 6 Documentary Credits / 87

1. Overview of Documentary Credits	/ 87
1.1 The Feature Common to All Kinds of L/C	/ 88
1.2 Role of Banks Under Documentary Credits	/ 88
1.3 Limitations of Documentary Credits	/ 89
1.4 The Uniform Customs and Practice for Documentary Credits	/ 89

2. The Operation of Documentary Credit	/ 90
2.1 Main Parties to Documentary Credit	/ 90
2.2 Procedure of Documentary Credit	/ 91
2.3 L/C Issuance	/ 92
2.4 L/C Amendment	/ 92
2.5 L/C Utilization	/ 93
2.6 Settlement (Making Payment)	/ 94
3. Types and Uses of Documentary Credits	/ 97
3.1 Types of Documentary Credits	/ 98
3.2 Uses of Documentary Credit	/ 98
Exercises	/ 113

» Chapter 7 Other Payment Methods	/ 116
1. Payment in Advance	/ 116
2. Open Account	/ 117
3. Factoring	/ 118
3.1 Essence of Factoring	/ 118
3.2 Versatile Services	/ 119
3.3 Types of Factoring	/ 119
3.4 A Normal Transaction of a Maturity Factoring	/ 120
3.5 Development of Factoring	/ 121
4. Forfaiting	/ 121
4.1 Basic Concepts of Forfaiting	/ 122
4.2 Procedure of a Typical Forfaiting Transaction	/ 123
4.3 Development of Forfaiting	/ 124
4.4 Difference Between Factoring and Forfaiting	/ 125
Exercises	/ 128

» Chapter 8 Documents	/ 130
1. Business Documents	/ 131
1.1 Commercial Invoice	/ 131
1.2 Other Invoices	/ 133
2. Packing List	/ 135
2.1 Key Elements of Packing List	/ 136
2.2 Cautions and Notes	/ 137
2.3 Non-official Certificate of Inspection	/ 137

3. Transport Documents	/ 137
3.1 Marine Bill of Lading (B/L)	/ 138
3.2 Multi-modal (Combined) Transport Document	/ 141
3.3 Sea Waybill	/ 143
3.4 Air Waybill (Air Consignment Note)	/ 143
3.5 Road Waybill, Rail Waybill and Railway Cargo Receipt	/ 145
4. Insurance Documents	/ 146
4.1 Insurance Policy	/ 146
4.2 Insurance Certificate	/ 147
4.3 Cover Note	/ 147
4.4 Open Cover	/ 148
5. Official Documents	/ 149
5.1 Certificate of Origin	/ 150
5.2 Inspection Certificate	/ 153
5.3 Export License	/ 155
6. Document Checklists	/ 158
6.1 Seller/Exporter/Beneficiary	/ 158
6.2 Issuing Bank	/ 158
6.3 Advising/Negotiating Bank	/ 158
6.4 Buyer/Importer/Applicant	/ 158
7. Documents Examination	/ 159
7.1 Principles by Examining Documents	/ 159
7.2 Procedure of Examining Documents	/ 159
8. Disposal of Discrepancies	/ 161
8.1 Essential Discrepancies	/ 162
8.2 Disposal of Discrepant Documents by Banks	/ 162
Exercises	/ 166

» Chapter.9 Trade Forms	/ 169
1. Distribution and Agency	/ 169
1.1 Distribution of Commodities	/ 169
1.2 Agency	/ 170
2. Tender and Auction	/ 171
2.1 Tender	/ 171
2.2 Auction	/ 172
3. Counter-trade	/ 173
3.1 Barter	/ 173
3.2 Switch Trading	/ 173

