

GLOSSARY OF INTERNATIONAL TRADE TERMS

Prepared by



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THE VOICE OF THE CALIFORNIA INDUSTRY

The **California Fashion Association** is the forum organized to address the issues of concern to our industry. Manufacturers, contractors, suppliers, educational institutions, allied associations and all apparel-related businesses benefit.

Fashion is the largest manufacturing sector in Southern California. Nearly 13,548 firms are involved in fashion-related businesses in Los Angeles and Orange County; it is a \$49.3-billion industry. The apparel and textile industry of the region employs approximately 128,148 people, directly and indirectly in Los Angeles and surrounding counties.

The **California Fashion Association** is the clearinghouse for information and representation. We are a collective voice focused on the industry's continued growth, prosperity and competitive advantage, directed toward the promotion of global recognition for the "Created in California" image.

Our purpose is to generate international trade, interact with state and federal agencies, providing valuable assistance with compliance and labor issues, and general inter-industry networking.

COOPERATING and MEMBER ASSOCIATIONS:

- **CENTRAL CITY ASSOCIATION OF LOS ANGELES**
- **CHILE TRADE COMMISSION**
- **DOWNTOWN LOS ANGELES PROPERTY OWNERS ASSOCIATION**
- **FABRICLINK**
- **FASHION DISTRICT BUSINESS DEVELOPMENT DISTRICT**
- **HONG KONG TRADE DEVELOPMENT COUNCIL**
- **ITALIAN TRADE COMMISSION**
- **KAMA – KOREAN AMERICAN APPAREL MANUFACTURERS ASSOCIATION**
- **LAEDC - LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION**
- **LOS ANGELES AREA CHAMBER OF COMMERCE**
- **TALA – TEXTILE ASSOCIATION OF LOS ANGELES**
- **THE TRADE OFFICE OF COLOMBIA**
- **TRADE AND INVESTMENT OFFICE OF PERU**
- **U.S DEPARTMENT OF COMMERCE**
- **WORLD TRADE CENTER ASSOCIATION**



Glossary of International Trade Terms

24 - Hour Rule: Effective December 2, 2002, carriers and/or automated NVOCCs ('non-vessel operating common carrier') must submit a cargo declaration 24 hours before cargo is loaded aboard the vessel at a foreign port.

807: A U.S. tariff schedule provision known as "-9802"- (formerly known as 806/807).- This classification allows U.S. importers to deduct the value of the U.S. components from the total customs value if the goods are assembled abroad and consist of U.S. components. The U.S. components are entered duty free while the remaining value of the article is entered under the duty rate associated with the classification of the imported merchandise. Customs defines "assembly operations" as fitting or joining together of fabricated components by any methods such as soldering, welding, gluing and laminating.

Acceptance: Broadly speaking, any agreement to purchase goods at a stated price and under specified terms.

Accumulation: Profits that are not paid out as dividends but are added to the capital base of the corporation.

(AD) Anti-Dumping: Anti-dumping suits, along with 'safeguards' and 'countervailing measures', are tools for protecting domestic industries from surges of cheap foreign imports. Although the WTO strives to eliminate all trade barriers, it recognizes that nations require flexibility to adjust to economic shocks as multilateral agreements increasingly liberalize trade. Thus, these measures allow nations to temporarily protect their economies against fluctuations in trading patterns.

Ad Valorem (According to Value): A tax imposed on imports by the customs authority of a country based on the value of the goods.

Advance Against Documents: A loan made on the security of the documents covering the shipment.

Advising Bank: A bank, operating in the exporters' country, which handles the letter of credit for a foreign bank by notifying the export firm that the credit has been opened in its favor. The advising bank informs the exporter of the conditions of the letter of credit without necessarily bearing responsibility for payment.

Advisory Capacity: Indicates that a shipper's agent is not empowered to make decisions or adjustments without approval of the group he or she represents.



(AES) Automated Export System: The Automated Export System (AES) is a joint venture between CBP, the Foreign Trade Division of the Bureau of the Census (Commerce), the Bureau of Industry and Security (Commerce), the Directorate of Defense Trade Controls (State), other Federal agencies, and the export trade community. It is the central point through which export shipment data required by multiple agencies is filed electronically to Customs.

Agent: An individual or firm that serves as the foreign representative of a domestic supplier and seeks sales abroad for the supplier.

(AGOA) African Growth and Opportunity Act: AGOA significantly liberalizes trade between the U.S. and 37 designated Sub-Saharan African countries. AGOA builds on existing U.S. trade programs by expanding the (duty-free) benefits previously available only under the Generalized System of Preferences (GSP) program.

Air Waybill: A bill of lading that covers both domestic and international flights that transport goods to a specified destination. This is a non-negotiable instrument of air transport that serves as a receipt for the shipper, indicating that the carrier has accepted the goods listed and is obligated to carry the consignment to the airport of destination according to specified conditions.

Alongside: The side of a ship. Goods to be delivered “alongside” are to be placed on the dock or barge within reach of the transport ship’s tackle so that they can be loaded aboard the ship.

(AMTAC) American Manufacturing Trade Action Coalition: This advocacy group’s intention is to preserve and create American manufacturing jobs through the establishment of trade policy and other measures necessary for the U.S. manufacturing sector to stabilize and grow.

Anti-Diversion Clause: Prevents exported goods from going to destinations not approved by the government. In the United States, the Department of Commerce’s Bureau of Export Administration requires commercially exported goods to be accompanied by a destination control statement saying that the goods are only authorized for export to certain locations and that U.S. law prohibits their diversion. The latter part of this statement is the anti-diversion clause.

(APEC) Asia Pacific Economic Cooperation: APEC was established in 1989 to further enhance economic growth and prosperity for the region and to strengthen the Asia-Pacific community. Since its inception, APEC has worked to reduce tariffs and other trade barriers across the Asia-Pacific region, creating efficient domestic economies and dramatically increasing exports. It also works to create an environment for the safe and efficient movement of goods, services and people across borders in the region through policy alignment and economic and technical cooperation.



(APO) Administrative Protective Orders: Grants counsel for interested parties to any given proceeding -- but not the interested parties themselves -- the right to receive business proprietary information collected by the agency. In exchange for the right to analyze this confidential data, counsel must agree to protect the confidentiality of the proprietary information they receive under the APO and to adhere to the other requirements of the APO.

Arbitrage: The process of buying foreign exchange, stocks, bonds, and other commodities in one market and immediately selling them in another market at higher prices.

(ASEAN) Agreement of Southeast Asian Nations: ASEAN was formed in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand to promote political and economic cooperation and regional stability. It currently consists of ten member nations: Brunei, Laos, Cambodia, Malaysia, Philippines, Thailand, Indonesia, Myanmar, Singapore, and Vietnam. U.S. relations with ASEAN have been excellent since its inception.

Asian Dollars: U.S. dollars deposited in Asia and the Pacific Basin.

Assignment (of Proceeds of a Letter of Credit): If the bank agrees, the beneficiary assigns all or part of the proceeds to be paid to another party after the required documents have been presented.

(ATC) Agreement on Textile and Clothing: The World Trade Organization (WTO) Agreement on Textiles and Clothing (the Agreement) provided for the phased liberalization and elimination over the transition period of quotas on textiles and apparel imported from WTO member countries. The Agreement was approved as part of the Uruguay Round Agreements Act and went into effect on January 1, 1995. The Agreement terminated in 2005.

(ATPA) Andean Trade Preference Act: ATPA was signed into law in 1991 to provide the beneficiary countries of Bolivia, Colombia, Ecuador and Peru duty-free access to the U.S. market for a wide range of products. The Act expired in December 2001.

