



Trade **4**MSMEs

**A HANDBOOK FOR
BUSINESSES AND
ENTREPRENEURS
TO ENGAGE IN
INTERNATIONAL
TRADE**

The present document includes a set of business and entrepreneur guides developed for the Trade4MSMEs web platform (<https://trade4msmes.org>). Trade4MSMEs is an initiative by the Informal Working Group on micro, small, and medium-sized enterprises (MSMEs), a group of World Trade Organization (WTO) Members working on facilitating the engagement of smaller companies in the trading system. Trade4MSMEs aims to provide timely, curated content for MSMEs, policymakers, and researchers on the challenges and opportunities that MSMEs face when engaging in international trade. Building on the launch of its online guides and resource library, this document compiles all guides available in the Trade4MSMEs platform and organizes them in a roadmap that businesses and entrepreneurs can follow to support their participation in international trade.

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Businesses & Entrepreneurs

Welcome to our dedicated guides for micro, small, and medium-sized enterprises. Here you will find a concise overview of key aspects of international trade.

What do you trade:

Select either the goods or services option and we will provide you with our tailored guides. Our trade guides are designed to inform you about international trade in ways that are simple and clear for new traders.

1. Goods

Goods are the tangible products that your business produces and may sell for profit. Examples include products that you can purchase from a store, market, online shop, or any other retailer.

1.1. What should I know before trading goods?

Where should I get started?

Guide: [Export Readiness Assessment Guide](#)



Is my business export ready?

One of the first questions to consider is why Export? What are the benefits?

Research shows companies that export are more profitable, more productive and more innovative than those that do not. Research has shown that businesses are 11% more likely to survive if they export. The reasons for this range from spreading export risk amongst different country markets, to increasing turnover and improving innovation by developing specific services for specific overseas markets.

Increased Sales – If you are selling well in your own home market, and your service is in demand, exporting is a way to develop new additional sales in other countries. If your services are in demand at home, then there is likely to be significant demand in foreign markets.

Higher profits result from increased sales – If you can cover fixed costs through domestic operations or other types of financing, your export profits can grow very quickly.

Economies of scale – You can benefit from the cost savings when you produce and sell more services. The benefits from the economies of scale can be very advantageous.

Global competitiveness – The experience your company gains internationally will help keep you competitive in both your home market and in the global marketplace.

Domestic competitiveness – Successful exporting companies are often more resilient to potential foreign competition.

Reduced risk – If you can sell into several different countries, you are spreading the risk. If you diversify into international markets, you avoid depending on a single marketplace and suffering from any domestic instability.

New knowledge & experience leads to innovation – The global marketplace abounds with new ideas, approaches and marketing techniques that could also prove successful in your home market. Adaptations to your service for example leads to new innovations and new service development.

Trading internationally not only helps with all of the above, in addition trading globally can boost your company's profile, reputation and credibility.

Is my business export ready?

We live in an increasingly interconnected world, which means that businesses of all sizes might receive enquiries from buyers in other countries. An export-ready business is one that has the capacity, resources and management to deliver a marketable service on a global scale at a competitive price. To determine if your business is ready to export internationally you can do your own export readiness assessment.

Here is a check list of areas to consider

- Set clear and achievable export objectives. Develop an Export Plan.
- Understand your service USPs (unique selling points) in export markets.
- Formulate a realistic idea of what exporting entails and create a timetable for results.
- Understand what is required to succeed in the international marketplace.
- Confirm you have staff in place with the knowledge and skills to trade internationally or are willing to learn
- Is finance in place to help scale up for export?
- Undertake market research and decided on the best international target markets. These could be neighbour countries who are part of a trading bloc or developed countries with large populations and large purchasing power.
- Understand international marketing requirements.
- Research your competitors – both international competitors but also competitors based in the country which you want to export to.
- Considered any adaptations that may be required.
- Understand any cultural and language needs.
- Research your market entry strategy how, and to whom you will sell to in the export markets: Direct sales to a business or consumer / Intermediary representatives / licensing / foreign direct Investment through establishing a company in your target export market
- Understand destination country regulations, export and import documentation, customs requirements and procedures.

You can also use export readiness assessment tools. A typical export readiness assessment will involve answering questions to determine a final score. This score is then used to help guide businesses through the necessary steps to become fully export ready. See the links for more information.

Links to Supporting Information

The Canadian Trade Commissioner Service [Export guide canada.pdf \(iberglobal.com\)](#)

Official Website of the International Trade Administration USA [Exporter Assessments \(trade.gov\)](#)

Government of Canada Export quiz [Are you ready? \(international.gc.ca\)](#)

Caribbean Export Development Agency [10 Steps to Exporting | Caribbean Export \(carib-export.com\)](#)

Kenya Export Promotion & Branding Agency [BrandKE – Guide to Exporting](#)

Guide: Where Can I Find Trade Resources and Get Started?



Where do I start?

An essential first step in the export process is ensuring your products are classified correctly.