3.3	Counter Purchase	/ 173
3.4	Buyback	/ 174
3.5	Offset	/ 174
3.6	Compensation Trade	/ 174
3.7	Futures	/ 175
4.	Outsourcing	/ 176
4.1	Overview of Outsourcing	/ 176
4.2	Reasons for Outsourcing	/ 176
	Exercises	/ 182
>>	Chapter 10 E-commerce	/ 184
1.	Development of E-commerce	/ 184
1.1	Definition of E-commerce	/ 185
1.2	Governmental Regulation	/ 185
1.3	E-commerce Procedures	/ 186
2.	Application of E-commerce in International Trade	/ 189
2.1	Document Automation in Supply Chain and Logistics	/ 189
2.2	Electronic Payment	/ 190
2.3	Group Buying	/ 190
2.4	Internet Buying and Transactions	/ 191
2.5	Online Shopping	/ 192
2.6	Teleconference	/ 192
	Exercises	/ 194
>>	Key to the Exercises	/ 196
>>	Appendix I Uniform Customs and Practice for Documentary Credits(ICC Publication No. 600)	/ 198
>>	Appendix II Uniform Rules for Collections (ICC Publication No. 522)	/ 225
>>	References	/ 236

Chapter 1

Overview of International Settlement

This chapter mainly introduces the concept of International Trade Payment and key issues in international trade payment. According to the information mentioned below, it is self-evident that without bank's participation, modern international trade payment system would not exist any more.

1. Definition and Implications of International Trade Payment

International Trade Payment refers to studying the system of effectively identifying or supervising performance of both the buyer and the seller with best possible low payment transaction costs and their practice.

From the definition mentioned above, it is obvious that the objects researched here is concerned with both the buyer and the seller.

In the process of international trade, at the heart of every business transaction is the buyer and the seller. Both parties have one thing in common; to profit from the transaction and to expose themselves to the least risk possible. All transactions, no matter how innocent, expose buyers and sellers to risk.

Fundamentally, the concern of the buyer and the seller are at the same in both domestic and international trade. The buyer wishes to get the goods ordered and paid for, and the seller wishes to get paid for the goods shipped. International trade, however, add a layer of uncertainty and risk for the buyer and the seller that does not exist in purely domestic trade because the buyer and the seller are separated by long distances, differences in culture and business tradition, different government and economic systems, different currencies, and different banking and legal systems.

The essence of both the buyer and the seller's concerns is whether the counterpart fulfills the contract. The motivation for the seller to supply and ship the goods is to obtain money. Meanwhile, the buyer must exchange money for the goods he orders. It is obvious that the concern of both sides is eventually about money. Therefore, payment becomes the touchstone for checking performance sincerity of the two parties.

If one party of international trade insists that the counterpart's fulfilling of the contract be the prerequisite of his performance, the transaction would be aborted. A cautious buyer would not give all the money to the seller, whom he never met, before shipment. The buyer most likely exits from the transaction if the seller refuses to conclude a contract without such condition. Hence, from the beginning of trade negotiation and in the process of dividing trade surplus, they constantly have contest of strength and balance interest of each other. On a win-win basis, firstly, effective methods to supervise and even force counterpart to fulfill his obligation have to be defined. Secondly, one among the methods with the lowest supervision cost should be found out. According to the modern supply chain concept, both parties in the transaction will care the supervision costs, they have common interest within a supply chain. If the supervision cost is so high as or even higher than the trade surplus, the supervision method would be seldom used or not used.

The two parties must weigh and balance the effectiveness and costs of supervision, so as to smoothly obtain relative benefit from international trade. Therefore, payment, as the most important stage in international trade seems to be a funds transfer, a clearance of debit and credit, actually it is to seek the methods being able to supervise the performance of both sides not only effectively but also efficiently.

In international trade practice, due to the involvement of banks for a long time, people have created many effective methods which have been feasible to examine fulfillment of the two parties. Commonly used payment systems in today's international society, namely, payment in advance, collections, letter of credit, and open account. Factoring as well as Forfaiting are widely used in international trade practice. Under each payment system, effectiveness and efficiency in respect of supervising or impelling counterpart's performance have been researched. As a practice, the common usage of each system, particularly in China, is well-known by everyone. Therefore, international trade payment is not only a theory, but a practice as well.

1.1 Key Issues in International Payment

There are several broad issues that affect what payment method will ultimately be used in a specific international trade. Every participant in the transaction must carefully consider these issues, though they will affect each differently and to a different degree.