(ATPDEA) Andean Trade Promotion and Drug Eradication Act: An expansion of the ATPA under the Trade Act of 2002, the Andean Trade Promotion and Drug Eradication Act provided duty-free access to U.S. markets for approximately 5,600 products. Due to the fact that Colombia and Peru implemented Free Trade Agreements with the U.S., and Bolivia and Ecuador became ineligible, the ATPDEA expired on July 31, 2013.

Balance of Trade: The difference between a country's total imports and exports. If exports exceed imports, a favorable balance of trade exists; if not, a trade deficit exists.



Barter: Trade in which merchandise is exchanged directly for other merchandise without use of money. Barter is an important means of trade with countries using currency that is not readily convertible.

Beneficiary: The person in whose favor a letter of credit is issued or a draft is drawn.

Bill of Exchange: An unconditional order in writing from one person (the drawer) to another (the drawee), directing the drawee to pay a specified amount to a named drawer at a fixed or determinable future date.

Bill of Lading: A document that establishes the terms of a contract between a shipper and a transportation company under which freight is to be moved between specified points for a specified charge. Usually prepared by the shipper on forms issued by the carrier, it serves as a document of title, a contract of carriage, and a receipt for goods. Also see Air waybill, Inland Bill of Lading, Ocean Bill of Lading, and Through Bill of Lading.

(BIT) Bilateral Investment Treaty: An agreement establishing the terms and conditions for private investment by nationals and companies of one state in the state of the other. This type of investment is called Foreign Direct Investment (FDI).

Bonded Warehouse: A warehouse authorized by customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.

Booking: An arrangement with a steamship company for the acceptance and carriage of freight.

Broker of Trade: One that acts as an agent for others, as in negotiating contracts, purchases, or trade sales in return for a fee or commission.

Buying Agent: An agent who purchases goods in his or her own country on behalf of foreign importer, such as government agencies and large private concerns.

Byrd Amendment: Directs the US government to distribute the collected anti-dumping and anti-subsidy duties to the US companies that brought the cases in the first place. Offset payments are made to cover certain expenses (such as investment in manufacturing facilities and acquisition of technology) incurred after the imposition of the anti-dumping and anti-subsidy measures for the production of the product subject to the measures. (Also known as the Continued Dumping and Subsidy Offset Act of 28 October 2000).



(C&F) Cost and Freight: A pricing term indicating that the cost of the goods and freight charges are included in the quoted price; the buyer arranges for and pays insurance.

(CAD) Cash Against Documents: Payment for goods in which a commission house or other intermediary transfers title documents to the buyer upon payment in cash.

(CAFTA) Central American Free Trade Agreement: An agreement between the United States and Nicaragua, El Salvador, Honduras, the Dominican Republic, and Guatemala which provides duty-free treatment for textile and apparel items produced in Central America and exported to the U.S.

Cairns Group: The Cairns Group is a coalition of 19 agricultural countries which account for over 25% of the world's agricultural exports. The group is committed to liberalization of trade in agricultural exports.

Carnet: A customs document permitting the holder to carry or send merchandise temporarily into certain foreign countries (for display, demonstration, or similar purposes) without paying duties or posting bonds.

(CBERA) Caribbean Basin Economic Recovery Act: CBERA amends section 213(b) of the Caribbean Basin Economic Recovery Act 19 U.S.C. 2703 (b), and provides that certain preferential tariff treatment may be provided to eligible articles that are the product of any country that the President designates as a CBTPA beneficiary country. The Act further provides that any U.S. citizen traveling in the Caribbean Basin may bring back \$600.00 worth of goods duty-free.

(CBI) Caribbean Basin Initiative: Initially launched in 1983 through the Caribbean Basin Economic Recovery Act (CBERA), and substantially expanded in 2000 through the U.S.-Caribbean Basin Trade Partnership Act (CBTPA), the CBI was further expanded in the Trade Act of 2002. The CBI provides beneficiary countries with duty-free access to the U.S. markets for most goods.

(CBP) Customs and Border Protection: CBP's primary mission is to prevent terrorists and terrorist weapons from entering the United States. The CBP also regulates and facilitates international trade, collecting import duties, and enforcing U.S. trade laws.

(CBTPA) Caribbean Basin Trade Partnership Act: CBTPA was implemented on October 5, 2000, and expires on September 30, 2020. CBTPA generally provides for duty-free entry of goods into the United States from designated Beneficiary Countries. CBTPA applies to both textile goods and certain non-textile goods. Nevertheless, the majority of CBTPA claims are for textile imports. The purpose is to encourage and improve the competitive position of the U.S. textile industry.



(CENVAT) Centralized Value-Added Tax: Introduced in 2003 to cover the entire textile supply chain, the tax brought the unorganized sector into the tax net.

Certificate of Inspection: A document certifying that merchandise, including perishable goods, was in good condition immediately prior to its shipment.

Certificate of Manufacture: A statement (often notarized) in which a producer of goods certifies that manufacture has been completed and that the goods are now at the disposal of the buyer.

Certificate of Origin: A document, required by certain foreign countries for tariff purposes, certifying the country of origin of specified goods.

(CFR) Cost and Freight: A pricing term indicating that the cost of the goods and freight charges are included in the quoted price; the buyer arranges for and pays insurance. Also see C&F.

(CFTA) Canada Free Trade Agreement: Implemented in January 1989 to eliminate all tariffs on U.S. and Canadian goods by January 1998 and reduce or eliminate many non-tariff barriers.

Charter Party: A written contract, usually on special form, between the owner of a vessel and a “charterer” who rents use of the vessel or a part of its freight space. The contract generally includes the freight rates and the ports involved in the transportation.

(CIA) Cash In Advance: Payment for goods in which the buyer pays when ordering; the transaction is binding on both parties.

(CIF) Cost, Insurance, Freight: A pricing term indicating the cost of the goods, insurance, freight, and the ports involved in the transportation.

(CII) Confederation of Indian Industry: The CII works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. CII is a non-government, not-for-profit, industry led and industry managed organization, playing a proactive role in India’s development process.

(CIS) Citizenship and Immigration Services: Created as a separate U.S. Government bureau by the Homeland Security Act of 2002, CIS focuses exclusively on immigration and citizenship services. The immediate priorities of CIS are to promote national security, continue to eliminate immigration adjudications backlogs, and implement solutions for improving immigration customer services.



(CIT) Court of International Trade: The CIT has jurisdiction over any civil action against the United States arising from Federal laws governing import transactions. The court hears antidumping, product classification, and countervailing duty matters as well as appeals of unfair trade practice cases from the International Trade Commission.

(CITA) Committee for the Implementation of Textile Agreements: An interagency group chaired by the U.S. Department of Commerce, responsible for matters affecting textile trade policy and for supervising the implementation of all textile trade agreements. CITA also coordinates the administration's efforts to combat illegal textile and apparel transshipment; implements the 'short supply' and other provisions of AGOA and the U.S. CBTPA; and takes textile and apparel safeguard actions, when appropriate, under the World Trade Organization (WTO) Agreement on Textiles and Clothing (ATC) and the North American Free Trade Agreement. CITA administers the phase-out of textile and apparel quotas on WTO countries required under the ATC.

(CIRA) Argentine Chamber of Importers: (also known as Camara de Importadores de la Republica Argentina). CIRA is a private, non-profit organization which assists in the dialogue with the public sector in matters related to imports to Argentina.

Clean Bill of Lading: A receipt for goods issued by a carrier which indicates that the goods were received in "apparent good order and condition," without damages or other irregularities. Compare Foul bill of lading.

Clean Draft: A draft to which no documents have been attached.