Identifying your product's Harmonized System (HS) code also helps to find the information most useful to your business needs as you look to trade. The Trade4MSME guide on [How Do I Determine My Product's HS Code](#), provides detailed information on how to find the right classification.

Once you know your HS Code, the internet offers a variety of online tools, platforms, and interfaces that provide relevant trade information.

One of these online resources is the Global Trade Helpdesk (GTH)

The GTH is a multi-agency initiative that facilitates market research for companies, by integrating trade and business information into a single online portal. It builds on existing trade information services being offered by several international organizations, enabling businesses to access a wealth of global trade resources.

What types of information does the Global Trade Helpdesk offer?

The GTH allows businesses to explore markets, assess requirements, navigate procedures, and identify partners through its four modules:

- The first module offers an insight into the target market attractiveness and a snapshot of this market performance and access conditions.
- The second module helps businesses to assess market access conditions, including tariffs, regulations, and private standards.
- The third module offers overall guidance on domestic procedures, including time and cost to export, step-by-step procedures, and information related to intellectual property rights.
- Finally, the fourth module provides relevant contact details for both potential buyers and trade support institutions.

Full details are at the GTH site.

What trade information tools are integrated into the GTH?

- Trade Map: analyses global trade flows, export/import performance, international demand, alternative markets, and the role of competitors.
- Market Access Map: identifies customs tariffs, tariff rate quotas, trade remedies, regulatory requirements, and preferential regimes.
- UNCTAD (United Nations Conference on Trade and Development) TRAINS: provides data on non-tariff measures at the HS 6-digit product classification across more than 90 countries.
- Export Potential Map: highlights markets, products, and suppliers with export potential, as well as opportunities for diversification in international markets.
- Trade Information Portals: Ten countries have their trade information portals linked to the GTH. These portals visualize step-by-step guides to trade procedures.

- Trade Facilitation Database: analyses the implementation status of the World Trade Organization's Trade Facilitation Agreement (TFA) and provides information about trade procedures, enquiry points, customs brokers, and single windows.
- Sustainability Map: highlights business strengths and sustainability credentials to access new markets and preferential credits.
- ePing Alert notifies businesses about product requirements and facilitates dialogues on potential trade problems at earlier stages.
- Regional Network Hubs: Business social networks can help businesses reach regional and global clients, suppliers, and investors. For example:
 - ConnectAmericas or
 - Asia-Pacific Economic Cooperation (APEC) MSME Marketplace
- Rules of Origin Facilitator: enables businesses to find import duties in foreign markets appropriate to their products, as well as identifying detailed rules of origin, potential duty savings and certification procedures.

Links to Supporting Information

Trade4MSMEs guide [How Do I Determine My Product's HS Code?](#)

Global Trade Helpdesk [Global Trade Helpdesk](#)

Trade map [Trade Map - Trade statistics for international business development](#)

Market Access Map [Market Access Map \(macmap.org\)](#)

UNCTAD TRAINS [TRAINS Online \(unctad.org\)](#)

Export potential map [Export Potential Map \(intracen.org\)](#)

Trade information portals [Global Trade Helpdesk](#)

Trade Facilitation database [Traders | TFAD - Trade Facilitation Agreement Database](#)

Sustainability Map [Sustainability Map](#)

ePing alert [Home - ePing SPS&TBT platform \(epingalert.org\)](#)

Connect Americas [About ConnectAmericas | ConnectAmericas](#)

Asia-Pacific Economic Cooperation (APEC) MSME Marketplace APEC [MSME Marketplace](#)

Rules of Origin Facilitator [Rules of Origin Facilitator](#)

ITC [ITC Benchmarking for Trade | ITC Benchmarking for Trade](#)

As an exporter/seller, how do I classify my product for customs purposes?

Guide: How Do I Determine My Product's HS Code?



What is an HS code?

The Harmonized System (HS) is an international classification system of 6-digit codes, used to categorize physical goods for Customs purposes. The HS coding system was introduced in 1988 by the World Customs Organization (WCO) and is now used by more than 200 countries as a basis for their Customs tariffs. This shared system makes it easier for customs authorities to link different compliance and regulatory measures, as well as assess duties and taxes to be collected.

Why do I need an HS code?

HS codes are legally required when making an international shipment and must be used on the documentation throughout the shipment process (see Trade4MSMEs guide on [Trade Documents](#)).

A key skill for anyone involved in international trade is knowing how to ensure that the correct HS code is applied to goods at import, export or during transit. This is known as classifying the goods for customs purposes.

Knowing the correct HS code can help you avoid non-compliance penalties, border delays, or seizure of goods and denial of import privileges.

The correct HS code can also help you to know if your product is eligible for a duty reduction or elimination under a preferential tariff agreement. (See the Trade4MSMEs guide on [Regional Trade Agreements and Preferential Trade Arrangements](#)).

Incorrect classification of goods may also result in a customs fine or penalty, so it's important to get it right.