Even after these broader issues are resolved, questions will continue to be raised throughout the transaction. Therefore, careful consideration of these issues can make a transaction go smoother, keep costs to a minimum, and ensure timely and efficient delivery and distribution of goods.

1.1.1 Who Bears the Credit Risk?

In almost all business transactions the buyer would prefer to obtain easy, extended, and

inexpensive credit terms. Credit gives the commercial buyer the opportunity to resell the goods before having to pay for them. In many instances, the buyer will have a market for goods but not possess sufficient working capital to make an outright purchase and payment prior to their resale. Credit makes many such transactions possible.

At the same time, the seller has a different set of priorities. Having paid for product development, raw materials, components parts, labor, and overhead, the seller needs to get his investment back. The seller may not know the buyer or may not trust that the buyer is financially stable enough to make payment at a future date. International transactions are not as stable, secure, transparent, or reliable as domestic transactions and many things can happen between the time of the sales and the expected time of payment. For these and other reasons, the seller will always prefer to be paid immediately; either at delivery or even prior to delivery. In a word, the buyer or importer prefers that the seller bear the credit risk and wants to make certain that the receives the goods once he has paid, while the seller or exporter prefers that the buyer bear the credit risk and wants to make certain he receives payment for goods shipped.

1. 1. 2 What Will Be the Transaction Costs of Payment?

What do the transactions costs of payment mean? First, the costs do not contain the expenses in respect of production, transportation and insurance. Second, the costs must be associated with the choice of payment methods. For example, using one method probably brings about increase of one party's financial cost or increase of banking charges, and so on. Actually, payment transaction costs mean total costs by using a certain payment method, including financial cost, fund transfer expense, default risk of counterpart and exit risk of counterpart. The explanations of above mentioned costs are as follows.

(1) Financial cost means extra financial expenses for fulfilling the contract do to different payment timing, or the opportunity cost of using their own working capital. If timing of payment is to be classified as date of conclusion, date of shipment, date of unloading and date of clearance, financial cost borne by the importer is decreased in above order, while it is increased to the exporter.

(2) Fund transfer expense means the expense used to transfer the proceeds from importer to exporter. For example, in Middle Ages, the expense to make payment could be the freight for transporting gold. In modern economic society, funds transfer are mostly handled by banks and banks will charge for it. But the expense charged differs from one payment method to the others, because banks undertake varying obligation and responsibility therefore. Comparatively, banks expense is increased by the order of remittance, collections, letter of credit, letters of guarantee, Factoring and Forfaiting.

(3) Default risk of counterpart means the possibility of default of the other side after performance of one side, in other words, it means the space for the counterpart to be in breach of contract under certain payment method. Reasons of the counterpart's default could be

commercial, could be also non-commercial. Commercial default refers to that the counterpart fails to perform the contract due to the business in a worse off situation, or due to market changed, or because he does not have good faith to do business at all. Non-commercial reason means that the environment of politics, economy, law and policy of related country changed unexpectedly. For example, after the exporter delivered the goods to the importer's country, the possibility for the importer refuse to pay and pick up the goods under collections is much higher than under letter of credit. That is because the importer will not suffer from losses or punishment from a third party if he do so with various excuses.

(4) Exit risk of counterpart means the possibility for the counterpart to exit from the transaction due to un-favorite conditions under certain payment method. Maximizing his interest in a transaction is rational behavior of international trader. The maximum benefit for the importer is not higher than to receive the goods desired without paying, while for the exporter is to obtain proceeds without shipping products. There is, however, good exit mechanism in actual market economy, that is to say, if the transaction is not win-win, one part would exit and there is no benefit to the other side at all, nor does he will get maximum benefit. Thus, the prerequisite of using a particular payment method is that both sides are willing to accept it, at least in certain extent. For example, total amount payment in advance is favorable for the exporter, but the importer perhaps exits from the transaction because of the high risk he will bear. In other words, the exporter will be confronted with higher exit risk of counterpart in this case.

