



# Your Guide to the Right Documents for International Trade

International trade is a complex business operation to undertake. While it's obvious that any kind of trade involves finance, international trade makes the financial aspect of it all the more pronounced and important.

This is why it's crucial to keep all your finance-related resources in check if taking up an international business is something you have been thinking about.

International trade brings with it the need to set up the right plan and then back it up with the right amount of funds to survive. Not just the funds, the documents need to be set right too.

Let's analyze things in a little more detail.

## **International Trade- What is it?**

Simply put, international trade refers to the import and export of goods and services between two business entities, where both are located in two different countries and are governed by different trade laws, agreements, and guidelines.

Demand and supply are two of the biggest factors responsible for trade to exist in this world. With international trade, it becomes easier to access markets of foreign countries, bringing products and services that might not be readily available in your domestic market.

But all of this is something that arrives later on. It's the documentation related to international trade which is something more relevant and important before the trade operations begin.

## **Trade Documentation- Importance**

Having a clear understanding of how to enter international trade brings with it the need to be aware of the documentation that finds its way for trading. With several documents playing a crucial role in the overall trading process, every trade document has its relevance.

This is the reason why much different [trade documentation software](#) have come up in recent years to ease their management and compliance. Some of the factors these documents address include quality, quantity, description, insurance, indemnity, and more that pertain to the goods and services on offer.

Here's a brief look at the various documents involved majorly in trade document management-

### **1- Certificate of Origin**

This is a document required by the customs department of a particular country that's importing the goods to take a final call on the import duty to be charged on them. On the issue front, this document is issued by the Chamber of Commerce of the said country of origin, and includes the following information-

- Name and location of the exporter.
- The description and quantity of goods, as well as the seal of the Chamber and more.

## **2- Air Waybill**

In the world of international trade, the Air Waybill is a document that acts as proof that the goods are finally ready to be sent off by air. In total, there are 12 copies of this document, where 3 are the original ones and the remaining 9 are copies of the same document.

The document is usually considered as a kind of receipt and is signed by both- the air carrier as well as the exporter. It also serves the following purpose despite being a single document-

- an insurance certificate
- freight invoice
- a manual on how to load, dispatch, and then offload the items.

## **3- Bill of Lading**

Bill of lading is another important document that acts as proof about a consignment being shipped from one destination to other. It is mostly used in import and export business, where the document is provided by the shipping company to be then signed by the carrier of the transport vessel.

It's a very important document and is taken care of so that it does not fall into the hands of unauthorized entities.

## **4- Bill of Exchange**

It's a handwritten document that is created by the exporter for the importer which particularly asks for a certain amount of money that shall be paid to the exporter by the importer later in the future. This is a prevalent document used in the domain of wholesale trading where the funds involved are simply huge.

## **Trade Documentation Software with Trade**

Documentation, as you might have understood from the above brief, plays a pivotal role in ensuring that the goods received and delivered are safe, have been legally dispatched and received, and also satisfy all the trading parties involved.

Trade Technologies has been providing global clients with sophisticated tools for [trade document management](#), making their trades easier and giving them the freedom to focus on scaling their business.