

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Import/Export Documentation

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| Title | Handle procedures and documents for settlement of trading payment |
| Code | LOCUIE201B |
| Range | This unit of competency is applicable to different kinds of logistics companies. Practitioners should be capable to handle procedures and documents effectively for settlement of trading payment to make the freight process smoother. |
| Level | 2 |
| Credit | 6 (For Reference Only) |
| Competency | <p>Performance Requirements</p> <p>1. Possess basic knowledge of procedures and documents for settlement of trading payment</p> <ul style="list-style-type: none"> • Understand different modes of settlement of trading payment, such as letter of credit (L/C) and collections, etc. • Understand the importance of transport documents to settlement of trading payment, such as clean bill of lading and packing list, etc. • Understand different trade payment modes and requirement • Understand the types and functions of shipping documents, financial documents, business documents and official documents, and their relationship • Understand the settlement process of trading payment, and the role of its participants • Understand the role of banks in logistics operation, and the operation of a bank as a consignee and its relationship with the buyer • Understand the financial issues that may be caused by delay in the logistics operation • Understand the chain action among the logistics operation and obligation of each transaction by each individual parties • Understand company policy and customer's financial status and/or payment history <p>2. Application of the basic knowledge of procedures and documents for payment settlement</p> <ul style="list-style-type: none"> • Obtain and study financial documents, such as L/C copy for reference • Check whether the import, export or re-export permit and other documents meet relevant requirements • Inform the shipper and make remedies according to procedures if the logistics arrangements have changed and do not comply with the L/C • Check the validity of the L/C or other financial documents and provide appropriate freight service • Handle procedures relevant to delivery of goods without the bill of lading, contact with the shipper or his agent, and exceptional arrangement for delivery such as delivery of goods to a different consignee or telex release • Handle procedures for delivery of goods without the presentation of the original bill of lading but with company or bank guarantee • Issue appropriate and sufficient freight documents according to the requirements of the financial documents • Respond to customers' enquiries related to freight service and payment settlement • Establish reporting system and channel to protect company's interest as well as any parties involved in the transaction. |
| Assessment Criteria | <p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> • Capable to provide freight services to customers according to their financial arrangements or payment settlement methods |
| Remark | |