1.1.3 What Will Be the Supervision Mechanism of Performance?

How do both sides “know” or “supervise” whether the counterpart fulfills the contract? If one party has no sincerity to fulfill contract at all, the counterpart is hard to avoid being cheated even though he has made strict supervision measures. In fact, fulfillment of contract rests on the participant's willingness. In reality, in most cases of default, the party concerned did so unintentionally. Because, from long term point of view, fulfilling contracts benefits the businessmen much more than defaulting.

Many things motivate the participants to fulfill contract. In traditional society, within a relatively small business circle, deals are made between acquaintances. Following morality standard, maintaining and elevating self-reputation enable the businessmen do business with more people and earn more money. That is the main motivation for the businessman's performance. The credit chain between seller and buyer in the circle of acquaintance is effective. That is to say, the public praise makes the participants fulfill the contract willingly and therefore could be one kind of supervision method. And this method is also efficient, i. e. with lower costs, because without supervision of the third party and law judgments there are no extra expenses certainly.

In modern business living, the business circle could reach the whole world, “acquaintance” and “reputation” do no long motivate people to fulfill the contract, in other words, the power of

morality is not so strong as to maintain the credit any more, and it has been replaced by agreement, contract and law. In contract, the obligation of parties is stipulated clearly, so as to avoid the punishment of social impartiality — court, which is one of the possible motivations of participant's performance. However, it is not very difficult for a party to find out chance to maximize his benefit, which attracts him rushing into danger. In such cases, although the sufferer could be compensated by law, it could be time — consuming or even lose is more than gain. In one word, the cost is too high. If there is a third party, who has good reputation, is familiar with the two parties, or even capable of threatening the party who is possible of defaulting, to take the role of witness, supervisor and the guarantor to both sides, there must be a strong force for two parties to fulfill the agreement. The most qualified third party is banking.

Banking has vast penetrating power in modern economic society, and owns the reputation of blood vessel of national economy. They are indispensable partners to enterprises. The relationship between enterprises and banks is something like “acquaintance” in traditional society, they maintain their long-term relationship by credit. Credit chain (see Figure 1.1) between one party (Buyer) and his bank (Bank A) can be connected to the credit chain between the other party (Seller) and his bank (Bank B) through worldwide banking network. The indirect credit chain between buyer and seller through bankers is much stronger than the direct credit chain between them, even though it is longer. Among “shorter” and “stronger”, businessmen would prefer to choose the stronger one instead of the shorter one. The complete credit chain is composed by the direct chain between buyer and seller as well as the indirect chain through banks.

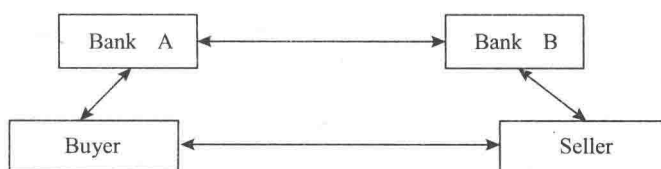


Figure 1-1: Credit Chain in Payment Transaction

As shown in Figure 1-1, the indirect credit chain between buyer and seller through bankers is longer than the direct chain between them. To “rent” the “credit” from the third parties, the “rental” must be paid, which would increase transaction cost. Although it is effective from the transaction to be succeeded, it is inefficient or non-economic.

Even in modern business world, is there any direct, economic credit chain between two parties from different countries, which is strong enough for promoting them to fulfill the contract actively? Actually, that direct credit chain is existed in three cases. First, thanks to high reputation, both sides sincerely believe that the counterpart do fulfill the contract. Second, the buyer and the seller have established long-term business relationship or even strategic cooperative partnership, in view of long-term benefit both sides are motivated to fulfill the contract. Third,

although the two parties are from different countries, they belong to one economic entity — transnational company, the responsibility or obligation of two parties — paying and delivering in time — are coordinated or assumed by the headquarter.