(COAC) Commercial Operations Advisory Committee of U.S. Customs and Border Protection: COA advises the Department of the Treasury and the Department of Homeland Security on the commercial operations of Customs. COAC may consider issues such as global supply chain security and facilitation, CBP modernization and automation, air cargo security, customs broker regulations, trade enforcement, agricultural inspection, and protection of international property rights.

Collection Papers: All documents (commercial invoices, bill of lading, etc.) submitted to a buyer for the purpose of receiving payment for a shipment.

Commercial Attaché: The commerce expert on the diplomatic staff of his or her country's embassy or large consulate.

Commercial Invoice: An itemized list of goods shipped, usually included among an exporter's collection papers.



Commingling of Raw Materials: When a manufacturer or refiner purchases property for resale, prior to or during the manufacturing of goods, and physically commingles this purchased property with other property not purchased.

Commission Agent: An agent who purchases goods in his or her own country on behalf of foreign importers such as government agencies and large private concerns.

Common Carrier: An individual, partnership, or corporation that transports persons or goods for compensation.

Confirmed Letter of Credit: A letter of credit, issued by a foreign bank, the validity of which has been confirmed by a U.S. bank. An exporter whose payment terms are a confirmed letter of credit is assured of payment by the U.S. bank even if the foreign buyer or the foreign bank defaults. See Letter of Credit.

Consignment: Delivery of merchandise from an exporter (the consignor) to an agent (the consignee) under agreement that the agents sell the merchandise for the account of the exporter. The consignor retains title to the goods until the consignee has sold them. The consignee sells the goods for commission and remits the net proceeds to the consignor.

Consular Declaration: A formal statement, made to the consul of a foreign country describing goods to be shipped.

Consular Invoice: A document required by some foreign countries which describes a shipment of goods and shows information such as the consignor, consignee, and value of the shipment. Certified by a consular official of the foreign country, it is used by the country's customs officials to verify the nature and quantity of the shipment.

Continued Dumping and Subsidy Offset Act: See Byrd Amendment.

Convertible Currency: A currency that can be bought and sold for other currencies at will.

Correspondent Bank: A domestic bank that handles the business of a foreign bank.

Copyright: The legal right granted to a distributor, manufacturer, or creator to reproduce, prepare derivative works, distribute, display, sell, lend, or rent their creation.



Council for Trade in Goods: The Council for Trade in Goods (also called The Goods Council) is made up of WTO member countries. It has 11 committees dealing with issues such as agriculture, market access, subsidies, and anti-dumping measures.

Counter-Trade: The sale of goods or services that are paid for in whole or in part by the transfer of goods or services from a foreign country. See Barter.

Countervailing Measures: Additional measures imposed by the importing country to offset government subsidies in the exporting country when the subsidized imports cause material injury to the domestic industry in the importing country.

(CPT) Carriage Paid To and (CIP) Carriage and Insurance Paid To: Pricing terms indicating that carriage, or carriage and insurance, are paid to the named place of destination. These terms apply in place of CFR and CIF, respectively, for shipment by modes other than water.

(CPTAT) Customs Policy for Trade and Terrorism: The Customs-Trade Partnership Against Terrorism (CTPAT) is a joint initiative between U.S. Customs and businesses to create an industry-wide security standard for protecting supply chains against terrorism. To qualify for CPTAT, companies must conduct a detailed self-assessment of supply chain security using the CTPAT guidelines created by the U.S. Customs and the international trade community. Companies must also submit a supply chain security profile questionnaire to Customs, and implement a program to enhance security throughout the entire supply chain in accordance with the CTPAT guidelines.

Credit Risk Insurance: Insurance designed to cover risks of non-payment for delivered goods.

(CSI) Container Security Initiative: CSI is a U.S.-run program intended to help increase security for containerized cargo shipped to the United States from around the world.

(CSPC) Consumer Product Safety Commission: The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death of more than 15,000 of consumer products in the agency's jurisdiction.

Customhouse Broker: An individual or firm licensed to enter and clear goods through customs.

Customs: The authorities designated to collect duties levied by a country on imports and exports. The term also applies to the procedures involved in such collection.



Customs Insurance Bond: A bond that guarantees the payment of import duties and taxes as well as compliance with regulations governing the import of merchandise into the United States.

(CV) Countervailing Duty: A duty imposed to counter unfairly subsidized products.

(CWO) Cash With Order: Payment for goods in which the buyer and the second party conduct a binding transaction.

(D/A) Documents Against Acceptance: Instructions given by a shipper to a bank indicating that documents transferring title to goods should be delivered to the buyer (or drawee) only upon the buyers' acceptance of the attached draft.

Date Draft: A draft that matures in a specified number of days after the date issued, without regard to the date of acceptance. See draft, Sight draft, and time draft.

(DDA) Doha Development Agenda: The DDA mandates negotiations on a range of issues, including the implementation of the present agreements. The negotiations take place in the Trade Negotiations Committee and its subsidiaries. Other work takes place in other WTO councils and committees.

(DDU) Delivered Duty Unpaid: A transaction in international trade where the seller is responsible for making a safe delivery of goods to a named destination, paying all transportation expenses but not the duty. The seller bears the risks and costs associated with supplying the good to the delivery location, whereas the buyer is responsible for paying the duty and other customers clearing expenses.

(DDP) Delivered Duty Paid: A transaction in which the seller is responsible for all of the costs related to transporting the goods, and for the goods themselves, until they have been received and transferred to the buyer. This includes paying for the shipping, duties, and any other expenses incurred while shipping the goods.

Deferred Payment Credit: A type of letter of credit providing for payment sometime after presentation of shipping documents by exporter.

Demand Draft: A draft that is payable upon presentation to the drawee.

Demurrage: In international transportation, this is a charge for the failure to remove cargo from a terminal within the allowed free time, as well as a charge for failure to load or unload a ship within the allowed period. In U.S. domestic transportation, demurrage is a penalty charge against users for use of carriers' equipment beyond the allowed free time.



Destination Control Statement: The U.S. government requires destination control statements to be displayed on export shipments; such statements specify the destinations for which export of the shipment has been authorized.

Devaluation: The official lowering of the value of one country's currency in terms of one or more foreign currencies.

(DHS) Department of Homeland Security: The U.S. Government Department of Homeland Security has three primary missions: (i) preventing terrorist attacks within the United States, (ii) reducing America's vulnerability to terrorism, and (iii) minimizing the damage from potential attacks and natural disasters.

(DIR) Department of Industrial Relations: The California Department of Industrial Relations was established to improve the health, safety, and economic well-being of over 18 million wage earners and to help their employers comply with state labor laws.

(DISC) Domestic International Sales Corporation: The domestic international sales corporation is a provision unique to tax law in the United States. In 1971, the U.S. Congress voted to subsidize exports of U.S. made goods through the income tax law. The initial mechanism was through a Domestic International Sales Corporation (DISC), an entity with no substance which received tax benefits. Today, shareholders of DISC continue to receive reduced income tax rates on qualifying income from U.S. exports of U.S. made goods.

Discrepancy – Letter of Credit: When documents presented do not conform to the Letter of Credit.

Dispatch: An amount paid by a vessel's operator to a charterer if loading or unloading is completed in less time than stipulated in the charter party.

Distributor: A foreign agent who sells for a supplier directly and maintains an inventory of the supplier's products.

(DLSE) Division of Labor Standards Enforcement: The state of California's DLSE adjudicates wage claims, investigates discrimination and public work complaints, and enforces Labor Code statutes and Industrial Welfare Commission orders.

(DOC) Department of Commerce: The DOC is responsible for the regulation, development, and promotion of domestic and international trade.