To classify goods correctly, there are two essential factors:

- Know the product involved in detail
- Learn how to read the Harmonised Schedule in a structured and systematic way

What is the structure of an HS code?

The HS code is designed to give a numeric code for a description of goods. There is only one correct HS Code for every product, used in over 200 countries around the world.

The HS Code defines:

- The nature of the product,
- Its main characteristics,
- The type of product it is,
- Any unique features

You cannot change the HS Code of a product without making significant changes to the product itself. There are approximately 5,300 different 6-digit HS codes, each describing a specific article, or group of related articles.

These HS codes are classified into 21 different sections. Each section contains chapters, which in turn are divided up with different headings.

The first 2 digits of each HS code refer first to the appropriate chapter, the next two digits refer to the appropriate heading within that chapter, and the last two digits refer to the subheading. These 6 digits combined, make up the code which is applied to an individual product.

For example:

“Oranges” are categorized in Section 2 (Vegetable products)

Chapter 08 for “Edible fruit and nuts; peel of citrus fruit or melons.”

Heading 0805 is for “Citrus fruit, fresh or dried.”

The subheading code for “Oranges” is 080510.

However, the Customs administration in each country can choose to add more digits to the 6-digit HS code, to further categorize products which fall within the same subheading.

For example:

Fresh oranges – 08051010

Dried oranges – 08051090

What are the different types of tariffs and how do I know the amount of duty for an imported product?

A Customs Tariff sets out the duties and charges affecting the import, export and transit of goods.

Different types of tariffs you may encounter include:

- Ad valorem tariffs: These are the most common duties and are calculated as a percent of the price of the good. The price of the good can either be determined as CIF (Cost, Insurance, Freight), which means it includes the invoice value of the good plus all other charges paid for insurance and transportation, or FOB (Free on board), meaning only the cost of the good (typically the invoice value) without additional charges included.
- Specific tariffs: These are calculated based on the quantity of an import, for example weight in kilograms of meat or pair of shoes.
- Mixed tariffs: These are a combination of both specific tariffs and ad valorem tariffs, with one being applied depending on whether a higher or lesser duty is preferred.
- Compound tariffs: These are a combination of both specific tariffs and ad valorem tariffs and take into consideration both the value and quantity of the imported product in assessing the tariff to be paid.
- Tariff-rate quotas: These allow a pre-determined quantity of a product to be imported at lower import duty rates (in-quota duty). Once the quota is met, all subsequently imported goods are charged at a higher rate.

Once the appropriate HS product code is determined, the corresponding duty can be obtained from online tariff portals of the importing economy or other web market access portals, including those published by multilateral agencies see Trade4MSMEs guide [Tariffs and Taxes at the border](#).

The Global Trade Helpdesk provides an HS product finder that can help you identify your HS code. Additionally, some customs authorities may issue advance rulings for the classification of goods designating the appropriate HS code. Information about advance rulings is provided online by the UN's Trade Facilitation Implementation Guide (TFIG).

Links to Supporting Information

Trade4MSMEs guide [Trade Documents for Exports – Trade4MSMES](#)

World Customs Organization (WCO): [World Customs Organization \(wcoomd.org\)](#)

WCO HS Code guide [Harmonized System | WCO Trade Tools](#)

Trade4MSMEs guide [Regional Trade Agreements and Preferential Trade Agreements – Trade4MSMES](#)

Trade4MSMEs guide [Tariffs and Taxes at the border](#)

The World Integrated Trade Solution (WITS) information on Forms of Import Tariffs [Forms of Import Tariffs \(worldbank.org\)](#)

The World Trade Organization's Glossary of the Tariff Analysis Online [Welcome to TAO](#) – Tariff Analysis Online facility provided by WTO

The Global Trade Helpdesk HS product finder [Global Trade Helpdesk](#)

The Trade Facilitation Implementation Guide (TFIG) guide to Advance Rulings [Advance ruling \(unece.org\)](#)

What should I consider before trading internationally?

Guide: Export Potential Guide for Goods



What is export potential and why is it important for my business?

Export potential refers to the likelihood that a company's product or service can be successfully sold abroad.

Businesses usually identify the export potential of their products and services by analyzing:

- customer profiles;
- potential product or service modifications;
- transportation, shipping, and logistics;
- local representation in overseas markets;
- exporting services; and
- business development capacities.

Additional information like the export market's economic outlook and current trade conditions may also be useful. Analysing these areas helps businesses to identify the strengths and weaknesses of their targeted overseas markets and to determine whether and why an export product has the potential to succeed abroad.

Some examples of online tools that can help you analyse your export potential are:

- the United States International Trade Administration's (S. ITA's) web page on export potential
- the Government of Canada's Step-by-Step Guide to Exporting

How do I determine my business' export potential?

There are two practical ways to assess the export potential of products and services in overseas markets. If you are already selling successfully in your domestic market, look for an overseas market with similar characteristics.