To sum up, there are four reasons for the participants to fulfill contract actively. Firstly, defaults damage one's reputation among acquaintances. Secondly, defaults will likely be punished according to laws. Thirdly, defaults would result in economic sanctions by banks. Finally, defaults would do harm to the long-term cooperative relationships. In a word, the essential motivation of doing performance is fearing of benefits losses.

1.1.4 What Are the Roles of Banking in the International Trade Payment?

1.1.4.1 Facilitating Funds Transfer

Banking is engine of today's economic society; its roles in international trade payment can be summarized as follows:

In modern business world, without banks, we can not imagine how to make international trade payment with vast amount of money, not to conduct it efficiently. In current business environment, through worldwide network banks could easily transfer money from the buyers to the sellers. Considering the whole world as one unit, cost of transferring fund could be saved greatly through banking systems.

Suppose that the buyers make payment without banks, it must be a real physical procedure, that is to say, a certain amount of money is transferred by hand to hand, which will suffer from safety risk, and expenses of transportation. If a couple of businessmen make payment in this way are acceptable, how much money will spend if thousands of businessmen clear their debits by this method? However, banks have different way to transfer funds; funds given by the buyer will be paid to the seller by their overseas institutes. Banks are capable of handling all international payment. And through a clearing mechanism between banks, physical flow of funds between countries is greatly decreased, so as to reduce transaction cost and improve economic efficiency.

1.1.4.2 Promoting Conclusion of International Trade

Banking's role in international trade is much more than only facilitating funds transfer. As an intermediary with good reputation, they act as, at the same time, counterparts of both sides (i.e. the seller and the buyer), and are capable of supervising both sides, so as to promote the business to succeed. The best example is letter of credit. Under letter of credit, banks guarantee in their own name that they will make payment definitely provided the exporter presents documents in line with the credit, meanwhile, they engage that the importer do obtain documents after his effecting payment or promising payment. With the promise of bank, exporters are willing to prepare and ship goods prior to obtaining money. Exporter will not worry about that the importer would refuse to pay, for bank is the primary obligor under a letter of credit. Just with the participation of banks, many international trades, which seems too hard to

come to conclusion, become to be feasible.

1.1.4.3 Extending Loans for International Trade

Banks take another important role in international trade, that is extending loans for every side, which is an important function that no sophisticated traders would neglect. Banks could facilitate finance for both the buyer and the seller. From the position of exporters, banks can extend an unsecured loan against order; or a packing credit against an original letter of credit; or a loan against shipping documents or negotiating documents presented. From the position of importers, bank can grant credit line for opening letter of credit, by which the importer is allowed not to pay cash collateral, issuing shipping guarantee which enables the buyer to pick up the goods before paying, so as to put them into production or market as soon as possible. Additionally, bank can also accept bills of exchange made by the buyer for discounting in money market and paying for the goods contracted.

Another important thing having to be mentioned here is that banks take a vital role in hedging foreign exchange risk, which is faced by both sides. Banks could manage, reduce, and even eliminate foreign exchange exposures by means of foreign exchange forward, future, options and so on, for themselves and for enterprises.

In conclusion, in international trade payment, banks take four roles: first, to facilitate fund transfer efficiently world wide; second, to promote transactions because of their easily supervising both sides; third, to provide loans to international traders, so as to make them capable of fulfilling the contracts; fourth, to help the foreign trade company to manage or reduce foreign exchange exposures. After Second World War, world trade has been growing faster than ever, annual growth rate about 6% averagely, higher than that of world GDP of about 4%. It can be asserted that such development partially owns to the active involvement of banking.

1.2 The Purpose of Learning This Course

The objectives of learning this course are that (1) It tries to provide some information on fundamental principles and theories which are closely associated with the international trade payment; (2) It tries to offer the experiences and skills about how to deal with the safe exchange between the proceeds and goods in international trade; (3) It tries to make the readers or learners familiarize with the customs and practice in international trade payment.

Hopefully, this book may play an important role in combining the theory with practice, which can facilitate learners' absorption, digestion and accumulation of knowledge and skills about international trade payment.