Dock Receipt: A receipt issued by an ocean carrier to acknowledge receipt of a shipment at the carrier's dock or warehouse facilities. Also see Warehouse receipt.



Documentary Draft: A draft to which documents are attached.

Doha Development Round or Doha Development Agenda (DDA) is the trade-negotiation round of the World Trade Organization (WTO), commenced November 2001. Its objective was to lower trade barriers around the world, and thus facilitate increased global trade. This agency within the WTO aims to reduce or eliminate tariff barriers and to improve developing countries' market access.

(DOT) Department of Transportation: An executive department of the U.S. government responsible for the development of national transportation policies.

Draft (or Bill of Exchange): An unconditional order in writing from one person (the drawer) to another (the drawee), directing the drawee to pay a specified amount to a named drawer at a fixed or determinable future date. See Date Draft, Sight Draft, Time Draft.

Drawback: Drawback is the refund of certain duties, internal revenue taxes, and certain fees collected upon the importation of goods. Such refunds are only allowed upon exportation or destruction of goods under U.S. Customs and Border Protection supervision.

Drawee: The individual or firm on whom a draft is drawn and who owes the stated amount. Also see Draft.

Drawer: The individual or firm that issues or signs a draft and thus stands to receive payment of the stated amount from the drawee. Also see Draft.

Drayage: The charge made for hauling freight via carts, drays, or trucks.

Dumping: Selling merchandise in another country at a price below the costs incurred in production and shipment.

Duty: A tax imposed on imports by the customs authority of a country. Duties are generally based on the value of the goods (ad valorem duties), some other factor such as weight or quantity (specific duties), or a combination of value and other factors (compound duties).

(EAR) Export Administration Regulations: These regulations are issued by the United States Department of Commerce, Bureau Industry and Security (BIS) under laws relating to the control of certain exports, re-exports, and activities. In addition, the EAR implements anti-boycott law provisions to prohibit specified conduct by United States persons that has the effect of furthering or supporting boycotts fostered or imposed by a country against a country friendly to United States.



(EDIFACT) Electronic Data Interchange for Administration, Commerce, and Transport: A set of standards, directories and guidelines for the electronic interchange of structured data related to trade in goods or services, between independent computerized information systems.

(EDA) Economic Development Administration: Under the auspices of the Department of Commerce, the EDA oversees Trade Adjustment Assistance (TAA) programs. The EDA provides grants for infrastructure development, local capacity building, and business development to help communities alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

(ELVIS) Electronic Visa Implementation System: ELVIS is a system whereby the key data set out on export visas is electronically transmitted in EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport) from the exporting authority to U.S. Customs for the purpose of customs clearance.

(EMC) Export Management Company: A private firm that serves as the export department for several producers of goods or services, either by taking title or by soliciting and transacting export business on behalf of its clients in return for a commission, salary, or retainer plus commission.

(EPZs) Export Processing Zones: Industrial parks designated by a government to provide tax and other incentives to export firms.

(ETAC) Exporters' Textile Advisory Committee: The ETAC provided advice and guidance on identifying and surmounting barriers to the expansion of textile exports, and on methods of encouraging textile firms to participate in export expansion. The committee functioned solely as an advisory body in accordance with provisions of the Federal Advisory Committee Act.

(ETC) Export Trading Company: A firm similar or identical to an export management company.

(ETI) Extra-Territorial Income Exclusion Act: This act extends a tax break to all types of entities with qualifying foreign sales, including S corporations and limited liability companies previously excluded. Foreign companies that are U.S. tax payers may also use the tax break, which was not the case previously. There are rules requiring a certain portion of U.S.-manufactured content and a certain proportion of foreign costs. Foreign tax credits on the goods concerned are not available to a participating entity. Actual manufacture may take place inside or outside the US.



EUROCOTON: Committee of the Cotton and Allied Textile Industries of the European Communities.

Eurodollars: U.S. dollars placed on deposit in banks outside the United States; usually refers to deposits in Europe.

(EU/EFTA): European Union/European Free Trade Association.

Ex-From: When used in pricing terms such as “ex-factory” or “ex-dock,” this term signifies that the price quoted applies only at the point of origin (in the two examples, at the seller’s factory or a dock at the import point). In practice, this kind of quotation indicates that the seller agrees to place the goods at the disposal of the buyer at the specified place within a fixed period of time.

Exchange Permit: A permit sometimes required by the importer’s government to enable the import firm to convert its own country’s currency into foreign currency with which to pay a seller in another country.

Exchange Rate: The price of one currency in terms of another, that is, the number of units of one currency that may be exchanged for one unit of another currency.

EXIM Bank: The Export-Import Bank of the United States is the official export credit agency of the United States. EXIM Bank’s mission is to assist in financing the export of U.S. goods and services to international markets.

Export Authorization Requirements: Requirements that must be satisfied before the shipment leaves the United States. Examples are pre-shipment inspections, some visa requirements, and requirements by some Arab nations that certificates of origin must be certified by an Arab diplomatic mission or chamber of commerce in the United States.

Export Broker: An individual or firm that brings together buyers and sellers for a fee, but does not take part in actual sales transactions.

Export Commission House: An organization which acts as a purchasing agent for a foreign buyer for a commission.

Export Declaration: The U.S. Treasury Department requires an export declaration for all export shipments, indicating the value, weight, destination, and other basic information about the shipment.

Export License: A government document that permits the licensee to export department goods to certain destinations. Also see General Export License and Individually Validated Export License.



Export Management Company: A private firm that serves as the export department for several producers of goods or services, either by taking title or by soliciting and transacting export business on behalf of its clients in return for a commission, salary, or retainer plus commission.

Export Trading Company: A firm similar or identical to the above.

(FAP) Focused Assessment Program: Comprehensive audits of importers that involve an assessment of internal control over import activities to determine if the importer poses an acceptable risk for complying with CBP laws and regulations.

(FAS) Free Alongside Ship: A pricing term indicating that the quoted price includes the cost of delivering the goods alongside a designated vessel.

(FCA) Fair Currency Alliance: The Fair Currency Alliance is a group of U.S. industrial, service, agricultural and labor associations.

(FCA) Free Carrier: Replaces the former term “FOB named inland port” to designate the seller’s responsibility for the cost of loading goods at the named shipping point. It may be used for multimodal transport, container stations, and any mode of transport, including air.

(FCC) Federal Communications Commission: The FCC was established by the U.S. Government’s Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable.

(FDA) Food and Drug Administration: The FDA was established by the U.S. Government in 1930 and is responsible for protecting public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, the nation’s food supply, cosmetics, and products that emit radiation.

(FDI) Foreign Direct Investment: An investment made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor; the investor’s purpose is to have an effective voice in the management of the enterprise.

(FI) Free In: A pricing term indicating that the charterer of a vessel is responsible for the cost of loading and unloading goods from the vessel.

(FICCI) Federation of Indian Chambers of Commerce and Industry: (FICCI) was established in 1927 to garner support for India’s independence and to further the interests of the Indian business community. Its mission is to integrate the Indian economy with the global mainstream.



Floating Policy: A marine insurance policy that applies to all shipments made by an exporter over a period of time rather than to one shipment only.

(FMC) The Federal Maritime Commission: The Federal Maritime Commission is an independent regulatory agency responsible for the regulation of ocean borne transportation in the foreign commerce of the U.S.

(FO) Free Out: A pricing term indicating that the charterer of a vessel is responsible for the cost of loading goods from the vessel.

(FOB) “Free on Board”: A pricing term indicating that the quoted price covers all expenses up to and including delivery of goods upon an overseas vessel provided by or for the buyer.