The second way is to assess the unique features that make your product or service different from those found abroad and therefore desirable in a foreign market. The U.S. ITA has created a useful export guide for small businesses called A Basic Guide to Exporting.

How do I select my target markets?

Online trade statistics are a useful tool, as they provide an overview of markets in target countries. They can show if target countries are already importing the products or services that your company is intending to export. They also indicate supply levels in target countries. One resource for identifying target markets is the European Commission's Guide for export of goods.

How do I find potential buyers?

The next step after identifying a target market is to find and connect with potential trade partners and business contacts. For example:

- Trade fairs are a good place to find business partners, as this is where companies from across the world can meet to explore business opportunities, find potential markets, and use contacts or word of mouth.
- Events hosted by business support organizations for domestic companies, with the aim of helping local companies explore export opportunities, is another option.
- There are also an increasing number of online platforms that connect buyers and sellers. In addition to well-known global online marketplaces like Alibaba and Amazon, a simple internet search is another way to identify specialized online marketplaces see the [Trade4MSMEs guide on selling abroad online](#).

Where should I start?

The International Trade Centre offers a free tool known as the Export Potential Map. This online tool uses a quantitative model that considers global market shares, relative market access conditions like preferential tariffs, the relative strength of bilateral trade relationships, and distance and demand.

This Export Potential map works by using estimates from the IMF (International Monetary Fund) World Economic Outlook to create estimates of export potential. This model helps businesses to identify products and markets across 226 countries and territories for 4,376 products. It also enables businesses to do quick scans of target markets for products using the 6-digit HS code level, see the Trade4MSMEs [guide on how to read HS codes](#).

Various types of searches can be performed, including by country, to see what products have the greatest export potential from that domestic market, and which markets have the most potential for a specific export product. The International Trade Centre's Export Potential Map allows for finding attractive markets and likely export performance for a chosen product using its HS code.

Google's Market Finder training is another free resource to help explore domestic and international markets.

Links to Supporting Information

United States International Trade Administration's (U.S. ITA's) [How to Analyze a Product or Service's Export Potential \(trade.gov\)](#)

The Government of Canada's [Getting started: assessing your export potential \(tradecommissioner.gc.ca\)](#)

The U.S. ITA [Guide To Exporting](#)

The European Commission [Guide for export of goods | Access2Markets](#)

The U.S. ITA [Find Buyers and Partners](#)

Trade4MSMEs guide [Selling Abroad Online](#)

The International Trade Centre [Export Potential Map](#) and [Spotting Products with Export Potential](#)

IMF World Economic Outlook [World Economic Outlook \(imf.org\)](#)

Trade4MSMEs guide [How Do I Determine My Product's HS Code?](#)

Google's Market Finder training [Find Global Business Opportunities - Market Finder by Google](#)

Guide: Basics of Exporting



What are exports?

Exports are defined as both the action of sending goods to another country or customs territory, and the goods themselves.

For example, exports are resources, goods or services that traders in one country sell to buyers in another country.

What should I consider before exporting?

Assess whether your business is ready to become globally competitive. At this stage, you should analyse the export potential of your products,

the [Trade4MSME Guide on Export Potential](#) and the International Trade Centre's (ITC) Export Potential Map are particularly helpful.

Consider taking an export readiness assessment which can give you more guidance adjusting before entering new, international markets. The Trade4MSME guides on [export readiness](#) and [assessing e-commerce readiness](#) can provide starting points.

The next step should then be to develop an action plan, to prepare your products for export, and ensuring compliance with domestic and foreign requirements for international shipping and Customs. The Trade4MSME guides on [tariffs and taxes at the border](#) and [non-tariff measures](#) contain more information.

What other steps can help me prepare for export?

- Identify your product's Harmonised Commodity Code (HS code): One of the very first steps to take after you have decided to export a product is to identify its HS code (see guide on [how do I determine my product's HS code](#)). Identifying your HS code can help you understand any potential trade measures that might apply as well as to fully use export potential tools.
- Gather key information on your target markets: Business support organizations, government agencies, and online platforms all provide useful guidance that can help you understand your potential markets. You can also access the Global Trade Helpdesk website to map out market demand, trade-related procedures, and possible certifications you will need to export overseas. See the Trade4MSME guide on '[Where Can I Find Trade Resources and Get Started?](#)' Additionally, Google provides a free course on Localisation Essentials for users worldwide.
- Determine if your products are subject to trade measures: Certain exports can be subject to trade measures. Understanding your trade requirements can help you to adapt your products to meet certain standards and regulations, such as:
 - local environmental sustainability standards,
 - packaging and labelling requirements,
 - energy efficiency certificates

(See Trade4MSME guides on [tariffs and taxes at the border](#) and [non-tariff measures](#)).

- Review whether your products are eligible to preferential treatment under free trade agreements: When planning to export, you can check whether there are any trade agreements in place between your domestic and foreign markets. If applicable, your products may benefit from preferential market access and lower trade restrictions in your desired markets. (See Trade4MSME guides on [regional and preferential trade arrangements](#), and [rules of origin](#).)

