

Unit of Competency

Functional Area: Sales and Merchandising

Title	Review shipping and payment terms in international trade
Code	105199L3
Range	This unit of competency is applicable to practitioners in the import and export industry to review shipping terms and payment methods in international trade to minimise payment risk and meet the needs of customers.
Level	3
Credit	4 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess knowledge of international trade <ul style="list-style-type: none"> • Know Incoterms (or shipping terms) and its application in international commercial transactions • Describe tasks, costs and risks associated with the delivery of goods in international trade • Describe terms of payment in international trade, e.g., cash in advance, and documentary credit • Describe different types of documentary credit, e.g., red clause credit, transferable credit, and standby credit 2.1. Review shipping terms <ul style="list-style-type: none"> • Collect relevant information and evaluate the costs and risks in current shipping terms for each customer • Conduct meetings with customers to discuss shipping terms • Provide a summary of information on shipping terms in international trade • Modify the current shipping terms if required 2.2. Review methods of payment <ul style="list-style-type: none"> • Review the terms and methods of payment for each customer • Seek advice from banks or specialists • Provide a summary on information of payment methods in international trade • Modify the current method of payment if required 3. Report the impacts of shipping and payment terms <ul style="list-style-type: none"> • Report the impacts of payment methods from different perspectives, e.g., sale volume, business risks, operation costs, and cash flow management • Modify the method of payment to minimise payment risk and accommodate the needs of customers
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of reviewing shipping terms • Capable of reviewing payment methods
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