

BASIC ISSUES FOR AN INTERNATIONAL TRADER

By: Houston Putnam Lowry, Esq.¹

Latino Expo - April 6, 2002

- I. What makes a transaction international?
 - A. Problems created by cultural differences.
 - B. Problems created by legal differences.
 - C. Why would anyone want to go international?

- II. Issues that typically arise in international transactions:
 - A. What currency will I be paid in (ie: who bears the exchange risk)? Most of the time, you prefer to get paid in the currency where you incur most of your costs.
 - B. Where will I be paid? If the money is subject to a foreign jurisdiction, there are convertibility and expropriation risks (including possible charges to convert the money to a hard currency and expatriate it).
 - C. How are to goods to be shipped and who pays for shipping? Get to know the INCOTERMS 2000 published by the International Chamber of Commerce (http://www.iccwbo.org/home/news_archives/1999/millennium_incoterms_in_force_worldwide.asp).
Regrettably, these must be bought.
 - D. Who pays for any import duties and licenses? This is often covered as part of the INCOTERM selected.
 - E. Who will inspect the goods, where will the goods be inspected and who will pay for the inspection?
 - F. Expropriation risks. These can often be insured. See <http://www.opic.gov/> and <http://www.exim.gov/>

¹ Member, Brown & Welsh, P.C. of Meriden, Connecticut USA.
<http://BrownWelsh.com> telephone: +1 (203) 235-1651; fax: +1 (203) 235-9600. email: HPLowry@BrownWelsh.com.

Basic Issues for an International Trader
By: Houston Putnam Lowry, Esq.
April 6, 2002

- G. Civil unrest/insurrection risks. These can often be insured. See <http://www.opic.gov/> and <http://www.exim.gov/>
- H. Is there any special financing available?
 - a. Export-Import Bank of the United States (<http://www.exim.gov/>).
 - b. Overseas Private investment Corporation (<http://www.opic.gov/>).
 - c. Inter-American Development Bank (<http://www.Iadb.org/>).
 - d. World Bank, also known as the International Bank for Reconstruction and Development (<http://www.worldbank.org/>).

III. The big issue - how do I get paid?

- A. Prepayment (not usual for new orders for trust reasons).
- B. Open account (not likely for new customers because there is no credit history or general financial information is unavailable).
- C. Payment against documents (it doesn't help much unless you can resell the goods after they arrive).
- D. Letters of Credit.
 - 1. Revocable v. Irrevocable letters.
 - 2. Confirming banks v. advising banks.
- E. Credit insurance.
- F. Credit cards (not very practical for large orders or orders from certain markets).

IV. Getting the goods there

- A. Freight Forwarders.

Basic Issues for an International Trader

By: Houston Putnam Lowry, Esq.

April 6, 2002

- B. Customhouse brokers.
- C. A recommendation for a combined local freight forwarder and Customhouse broker with offices in Hartford, New Haven and New York:

Carolyn S. Casella
Atlantic Customs Brokers, Inc.
One Corporate Drive - Suite 105
Windsor Locks, CT 06095
(860) 292-6611
fax: (860) 292-1265

V. Handling disputes

- A. Both parties tend to distrust the courts of the other party.
- B. There is no multifactoral treaty the United States is a party to on the enforcement of judgments.
- C. Arbitration is often the answer
 - 1. treaties
 - a. 1958 New York Convention
 - b. 1975 Panama Convention
 - 2. What arbitral institution shall handle the case?
 - a. International Chamber of Commerce (Paris)
(http://www.iccwbo.org/index_court.asp).
 - b. American Arbitration Association (New York)
(<http://www.adr.org/index2.1.jsp?JSPssid=11120>).
 - c. London Court of International Arbitration (London) (<http://www.lcia-arbitration.com/town/square/xvc24/>).
 - d. Inter-American Commercial Arbitration Commission (Washington D.C.).



EX-IM BANK ANNUAL CONFERENCE AGENDA

Export-Import Bank Annual Conference Preliminary Agenda As of 4/2/02

Thursday, May 2, 2002

7:30 am - 8:30 am	Registration - Continental Breakfast Exhibit Hall Opens
8:45 am	Welcome Remarks -
9:00 am - 9:30 am	Speaker: Rep. John LaFalce (D-NY)
9:40 am - 10:15 am	Speaker: Noreen Doyle, Vice President European Bank of Reconstruction Development (EBRD)
10:20 am - 10:35am	Coffee Break
10:50 am - 11:50 am	Workshop I - What's New at Ex-Im Bank Workshop II - Financing Deals in sub-Saharan Africa Workshop III - Renewable Energy Panel Discussion
12:00 pm - 1:30pm	Luncheon Speaker TBC: Awards Ceremony
2:00 pm - 3:00 pm	Workshop IV - Financing Deals in Latin America Workshop V - Dynamics of a Multi-Party Project Finance Deal Workshop VI - Transportation Industry
3:00 pm	Refreshment Break
3:30pm - 4:30pm	Workshop VII - Financing Deals in Asia, North Africa and Turkey Workshop VIII - Trends in Asset-Based Lending Workshop IX - Financing Deals in Central and Southeastern Europe Workshop X - PEFCO-New Programs for Lenders
5:00 pm - 6:00 pm	Cocktail Reception

Friday, May 3, 2002

7:30am	Continental Breakfast Exhibit Hall
9:00 am - 9:30 am	Speaker: Jennifer Dunn (R-WA)
9:40 am - 10:15 am	Speaker: Marek Belka, Poland Deputy Prime Minister
10:20 am - 10:40 am	Coffee Break
11:00 am - 12:00 pm	Workshop XI -Trends in Export Credit Insurance Workshop XII - Financing Deals in Russia and the NIS Workshop XIII - Financing Opportunities with Local Government Agencies - OPIC, TDA, Commerce, SBA Workshop XIV - Recent Trends in Structured Finance