- Determine whether your products could benefit from certifications such as “Fair Trade” or “Organic.” There are many certifications offered by governments and non-governmental organizations to indicate sustainability, or other consumer preferences that may increase your product’s value and marketability. (See Trade4MSME guide [voluntary sustainability standards](#))
- Choose a route to market. Entry routes will differ depending on the market and your level of exporting experience. For example, initially you may decide to export directly to overseas customers to test the market. If that goes well, the best way to increase sales may be to identify a good agent or distributor who can assist in building customer relationships. You can also consider the following:
 - direct sales
 - use an agent or distributor
 - use licensing or franchising
 - create a joint venture agreement
 - set up a business abroad
- Arrange the sale – The first step for international trade is to arrange the sale. Contracts need to be drawn up, and should include the chosen Incoterms, if relevant finance needs to be arranged, and organise how the goods are to be shipped or transported. See the Trade4MSME guides on [Trade Finance](#), [Incoterms](#), & [Logistics](#).
- Be mindful about cultural and linguistic challenges in foreign markets: To enter foreign markets successfully you will need to understand different cultural and linguistic requirements for doing business. Business relationships can be categorised as being either ‘relationship’ or ‘transactional’ based. Relationship based prospective clients will want to take time to get to know you and build the relationship. This is likely in Latin America, Middle East, and Asia. Whereas most of Europe, North America, and Australia are considered transactional cultures. In these cultures, clients are more likely to want to get to the point of discussing the deal very quickly. Not being aware of cultural differences and business etiquette could lead to misunderstandings and confusion.
- Manage risks, finances, and payments: Doing business globally can potentially expose your finances to commercial, political, or economic risks, such as high inflation, wars, and contract disputes. Insurance, financial tools, and some new technologies can help mitigate risks see the Trade4MSME guides on [Trade Finance](#), and [Trade-Related Insurance](#).
- Consider protecting your intellectual property (IP): Identifying the various types of IP that apply to your business, and which IP rights you should consider, is an important step when considering selling to foreign markets. You can take an IP diagnostic online, such as the one offered by the World Intellectual Property Organization (WIPO) to understand your IP value and identify your IP protection needs. The Trade4MSME guide on [What is Intellectual Property](#) provides more information.
- Select a distribution method: Selling your products abroad requires careful planning to ensure the correct logistics and shipping requirements are followed. To transport your products, you can consider air, sea, and freight options depending on the kind of goods you export and the destination. The Trade4MSME guide on [Shipping](#), will give you more detailed information.
- Prepare your documents to comply with Customs and border procedures: Before reaching their final destination, your products will have to undergo several customs and border procedures in your country. You can check the Global Trade Helpdesk website to see which authorities and procedures you will have to address when your products get to Customs. (See the Trade4MSMEs guides on [Customs and Border Procedures](#) and [Trade Documents](#).)

Links to Supporting Information

The International Trade Centre's (ITC) Export Potential Map [Export Potential Map](#)

The United States International Trade Administration's (U.S. ITA's) Exporter assessment [Exporter Assessments](#)

The Global Trade Helpdesk [Global Trade Helpdesk](#)

Google free course on Localisation Essentials [Localization Essentials | Udacity Free Courses](#)

UK Government Department for Business and Trade [Understand routes to market – great.gov.uk](#)

UK Government Department for Business and Trade [Understand the local business culture](#)

The World Intellectual Property Organization (WIPO) Intellectual Property Diagnostic [WIPO IP Diagnostics](#)

Trade4MSMEs guide [Export Potential Guide](#)

Trade4MSMEs guide [Export Readiness](#)

Trade4MSMEs guide [Assessing E-Commerce Readiness](#)

Trade4MSMEs guide [Tariffs and Taxes at the Border](#)

Trade4MSMEs guide [Non-tariff Measures](#)

Trade4MSMEs guide [How Do I Determine My Product's HS Code?](#)

Trade4MSMEs guide [Where Can I Find Trade Resources and Get Started?](#)

Trade4MSMEs guide [Voluntary Sustainability Standards](#)

Trade4MSMEs guide [Regional Trade Agreements and Preferential Trade Agreements](#)

Trade4MSMEs guide [Rules of Origin](#)

Trade4MSMEs guide [Trade Finance Introduction](#)

Trade4MSMEs guide [Incoterms](#)

Trade4MSMEs guide [Logistics](#)

Trade4MSMEs guide [Shipping](#)

Trade4MSMEs guide [Trade Insurance](#)

Trade4MSMEs guide [Intellectual Property Considerations](#)

Trade4MSMEs guide [Customs and Border Procedures](#)

Trade4MSMEs guide [Trade Documents for Exports](#)

Trade4MSMEs guide [Enquiry/Contact Points – Trade4MSMES](#)

Guide: Basics of Importing



What are imports?

