

International Trade Financial Solutions Newsletter

'Minimising Commercial Risks When Trading Abroad'

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A Happy and Prosperous New Year to everyone. Let's hope that we all start to see the signs of recovery in 2010.

I hope that you all had a relaxing and enjoyable Christmas and, by now, are back in harness, ready to face both new and existing challenges.

Thanks to everyone who attempted last month's quiz - the answers are below.

The A - Z glossary continues and also I'd like to highlight and thank someone for help over and above the norm - and to recommend them to all. Lastly, a short update on forthcoming overseas trade related events.

Enjoy.

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A Festive Quiz - The Answers.

Firstly, the answers.

Q1. What's the link between the symbols '#' and '£'? [A 1 or 2 word answer of which the 1st word is the indefinite article!] A. *An Octothorpe. This is the name for both symbols and the answer that I was looking for. The '#' sign can also be used to designate Pound sterling, but is not usually seen in the UK [as our keyboards have a specific £ key, I presume].*

Q2. British stamps are unique in that they do not show the Country of Issue. Why? A. *As they were the first to be issued in the world, it was never considered that the Country of Issue would be necessary.*

Q3. Compose a structurally correct English sentence of no more than 16 words where 11 are the same word. A. *The version that I use is "Steve, where Bill had had 'had', had had 'had had'; 'had had' had had Phil's preference. Other answers were accepted, including one where there were 12 'had's' - the 12th being the name of one of the parties. Sneaky, but grammatically correct.*

Q4. I went from Dunkirk to Pennsylvania without flying or taking a boat. How? A.

Again several answers are possible; I was looking at the UK when I set this. Both Pennsylvania and Dunkirk are on the A46, north of Bath; the former south of the M4, the latter close to the junction of the A46 and A433. So car [or other motorised transport], bike or foot are all correct. Again, one answer referred to Dunkirk on Lake Erie and Pennsylvania State, which again, technically is correct.

Q5. On what date was the euro launched, and what single currency did it replace?
A. 1st January, 1999. It replaced the ECU or Single Currency Unit.

To my surprise, no one managed to answer all 5 questions correctly, even given some of the alternatives noted above. I know that I never said they'd be easy, but I had thought that there would be a few correct ones. Never mind. Firstly, I must thank everyone who did take part. Secondly, and coupled with the charity donation in lieu of Christmas Cards, I'm very pleased to say that I have sent a payment of £400 [actual amount was £392, but I rounded it up] to The Guide Dogs for the Blind. So, thank you all again.

Glossary of Terms - more D's.

Oops! I overlooked a 'D' from last month, so, slightly out of order:

Discount. Defined here in relation to the discounting of Commercial Paper - typically Bills of Exchange. Where a future dated Bill of Exchange has been accepted by the drawee [the one who's due to pay - see below], it may be possible to discount the Bill. A Discount House [or bank] may agree to advance the bulk of the face value of the bill, thus helping your cashflow. Discounting can be with or without recourse [see Recourse, later on]. Usually only bank endorsed bills will be discounted without recourse [except for some specific agreements - usually restricted to larger, multi-national businesses].

Drawee. The party on whom a Bill of Exchange is drawn, i.e. the one who is buying and has to make payment.

Drawer. The party who draws up the Bill of Exchange - the seller.

Drawing. In terms of Letters of Credit, a drawing is the presentation of documents for payment/acceptance under the Credit. Depending on the terms of the Credit, a drawing may be for part or the whole of the value of the Credit.

Due Date. The date on which payment of an accepted Bill of Exchange or a drawing under a deferred Letter of Credit becomes due. [A deferred Letter of Credit is one where there is a credit period between presentation of documents and payment, but no Bill of Exchange has been called for].

Duty. Import Duty may have to be paid on certain imports into the UK. Generally, there is no duty on goods that are already in free circulation within the EU. For goods imported from outside the EU, rates depend on product and Country of Origin. Duty rates are always based on the CIF value of the goods [regardless of which Incoterm was actually used for the contract] and VAT is added to the CIF value. Care, rates can and do change regularly and at short notice. Customs Duty is different, and applies to specific goods irrespective of their origin, for example, cigarettes, alcohol, etc. coming into the UK. For both types, it is usual to have to pay the relevant duty amount to HMRC before goods are released [but see Duty Deferment below].

