

**Module 7**

*Section D: Understand Finance, Payment, Currency, and Tax Options/Implications*

**Term**

Bill of exchange payment

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

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Cash in advance payment

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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.

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Incoterms

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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.

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**Term**

Open account payment

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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.

## Module 7

### *Section D: Understand Finance, Payment, Currency, and Tax Options/Implications*

#### **Term** Terms of trade

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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<sup>®</sup>).