Force Majeure: This standard clause in marine contracts exempts the parties from fulfilling their obligations as a result of conditions beyond their control, such as earthquakes, floods, or war.

Foreign Exchange: The currency or credit instruments of a foreign country, and transactions involving purchase or sale of currencies.

Foreign Freight Forwarder: An independent business that handles export shipments for compensation. A freight forwarder is among the best sources of information and assistance on U.S. export regulations and documentation, shipping methods, and foreign import regulations.

Foreign Sales Agent: An individual or firm that serves as the foreign representative of a domestic supplier and seeks sales abroad for the supplier.

Foreign Sales Corporation: The predecessor of the Foreign Sales Corporation is now referred to as (DISC) Domestic International Sales Corporation. DISC took on a new definition as a result of the 1984 Tax Reform Act, and can now provide a tax deferral on up to \$10 million of exports so long as the funds remain in export-related investments.

Foul Bill of Lading: A receipt for goods issued by a carrier with an indication that the goods were damaged when received.

Free Port: An area such as a port city into which merchandise may legally be moved without payment of duties.



Free-Trade Zone: A port designated by the government of a country for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed, used for manufacturing, etc., within the zone and re-exported without duties being paid. Duties are imposed on the merchandise (or items manufactured from the merchandise) only when the goods pass from the zone into an area of the country subject to the customs authority.

Freight Forwarder: An independent business that handles export shipments for compensation. A freight forwarder is among the best sources of information and assistance on U.S. export regulations and documentation, shipping methods, and foreign import regulations.

(FTA) Federal Transit Agency: As part of the U.S. Department of Transportation, the FTA provides financial and technical assistance to local public transportation systems.

(FTAA) Free Trade Agreement of the Americas: An agreement between two or more countries within North and South America to eliminate tariff and non-tariff barriers affecting trade among them. Each participating country applies its own independent schedule of tariffs to imports from non-member countries.

(FTC) Federal Trade Commission: The FTC ensures the smooth operation of our free market system, and enforces federal consumer protection laws that prevent fraud, deception and unfair business practices. The Commission also enforces federal antitrust laws that prohibit anticompetitive mergers and other business practices that restrict competition and harm consumers.

(FTZA) Foreign Trade Zone Act: The act which established foreign trade zones in the USA.

(FTZB) Foreign-Trade Zones Board: A foreign-trade zone is a designated site licensed by the Foreign-Trade Zones (FTZ) Board at which special customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. Duty-free treatment is then accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market. This offsets customs advantages available to overseas producers who compete with producers located in the United States. FTZ sites and facilities are within the jurisdiction of local, state, or federal governments or agencies.

Fulfillment Warehouse: A warehouse where a product is warehoused, inventoried, packed, and shipped by a company in fulfillment outsourcing.



G-20 Group: The G-20+ Group, led by Brazil, brought together the developing countries of the Cairns Group with India, China, Egypt, Indonesia and Nigeria. This group represents most of the world's population. The G-20 goes even further than the Cairns group in its demands on the industrialized countries to liberalize trade, while making fewer demands on the developing countries.

(GATT) General Agreement on Tariffs and Trade: A multilateral treaty signed in 1947 to help reduce trade barriers between signatory countries and to promote trade through tariff concessions. The workings of the GATT agreement are the responsibility of the Council for Trade in Goods, which is made up of representatives from all WTO member countries. GATT membership now includes more than 110 countries.

(GCC) Gulf Cooperation Council: The Gulf Cooperation Council, created in response to the outbreak of the Iran-Iraq war, established the Gulf Standards Organization in November 1982. The GCC seeks to strengthen cooperation (in areas such as agriculture, industry, investment, security, and trade) among its six members: Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and the United Arab Emirates.

(GCCC) Global Congress on Combating Counterfeiting: The purpose of the congress is to develop a collective understanding of the extent of the counterfeit and piracy problem, identify effective government and private sector measures against counterfeiting and piracy, generate ideas for further co-operation, and devise solutions.

(GDP) Gross Domestic Product: A measure of the market value of all goods and services produced within the boundaries of a nation. It excludes income from external enterprises or investments.

General Export License: Any of various export licenses covering export commodities for which Individually Validated Export Licenses (IVEL) are not required. No formal application or written authorization is needed to ship exports under a general export license.

Gross Weight: The full weight of a shipment, including goods and packaging. Compare Tare weight.

(GSP) Generalized System of Preferences: A system approved by GATT in 1971 that authorizes developed countries to give preferential tariff treatment to developing countries to encourage their economic growth. EU member countries cannot be described as GSP beneficiaries.

(HPA) Harbor Privacy Agreement: This agreement enables U.S. organizations complying with safe harbor provisions to continue to receive personal data from Europe needed for their business operations.



(HS) Harmonized System: An international convention, implemented by the United States in 1989 for classifying imports and exports so that data from different countries are comparable. The United States adopted the Harmonized System as the basis of both its export classification system (Schedule B) and its import classification system (HTS). The first six digits of the commodity numbers in chapters # 1 through # 97 of both the HTS and Schedule B are identical with respect to descriptions and codes.

(HMT) Harbor Maintenance Tax: An ad valorem charge on exports, imports, other shipments, and passenger transportation involving use of a harbor.

(HSDN) Homeland Secure Data Network: The U.S. Government's HSDN will provide DHS officials with a modern information technology infrastructure for securely communicating classified information. The HSDN will significantly enhance the department's capability to interact with other classified networks while eliminating dependence on external networks. When completed, the HSDN will be a private, certified, and accredited network that will support the mission goals of the department.

(HTS) Harmonized Tariff Schedule: Same as (HS) Harmonized System. It classifies imports and exports so that data from different countries are comparable.

(HTSUS) Harmonized Tariff Schedule of the United States: This is the primary resource for determining tariff (custom duties) classifications for goods imported into the United States. The duty that is assigned is determined by the value and the country of origin of the goods or products being imported.

(ILO) International Labor Organization: The ILO formulates international labor standards in the form of Conventions and Recommendations setting minimum standards for basic labor rights such as freedom of association, the right to organize, collective bargaining, abolition of forced labor, equality of opportunity and treatment, and other standards regulating conditions across the entire spectrum of work related issues.

(IMF) International Monetary Fund: Established in December 1945, the IMF promotes international monetary harmony, monitors the exchange rate and monetary policies of member nations, and provides credit for member countries which experience temporary balance of payments deficits. Funded through members' quotas, the IMF may supplement resources through borrowing. Approximately 175 countries now belong.



(IMO) International Maritime Organization: Provides the mechanism for cooperation among governments with respect to governmental regulation and practices relating to technical matters affecting those engaged in international trade. It encourages and facilitates the adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation, prevention and control of marine pollution.

Import license: A document required and issued by some national governments authorizing the importation of goods into their individual countries.

Importer of Record: The importer is legally liable for payment of duties, taxes, and fees for compliance with customs and other government agency regulations pertaining to their imports. The importer of record may be the party who is buying or receiving the imported goods, or an interested party in the transaction who has the right to take entry under the customs regulations.

In Bond: A procedure in the U.S. under which goods are transported, stored, or handled, prior to clearance and release by customs; the government's interest is secured by indemnity bonds.

Individually Validated Export License: Requires a document issued by the U.S. Government authorizing the export of specific commodities. This license is for a specific transaction or time period in which the exporting is to take place.

Industrial Property: Industrial Property includes inventions, patents, trademarks, copyrights, industrial designs, and geographical indications.

Inland Bill of Lading: A bill of lading used in transporting goods overland to the exporter's international carrier. Although a Through Bill of Lading can sometimes be used, it is usually necessary to prepare both an Inland Bill of Lading and an Ocean Bill of Lading for export shipments.