Duty Deferment. For regular importers, it may be possible to obtain a Duty Deferment bond from your bank and lodge this with HMRC. The effect of such a bond is that goods are released quicker and you pay the duty in arrears. There is a cost insofar as the bank will view this as a contingent liability and may require security and will almost certainly charge you for its issuance. Also, the bond must cover an average 2 month's value of imports.

I think that's all the D's.

Above and Beyond the Call of Duty. [Well, in my eyes, certainly].

As many of you may recall, when I upgraded my website in the middle of last year, I went with a Benfleet based firm - Computer Confidence Ltd. Since then, they have been regularly updating the site as and when asked to do so. Currently, that's all I use them for [although they do a lot more].

Last month, I finally decided to move my personal e-mail away from AOL to another ISP. Fearing the worst re changing ISP's, I was surprised to find that side worked with no hitch whatsoever and, for the 1st time ever, the AOL people [yes, more than 1] who I spoke to were helpful and knowledgeable. Shame that they don't put them on the technical help side! The new router arrived; I plugged it in and....nothing - no signal, el zippo. Speaking to the new ISP tecchie guys [who were helpful], they surmised either that there was a missing driver or faulty card in my PC. Suggestion - 'Go to PC World and buy the relevant driver - it's not too expensive and you can install it yourself'. By my own admission, I'm not technically savvy [I had trouble mastering the abacus when that first came out], so I wasn't overwhelmed by the advice. A couple of calls to contacts brought the promise of a return call to see if they could suggest/help out. In the interim, I thought that I had better ring Nigel Fisher from Computer Confidence to advise him that my usual monthly web update list would be delayed as I had no internet access. He immediately offered to help and try to diagnose the problem, with one of the first things being asked was 'What type of ethernet cable are you using?' News to me - there's more than 1 type - ordinary and cross over, apparently. The upshot from Nigel: 'I've a couple of things to do, but then I'll come across and sort you out' [in a nice way, I hasten to add!]. Within an hour he had arrived and a further 30 minutes or so, had recabled and re-established the connection. And yes, it was just the wrong type of cable, not drivers, etc., so had I followed the help advice, I would have wasted money on something that a) I didn't want and b) would not have resolve the problem.

Given that my initial call to Nigel was merely to advise him of a delay in website updates, his response, in my view, far exceeded expectations and both he and his business [and not forgetting Elaine] deserve both this mention and my thanks. I should also mention that this was just a couple of days before Christmas.

So, if anyone is looking for anything to do with computers, networks, websites, hosting and a plethora of other things, give Nigel a call and/or look at their website - www.comfi.co.uk Tel 0845 408 1366. I personally recommend.

[And no, Nigel did not ask, not does he know - until now - that I've written this].

Future Events.

Some 2010 events are now starting to show up again. As ever, take a look at the UKTI website and/or speak to your local Business Link/EEI contact [especially for exporters] for a more comprehensive list of Country/region specific events. For Importers, also keep an eye on any industry related tradefairs, etc, that may be held either in the UK or overseas - places like Germany, especially, [Frankfurt, Berlin, Essen, Hannover] are well known for the regular fairs that they host, covering a wide range of business sectors and industries.

In the UK, UKTI are arranging a 5 day visit to S Africa in March. Part funded, bookings need to be made by the end of this month. There's also a series of seminars with experts from The Middle East in attendance [Partner ME 2010] -

London, 8th February, again from UKTI., plus one for technology companies who want to access the US markets - Cambridge, 3rd February. UKTI in Guildford are holding a seminar on 25th February regarding the benefits of licensing IP from an export viewpoint. A wide and varied selection.

A little way ahead, but Business Start Up and Business Start Up Overseas will be holding their usual 2 day exhibition at ExCeL in Docklands towards the end of May. Free to attend, it's well worth the time; especially if you in the early stages of research.

If you know of any other business to whom this ezine may be of interest, why don't you forward it on to them and encourage them to sign up for future issues?

Writing this in the middle of a snowstorm [outside], I hope February will bring slightly easier travelling conditions and warmer weather. And, as ever, don't forget that next month's edition makes a brilliant late Valentine's Card for the one in your life.