Imports are defined as both the action of bringing goods into a country or customs territory, and the actual goods themselves. For example, imports are goods or services that buyers in one country purchase from sellers in another country.

Domestic businesses bring in imports from overseas for many purposes, for example, to access new products that are not available in their home country, or to reduce manufacturing costs.

Imports are delivered in many ways. They can be shipped by air, sea or road freight, sent by postal/mail services, or even hand-carried in personal luggage on a plane.

The cross-border aspect of international trade means that importing businesses are sometimes required to obtain licenses or permits to clear imports through customs, and to comply with safety standards.

Resources that can help businesses get started with importing include local chambers of commerce, industry associations, and trade agencies. Businesses can also access the Global Trade Helpdesk, an online portal that provides information on trade requirements, procedures and relevant business partners.

What should I consider before importing?

Before importing goods from overseas, business owners should consider a number of factors. The importing process can be expensive, due to the need for transportation, insurance, foreign exchange, and other steps.

For example, some or all of the import process will require the importing company to contract third party service suppliers such as:

- customs brokers,
- currency dealers,
- translators,
- freight forwarders

Businesses need to incorporate these cost considerations in their cash flows, and in addition, consider supplier reliability. Businesses should identify dependable and reliable suppliers that can provide the necessary services while also fulfilling quantity, quality, and regulatory requirements.

What are the key practical steps for importing?

Before importing, businesses should check the steps required and any relevant prohibitions or import procedures for the item being considered. Practical steps that importing businesses may consider include:

Finding a foreign supplier: One way to start is by consulting with your local chamber of commerce, trade agencies, and business network about possible suppliers. You can also identify potential trade partners and business contacts at trade fairs and events organized by business support organizations. Online marketplaces are also an important way to connect importers and exporters. TheTrade4MSME guide on [Selling Abroad Online](#) also provides additional information.

Reviewing import conditions, duties, and compliance requirements: Duties are tariffs applied to the planned imports the Trade4MSME guide on [How do I determine my product's HS code](#) contains more detailed information on how various products may attract different rates of duty. Compliance requirements include:

- health

- safety
- environmental
- technical regulations that certify products and help standardize certain products within a country.
- registration and marketing rules for engaging in the importing process also need to be considered.

Organizing sales by defining contractual liabilities with foreign suppliers for the delivery and insurance of imports: In the case of importing goods, contracts can also specify transport and shipment conditions see the Trade4MSME guide on [Logistics](#) for more information.

- Preparing all required paperwork for the border: This may include:
 - presenting a customs declaration to the national customs authority,
 - preparing a commercial invoice,
 - insurance and transport documents,
 - certificate of origin,
 - import license, or other documentation.

Links to Supporting Information

Global Trade Helpdesk a multi-agency initiative jointly led by ITC, UNCTAD, and the WTO [Global Trade Helpdesk](#)

Canadian Small Business Development Center – Guide to Imports [Importing Guide](#)

European Commission Guide to Imports – Checklist of 4 Steps to Import a Product [Guide for import of goods | Access2Markets](#)

Trade4MSMEs guide [Selling Abroad Online](#)

Trade4MSMEs guide [How Do I Determine My Product's HS Code?](#)

Trade4MSMEs guide [Logistics](#)



What are Standards?

The formal definition of “standards” from the International Organization for Standardization (ISO) and its sister organization, the International Electrotechnical Commission (IEC) is: “a document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context.” The International Standards Organization (ISO) offers a variety of resources for small businesses to learn more about standards.

According to the World Trade Organization’s (WTO) Agreement on Technical Barriers to Trade standards are considered one of the “technical” measures to international trade. The Trade4MSME guide on [technical barriers to trade](#) provides more information.

Unlike technical regulations, standards are not mandatory and only require businesses to comply with them voluntarily. However, voluntary standards can become the de facto norm and governments may later use them as the basis for mandatory regulations.

What types of standards are there?

Standards can be specific to certain products, services, or sectors. According to the International Standards Organization (ISO), some of the most popular international standards adopted by businesses relate to:

- quality management,
- information security management,
- occupational health and safety

Standards can vary according to business activity or territorial jurisdiction. The majority of standards set guidelines for businesses that helps them manage functions and operations in areas such as:

- human resources,
- information and technology
- finance

Examples of standards include:

- Voluntary sustainability standards the Trade4MSMEs guide on [Voluntary Sustainability Standards](#) provides more detail.
- Standards for cross-border paperless trade, detailed information on these can be found in the Trade4MSMEs guide on [Standards for Cross-Border Paperless Trade](#)

The International Trade Centre’s (ITC) SME Competitiveness Outlook 2016 provides more information on the various types of standards and the organizations who oversee standard development, which may be useful for you to know.

How can standards support my business to trade?

Standards play an important role in international trade because they help to maintain and boost production efficiency, product quality, and customer confidence in cross-border business transactions.