Insurance Certificate: A document issued by the shipper under an open marine insurance policy to cover a particular shipment of merchandise.

International Freight Forwarder: An independent business that handles export shipments for compensation. A freight forwarder is among the best sources of information and assistance on U.S. export regulations and documentation, shipping methods, and foreign import regulations.

(IPEC) International Program on the Elimination of Child Labor: IPEC aims to eliminate child labor by strengthening national capacities to address child labor problems, and by creating a worldwide movement to combat it.



(IPR) Intellectual Property Rights: The rights given to persons over their creations. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time. Intellectual property rights are customarily divided into two main areas, copyrights and industrial property.

(IVEL) Individually Validated Export Licenses: Documents issued by the U.S. Government authorizing the export of a specific commodity to a certain destination.

Irrevocable Letter of Credit: A letter of credit in which the specified payment is guaranteed by the bank if all terms and conditions are met by the drawee.

(ISA) Importer Self Assessment: A voluntary approach to trade compliance. CBP's program provides the opportunity for importers to assume responsibility for monitoring their own compliance in exchange for benefits.

(ISPS Code) International Ship and Port Facility Security: This code aims to provide a standardized, consistent framework for evaluating risk, enabling governments to offset changes in threat with changes in vulnerability for ships and port facilities. It contains detailed, mandatory security-related requirements for governments, port authorities, and shipping companies.

(ITC) International Trade Commission: An independent, nonpartisan, quasi-judicial U.S. federal agency that provides trade expertise to both the legislative and executive branches of government. The ITC determines the impact of imports on U.S. industries and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement.

(L/C) Letter of Credit: Issued by a bank per instructions by a buyer of goods, an LC authorizes the seller to draw a specified sum of money under specified terms, usually the receipt by the bank of certain document within a given time.

(LDC) Less Developed/Least Developed Countries: An unindustrialized, undeveloped, or developing nation, generally characterized by low per capita incomes, low literacy levels and medical standards, subsistence agriculture, and a lack of exploitable minerals and competitive industries. These countries have low prospect of rapid economic development in the foreseeable future and are likely to remain dependent upon official development assistance for many years.

Licensing: A business arrangement in which the manufacturer of a product (or a firm with proprietary rights over certain technology, trademarks, etc.) grants permission to some other group or individual to manufacture that product (or make use of that propriety material) in return for specified royalties or other payment.



Manifest: An instrument in writing, signed by the captain of a ship that lists the individual shipments constituting the ship's cargo.

Maquiladoras: Primarily foreign-owned assembly plants in Mexico, maquiladoras were established to take advantage of the relatively inexpensive cost of Mexican labor.

Marine Insurance: Insurance that compensates the owners of goods transported overseas in the event of loss that cannot be legally recovered from the carrier. Also covers air shipments.

Market Disruption: A situation where a surge in imports of a certain product causes a sharp decline in the domestic sales of that product, thereby creating a hardship for domestic producers.

Market Economy: An economic system where resources are allocated and production of goods determined by market forces rather than by government decree.

Marking (or Marks): Letters, numbers, and other symbols placed on cargo packages to facilitate identification.

Mercosur: A South American trade bloc made up of members from Mexico, Venezuela, Argentina, Brazil, Paraguay, and Uruguay. Member countries of Mercosur maintain a common external tariff and agree to reduce barriers to trade amongst themselves and their associate members (which also include Chile, Peru, and Bolivia), to further open their markets in return for preferential access to full members' markets.

(MFA) Multi-Fiber Agreements: The objective of these agreements, which expired on January 1, 2005, was to reconcile the interests of textile-exporting and textile-importing countries by permitting an orderly expansion of trade while avoiding market disruption. The MFA allowed an importing signatory country to apply quantitative restrictions on textile imports when it considered such restrictions necessary to prevent market disruption. MFA rules provided that quantitative restrictions should not reduce imports to levels below those attained during the preceding year, and should, if continued, permit trade to expand by specified percentages.

(MID) Manufacturers Identification Code: A code identifying the manufacturer. The MID is to be constructed from the name and address of the entity performing the origin-conferring operations, according to the applicable rules of origin.



Multilateral Trade Negotiations: Negotiations on multilateral trade policy reforms began in Geneva in 2000 under the auspices of the World Trade Organization (WTO). These talks are part of ongoing international efforts to obtain economic benefits for a more open market.

(NAALC) North American Agreement on Labor Cooperation: NAALC is a supplemental agreement to the North American Free Trade Agreement (NAFTA) signed by the United States, Mexico and Canada, which entered into force on January 1, 1994. The objectives of the NAALC are, among other things, to improve working conditions and living standards, to promote a set of guiding labor principles, and to encourage cooperation to promote innovation and rising levels of productivity and quality.

(NAICS) North American Industry Classification System: Intended to coordinate industry definitions for tracking between NAFTA nations of Canada, Mexico, and the U.S., under Code 315 for manufacturing.

(NCTO) National Council of Textile Organizations: Designed to represent the entire spectrum of the textile sector, from fibers and finished products, to machinery manufacturers and power suppliers. NCTO's goal is to create coalitions to advance the interests of textile sector, with all segments of the textile sector having a say in determining NCTO policy.

(NTB's) Non-Tariff Barriers: Additional taxes, customs valuations, border delays, or certifications.

(NAFTA) North American Free Trade Agreement: NAFTA was formed on January 1, 1994 to create free trade among the United States, Canada, and Mexico. Under NAFTA, all non-tariff barriers to trade between the United States and Mexico were eliminated. In addition, many tariffs were eliminated immediately, with others being phased out over periods of 5 to 15 years.

(NIST) National Institute of Standards and Technology: NIST is a non-regulatory federal agency within the U.S. Commerce Department's Technology Administration.

(NTR) Normal Trade Rate: Products from countries that have been given NTR are subject to the same tariffs when they enter the United States. When the United States lowers, eliminates, or changes tariff rates, that change is applied equally to all NTR countries. Under NTR, both parties agree not to extend to any third party nation any trade preferences that are more favorable than those available under the agreement unless they simultaneously make the same provisions available to each other. Although NTR is a reciprocal agreement, it must be negotiated separately with each country.



(NVOCC) Non-Vessel Operating Common Carriers: NVOCCs book space on steamships in large quantities at lower rates and sell space to shippers in smaller amounts. They consolidate small shipments into container loads that move under one bill of lading, allowing more favorable rates to be passed on to the shipper. Services typically offered by NVOCC's, in addition to customary services provided by freight forwarders, are consolidation of freight and financial liability for goods due to loss or damage during transport.

Ocean Bill of Lading: A bill of lading (B/L) indicating that the exporter consigns a shipment to an international carrier for transportation to a specified foreign market. Unlike an inland B/L, the Ocean Bill of Lading also serves as a collection document. If it is a "straight" B/L, the foreign buyer can obtain the shipment from the carrier by simply showing proof of identity. If a "negotiable" B/L is used, the buyer must first pay for the goods, post a bond, or meet other conditions agreeable to the seller.

(OECD) Organization for Economic Cooperation and Development: The OECD produces internationally agreed upon instruments, decisions, and recommendations to promote fair rules in areas where multilateral agreement is necessary for individual countries to make progress in a global economy. The OECD group's 30 member countries discuss, develop, and refine economic and social policies.

On Board Bill of Lading: A bill of lading in which a carrier certifies that goods have been placed on board a certain vessel.

(OPA) Outward Processing Arrangements: Outward Processing is customs duty relief provided by the customs code, implementing regulations to the customs code.

Open Account: A trade arrangement in which goods are shipped to a foreign buyer without guarantee of payment. The obvious risk this method poses to the supplier makes it essential that the buyer's integrity be unquestionable.

Open Insurance Policy: A marine insurance policy that applies to all shipments made by an exporter over a period of time, rather than to one shipment only.

Open Skies Pact: An agreement between the EU and the United States meant to liberalize the transatlantic air market. The pact would provide for a range of measures affecting areas from airline ownership rules to market access for carriers on both sides of the Atlantic.

Order Bill of Lading: A negotiable bill of lading made out to the order of the shipper.



(OTEXA) Office of Textiles and Apparel: A U.S. Government information resource for individuals or companies interested in exporting U.S. made textile and apparel products. Includes information about overseas markets, trade shows, textile-related legislation and international agreements, federal and state export programs and data. It is a division of the U.S. Department of Commerce.

(OTI) Ocean Transportation Intermediary: An OTI is either an ocean freight forwarder or a non-vessel operating common carrier (NVOCC). An ocean freight forwarder is an individual or company in the United States dispatching shipments from the United States via common carriers (or otherwise arranges space for those shipments on behalf of shippers). Ocean freight forwarders also prepare and process the documentation and perform related activities pertaining to those shipments.

Packing List: A list showing the number and kinds of items being shipped, as well as other information needed for transportation purposes.

Parcel Post Receipt: The postal authorities' signed acknowledgement of delivery to receiver of a shipment made by parcel post.

Patent: A grant made by the U.S. Government that confers upon the creator of a product the sole right to make, use, and sell that product for a set period of time.

Performance Bond: A bond issued to the recipient of a contract's contents as a guarantee in the event that the obligations specified in the contract are not met.

Perils of the Sea: A marine insurance term used to designate heavy weather, stranding, lightning, collision, or seawater damage.

Political Risk: In export financing, the risk of loss due to currency inconvertibility, government action preventing entry of goods, expropriation or confiscation, and war.

Preference: (i). A creditor's right to be paid before other creditors of the same debtor. (ii). A trade preference means granting a preferred status to some or all of the goods of a preferred country, such as lower rates of duty or admissibility of goods in quantities over and above those normally permitted.

Prior Authorization (or Approval) Requirements: Requirements that must be satisfied before the shipment leaves the United States. Examples are pre-shipment inspections, some visa requirements, and requirements by some Arab nations that certificates of origin be certified by an Arab diplomatic mission or chamber of commerce in the United States.



Pro Forma Invoice: An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, etc.).

Purchasing Agent: An agent who purchases goods in his or her own country on behalf of foreign importers such as government agencies and large private concerns.

(QIZ) Qualified Industrial Zone: Congress established the Qualified Industrial Zones initiative in 1996 to support the peace process in the Middle East. These zones are industrial parks in Jordan or Israel from which goods can be exported duty-free to the United States. Additional countries are being considered for inclusion.

(QRA) Quick Response Audits: CBP's single-issue audits that have limited objectives and are conducted within a short time frame, as opposed to a complete evaluation of all Customs activities within a company.

Quota: The quantity of goods of a specific kind that a country permits to be imported.

Quotation: An offer to sell goods at a stated price and under specific conditions.

Remitting Bank: The bank that sends the draft to the overseas bank for collection.

Representative: An individual or firm that serves as the foreign representative of a domestic supplier and seeks sales abroad for the supplier.

Revocable Letter of Credit: A letter of credit that can be canceled or altered by the drawee (buyer) after it has been issued by the drawee's bank.

(RFID) Radio Frequency Identification: The object of any RFID system is to carry data in suitable transponders, generally known as tags, and to retrieve data by machine-readable means at a suitable time and place to satisfy particular application needs. Data within a tag may provide identification for an item in manufacture, goods in transit, location, or the identity of a vehicle, animal, or individual.

RN Number: RN stands for Registered Identification Number. RN numbers are issued by the Federal Trade Commission to U.S. businesses that manufacture, import, distribute, or sell products covered by the Textile, Wool, and Fur Acts. Businesses can use this number on product labels in lieu of the company name.



Rules of Origin: Rules of origin are used to determine the country of origin of a product for purposes of international trade. These rules are important in implementing trade policy instruments such as anti-dumping and countervailing duties, origin marking, and safeguard measures.

(SACU) Southern African Customs Union: Established in 1910, SACU is the world's oldest customs union and an important market for U.S. machinery, vehicles, aircraft, medical instruments, plastics, and other products. Five member countries make up this group: Botswana, Lesotho, Namibia, South Africa, and Swaziland. All five countries are leading beneficiaries of U.S trade preferences under AGOA.

Safeguards: The General Agreement on Tariffs and Trade (GATT) permits two forms of multilateral safeguards: (i) a country's right to impose temporary import controls or other trade restrictions to prevent commercial injury to domestic industry, and (ii) the corresponding right of exporters not to be deprived arbitrarily of access to markets.

(SAFTA) South Asian Free Trade Agreement: SAFTA required the developing countries in South Asia (India, Pakistan and Sri Lanka) to bring their duties down to 20% in the first phase of the two-year period which ended in 2007. In the final five-year phase, which ended in 2012, the 20% duty was reduced to zero in a series of annual cuts. (The least developing country group in South Asia (Nepal, Bhutan, Bangladesh and Maldives) get an additional three years to reach zero duty, until 2017).

“Said to Contain”: This term is allowed on Bills of Lading with respect to cargo descriptions. Manifests can no longer use this cargo descriptive term under the 24-hour rule, issued in October 2002.

Schedule B: Refers to the statistical classification of domestic and foreign commodities exported from the United States. All commodities exported from the United States must be assigned a seven-digit Schedule B number.

(S/D) Sight Draft: A draft that is payable upon presentation to the drawee. Compare Date draft and Time draft.

Section 201 Safeguard Tariffs: Section 201 of the Trade Act of 1974 authorizes the President of the United States to take action when a particular product is being imported into the country in such large quantities as to cause injury or threaten serious injury to a domestic industry. This authority can be used even if the import is not priced unfairly.



Section 301 Processing: Process requiring the Office of the U.S. Trade Representative (USTR) to prioritize foreign trade barriers and seek their resolution through bilateral consultations.

(SED) Shipper's Export Declaration: The U.S. Treasury Department requires all shipper to prepare SEDs, which indicate the value, weight, destination, and other basic information about an export shipment.

Ship's Manifest: An instrument in writing, signed by the captain of a ship that lists the individual shipments constituting the ship's cargo.

Short Supply: Commodities in short supply may be subject to export controls to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of satisfying foreign demand. The controls are included in the Export Administration Regulations.

(SIC) Standard Industrial Classification: A standard numerical code system used by the U.S. government to classify products and services.

SPI "M" (Special Program Indicator for Merchandise): The SPI is used to indicate shipments of qualifying textiles and apparel fashion samples, which are exempt from quota and visa restrictions provided that certain conditions are met. The SPI only covers merchandise that meets several conditions: (i). Goods must accompany a returning buyer. Mail and cargo shipments are not eligible for treatment as fashion samples. (ii). Quantities cannot exceed 24 pieces total. (iii). Goods cannot be more than a single article of a particular style or color. (iv). Goods must be purchased at retail.

Spot Exchange: The purchase or sale of foreign exchange for immediate delivery.

Steamship Conference: A group of steamship operators that operate under mutually agreed-upon freight rates.

Straight Bill of Lading: A nonnegotiable bill of lading in which the goods are consigned directly to a named consignee.

Super 301: Process requiring U.S. Trade Representative to prioritize foreign trade barriers and seek their resolution through bilateral consultations.