As trade expands beyond national borders, all parts of the supply chain are important from new product

innovation and design to sourcing the right materials into manufacturing, packaging, transportation, warehousing, distribution, consumer use, return and disposal. All the different stages rely on certain standards when considering international business. Getting certified for standards which are relevant to your business can help you develop international trade plans and enter new markets more efficiently and at pace.

The International Trade Centre's (ITC) provides tutorials and videos including a useful tool, in the form of an online questionnaire, to complete your own self-assessment against various standards.

International Standards Organization (ISO) Small Business Advantage guide.

Where can I find further resources on standards?

- ISO and Small & Medium Enterprises: The International Standards Organization (ISO) offers a number of handbooks, manuals and guides for small businesses, to help prepare for the process of adopting standards in a variety of business subjects.
- ITC's Export Quality Management Guide for small businesses: The International Trade Centre (ITC) provides a holistic guide to help small businesses learn more about the role of standards in international trade.
- ITC's Standards Map: The International Trade Centre offers an analytical toolkit to help businesses review and compare over 300 different standards by product, sector, area or focus. This tool focuses on voluntary sustainability standards through codes of conduct, audit protocols, reporting frameworks and company programs on sustainability.
- A Guide to the IFRS for SMEs: The International Accounting Standards Board offers a guide on the International Financial Reporting Standard (IFRS) for small and medium-sized enterprises (SMEs). This is a standard for businesses seeking to gain more access to capital by adopting high quality financial reporting principles.

Links to Supporting Information

International Organization for Standardization (ISO) [COPOLCO \(iso.org\)](https://www.iso.org) definition of "standards."

World Trade Organization's (WTO) Agreement on Technical Barriers to Trade [WTO | Technical Barriers to Trade – Third Edition The WTO Agreements Series](#)

The International Standards Organization (ISO) Small & Medium Enterprises [ISO – ISO and Small & Medium Enterprises](#)

The International Standards Organization (ISO) Small Business Advantage [ISO – The small-business advantage](#)

The International Trade Centre's (ITC) SME Competitiveness Outlook 2016 [SME Competitiveness Outlook: Meeting the Standard for Trade | ITC \(intracen.org\)](#)

The International Trade Centre (ITC)'s Export Quality Management Guide for Small & Medium sized businesses [Export Quality Management: A Guide for Small and Medium-Sized Exporters | ITC](#)

The International Trade Centre (ITC)'s Standards Map [Standards Map](#)

The International Accounting Standards Board offers a guide on the International Financial Reporting Standard (IFRS) for small and medium-sized enterprises (SMEs) [guide to the IFRS for SMEs march 2016](#)

Trade4MSMEs guide [Technical Barriers to Trade](#)

Trade4MSMEs guide [Standards for Cross Border Paperless Trade](#)

Trade4MSMEs guide [Voluntary Sustainability Standards](#)

Guide: Voluntary sustainability standards



What are voluntary sustainability standards (VSS)

Voluntary Sustainability Standards (VSS) are a set of standards which aim to encourage sustainability along global value chains, by ensuring businesses use resources and processes that do not damage the environment or people. This benefits both the business and the consumer, provides good working conditions for employees, and has a positive impact on the environment.

Voluntary Sustainability Standards tend to focus mainly on business sectors such as forestry, farming, mining or fishing, but they also target a range of sustainability objectives, such as:

- respect for basic human rights;
- worker health and safety;
- environmental protection;
- community relations and others.

To learn more about the concepts and business perspectives around VSS, you can visit the knowledge base of the International Trade Centre's (ITC) Standards Map see link below.

Types of VSS

VSS can come in various forms depending on which the sector, issue, production process or governance mechanisms they focus on. VSS are mostly governed by non-state actors that include:

- companies,
- industry associations
- not-for-profit organizations

Some well-known standards include GlobalGap, a farm insurance program, or Starbucks' CAFÉ practice to ethically source coffee beans. Public agencies such as the United States Department of Agriculture (USDA) also develop standards, for example, a process to certify whether products are organic. Other standards are the result of multi-stakeholder initiatives, including the Forest Stewardship Council (FSC) and the Roundtable on Sustainable Palm Oil (RSPO).

The International Trade Centre (ITC) website offers information and resources that can give you further insights on the various types of VSS that may be in demand in the market.

Why do VSS matter for my business to trade?

VSS have become increasingly relevant for businesses, consumers and regulators because of their role in contributing to societal objectives such as social rights protection, fair prices, environment conservation, and food security.

Most VSS relate to environmental, social and economic objectives, which assess business practices to ensure

sustainability through product quality, management practices and ethics.

With over 500 VSS now in existence, consumers, businesses, governments and other stakeholders are paying closer attention to how companies can consider the needs of consumers, workers and supply chain actors. While the adoption of VSS can represent business costs, it can also lead to benefits in improving management and monitoring systems, productivity, and access to credit, which are relevant for expanding business operations and reaching new markets through participation in international trade.