(TAA) Trade Adjustment Assistance: The TAA program is a U.S. federal program established under the Trade Act of 1974. The TAA provides aid to workers who lose their jobs or whose work or wages are reduced as a result of increased imports.



(TACC) Trade Adjustment Assistance Centers: These centers are operated by different Trade Adjustment Assistance programs to provide aid to workers who lose their jobs or whose work hours or wages are reduced as a result of increased imports.

(TABD) Trans-Atlantic Business Dialogue: A government-business initiative that aims to facilitate closer economic relations between the European Union and the United States by lowering trade and investment barriers that impede competitiveness on both sides of the Atlantic. The U.S. Department of Commerce acts as the lead agency for the U.S. government, and the European Commission acts as the lead for the European Union. The goal of the TABD is to focus governments' attention on issues for which consensus exists within the transatlantic business community and identify specific actions required from governments to facilitate the movement of goods and services.

Tare Weight: The weight of a container and packing materials without the weight of the goods it contains. Compare Gross Weight.

Tariff (the rate of duty): A schedule or system of duties imposed by a government on goods imported.

Tenor: The time fixed or allowed for payment, as in "the tenor of a draft."

Through Bill of Lading: A single bill of lading converting both the domestic and international carriage of an export shipment. An air waybill, for instance, is essentially a through bill of lading used for air shipments. Ocean shipments, on the other hand, usually require two separate documents; an Inland of Bill of Lading for domestic carriage and an Ocean Bill of Lading for international carriage. Through Bills of Lading are insufficient for ocean shipments. Compare Air waybill, Inland bill of lading, and Ocean bill of lading.

(TIFA) Trade and Investment Framework Agreement: This agreement expands trade and investment opportunities between the U.S. and another country.

(TIM) Trade Integration Mechanism: Allows the International Monetary Fund to provide resources to assist member countries in meeting a balance of payments.

Time Draft: A draft that matures either a certain number of days after acceptance or a certain number of days after the date of the draft. Compare Date draft and Sight draft.

(TNC) Trade Negotiations Committee: The TNC operates under the authority of the General Council of the Doha Declaration Agenda. It was set up by the Doha Declaration, which in turn assigned it to create subsidiary negotiating bodies to handle individual negotiating subjects.



(TPA) Trade Promotion Authority (aka Fastrack Authority): TPA promotes freer trade by assuring other nations that agreements negotiated with the United States will not be subject to subsequent renegotiation. This authority is used to implement trade agreements to encourage trade and investment.

(TPL) Traffic Preference Level: North American exports of non-NAFTA apparel and textile goods may qualify for reduced or duty free rates under the TPL mechanism. To qualify for these rates, the product must be cut or knit to shape, and must be sewn or assembled in one or more NAFTA countries.

(TPSC) Trade Policy Staff Committee: The TPSC, comprised of representatives from various government agencies such as the USDA, holds hearings and prepares position papers regarding trade agreements, GSP, and other trade issues.

Trade Reference Verification: Verification of a particular trade reference to determine its duration, credit, terms, balance and manner of payment. This verification service is offered by many credit and business investigative companies.

Trademark: A trademark is any word, phrase, symbol, design, sound, smell, color, product configuration, group of letters or numbers, or combination of these, adopted and used by a company to identify its products or services, and distinguish them from products and services made, sold, or provided by others.

Tramp Steamer: A ship not operating on regular routes or schedules.

Transaction Statement: A document that delineates the terms and conditions agreed upon between the importer and exporter.

Transshipping: (i) To transfer goods from one transportation line to another, or from one ship to another, or from one airline to another in order to complete a delivery. (ii). To ship to one country, and then to re-export to another. Sometimes the second exporting country may be incorrectly represented as the country of origin, which is illegal).

Trust Receipt: Release of merchandise by a bank to a buyer in which the bank retains title to the merchandise. The buyer, who obtains the goods for manufacturing or sales purposes, is obligated to maintain the goods (or the proceeds from their sale) distinct from the remainder of his or her own assets and to hold them ready for repossession by the bank.



(TSA) Transpacific Stabilization Agreement: Under the terms of the settlement, carriers shall refrain from certain practices involving the discussion and agreement on rates and negotiation of service contract terms particularly affecting non-vessel operating common carriers (NVOCCs). These include practices alleged by the NVOCC petitioners of unequal timing of negotiations and unequal application of general rate increases and surcharges.

(TSI) Transportation Services Index: Under the Bureau of Transportation Statistics, TSI is a measure of the month-to-month changes in the output of services provided by the for-hire transportation industries, including railroad, air, truck and inland waterways transportation, pipeline transportation, and local transit.

(TPP) Trans-Pacific Partnership: The TPP is a trade agreement among twelve Pacific Rim Countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and the United States) signed on February 4, 2016 in Auckland, New Zealand. Among other things, the TPP contained measures to lower trade barriers such as tariffs and establish an investor-state dispute settlement mechanism. Former U.S. President Trump withdrew the U.S. signature from TPP in January 2017, and the agreement could not be ratified. The remaining countries negotiated a new trade agreement called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which incorporated most of the provisions of the TPP and entered into force on December 30, 2018.

(TTIP) Transatlantic Trade and Investment Partnership: A proposed free trade agreement between the European Union and the United States, the U.S. government considers the TTIP as a companion agreement to the TPP.

(UNCTAD) UN Conference on Trade and Development: UNCTAD is the focal point within the United Nations for trade and development, and the interrelated issues in the areas of finance, technology, investment and sustainable development. UNCTAD aims to integrate developing countries into the world economy.

Uruguay Round: The Uruguay Round was established in 1982 at a ministerial meeting of General Agreements on Tariffs and Trade (GATT) members in Geneva. One hundred and twenty-three countries participated in the negotiations that cut tariff rates, reduced technical barriers to trade, protected intellectual property rights, and established the new World Trade Organization (WTO).

(USTR) The Office of U.S. Trade Representative: The USTR is the U.S. Government's chief trade negotiator and the principal U.S. trade advisor to the President. The USTR and the Agency's staff are responsible for developing and implementing trade policies which promote global economic growth and create new opportunities for U.S. businesses and workers.



Value Added: The difference between the value of goods produced and the cost of producing them – the wages, interest, rent, and profits added to the output by a firm or industry.

(VAT) Value Added Tax: A sales tax which is generally calculated by foreign countries on the basis of Cost Insurance Freight (CIF) value plus duty.

Visa: A signature of formal approval on a document, generally obtained from consulates.

Warehouse Receipt: A receipt issued by a warehouse listing goods received for storage.

(WCO) World Customs Organization: The WCO was established in 1952 to aid the national economic wealth and social protection of its members by promoting an honest, transparent, and predictable Customs environment. The WCO helps legitimate international trade to flourish and allows effective action to be taken against illegal activity.

Wharfage: A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.

'Wholly Formed': When used in reference to yarns or thread, 'wholly formed' means that all of the production processes, starting with the extrusion of filament or the spinning of fibers into yarn, took place in a single country. The term also applies to fabrics produced in a single country.

Without Reserve: A term indicating that a shipper's agents or representative is empowered to make definitive decisions and adjustment abroad without the approval of the group or individual represented. Compare Advisory capacity.

(WTO) World Trade Organization: The international organization which resulted from the Uruguay Round of GATT negotiations. The WTO seeks to establish global rules of trade between nations; its goal is to help trade flow smoothly, freely, fairly and predictably.

Yarn Forward: The rule stating that yarn used to form a fabric must originate in a NAFTA country.

Zone User: A corporation, partnership or party that uses a U.S. foreign trade zone for storage, handling, processing, or manufacturing merchandise, whether foreign or domestic.

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Sources

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