The International Trade Centre (ITC) offers a VSS SME (Small and Medium Enterprises) training programme for coaches to help business to prepare for VSS certification processes. Canada's government website also includes an SME Sustainability Roadmap/SME Sustainability Map that may also be able to assist you to gain benefits from VSS certifications.

Who develops VSS?

Industry associations, consumer groups, and other stakeholders collaborate to develop VSS by sharing subject matter expertise and recognizing best business practices. VSS issuers vary according to the standards' scope. For example, Cocoa Life, the Sustainable Agriculture Network, and the Ethical Trading Initiative are among the organizations granting VSS that apply to single products or a group of products.

Other organizations such as Fairtrade Small Producers, and the Rainforest Alliance Sustainable Tourism, focus on the ability of businesses to meet social and environmental objectives.

How can I get started with certification for VSS?

A number of articles, tools and training courses on voluntary standards are available for business owners wishing to learn more about VSS. Some of these are highlighted as follows:

- ITC offers an analytical toolkit that enables businesses to review and compare 320+ standards by product, sector, area, or focus. This tool focuses on voluntary sustainability standards (VSS), codes of conduct, audit protocols, reporting frameworks and company programs on sustainability.
- ITC's new Sustainability Gateway provides examples of sustainability projects in action.
- Through ITC's Sustainability Map, businesses can create an online profile to find partners and customers for gaining access to sustainable markets.
- The ISEAL Alliance represents a movement of sustainability standards that supports businesses to adopt good practices for mainstreaming sustainability in business operations.

Links to Supporting Information

Trade4MSME Guide [Standards](#)

Government of Canada's SME Sustainability Roadmap [SME Sustainability Roadmap \(canada.ca\)](#)

International Trade Centre's (ITC) Standards Map [StandardsMap](#)

The International Trade Centre (ITC) Sustainability Map [Sustainability Map](#)

The International Trade Centre (ITC) [Home – SustainabilityMap \(sustainabilitygateway.org\)](#)

International Trade Centre (ITC) VSS SME coaching program [Virtual Workshopping – Training of Coaches on T4SD's VSS Expert Methodology & Tool](#)

The ISEAL Alliance [ISEAL's resources on sustainability practices for businesses](#)

As a trader, do any tariffs or trade measures apply to my products?

Guide: Tariffs and Taxes at the Border



What are tariffs?

Tariffs are a tax or duty that is applied to goods upon import or export. Import tariffs are paid by the importer, or buyer, and export tariffs are paid by the exporter, or seller. Export tariffs are not often applied; however, traders should be aware of these as they pose potential additional costs to their business.

Tariffs are listed in national tariff schedules, which are organized by Harmonised System (HS) codes see the Trade4MSME guide on [How do I determine my product's HS code](#), for more information.

A national tariff schedule may contain a range of duties for the same product, depending on which country the goods are shipped from (see the Trade4MSMEs guide on [Regional Trade Agreements and Preferential Tariff Agreements](#)). If no trade agreement exists between the exporting and importing countries, tariffs are applied at a Most-Favoured-Nation (MFN) level. This means that all trading partners are treated equally for “like” products. Like products are those that are identical to the product being imported, and as such are direct competitors or substitutes to domestic products.

Other duties and charges for services rendered (ODCs) may also apply at the border upon import. For more information on tariffs and the principles of the trading system, visit the World Trade Organization (WTO) website.

What are antidumping, countervailing, and safeguard duties?

These are duties that may be applied to imports of specific products from certain countries and/or certain companies, in order to protect domestic industries from allegedly unfair practices, or a sudden increase in imports. Although antidumping and countervailing measures always take the form of a duty, additional safeguarding measures may also be implemented, in the form of quantitative restrictions. These are a type of non-tariff measure, which are explained in more detail in the Trade4 MSME guide on [Non-tariff Measures](#).

What other taxes might I face at the border?

There are various types of taxes which may be applied at the border, upon import or export. These include:

- sales tax,
- value added tax (VAT),
- goods and services tax (GST)

These taxes are usually charged to the importer, and generally charged at a set % amount against the value of the goods, the handling & shipping costs, as well as any levies or duties that may be applied. It is important to understand the type and amount of taxes which may apply upon import in each country before you start the shipment process of your goods.

- Sales tax is applied only at the final sale of a finished good or service.
- VAT is applied at each point in the production or distribution process, starting with the raw materials, and finishing with the final retail sale. Although every purchaser pays VAT, businesses can deduct the amount of VAT paid to other firms. This leaves the responsibility with the final consumer, just as with sales tax.
- More than 140 countries and customs territories worldwide levy VAT. Each has its own VAT, so it is important to research and consider it as part of the cost for shipping abroad

- GST may also be applied at each point in the production or distribution process, starting with the raw materials, and finishing with the final retail sale, in addition to VAT.

How can I find out which tariff measures apply to my product?

Chambers of commerce, industry associations, and trade agencies provide online portals with lists of trade measures for all types of products. Businesses can also identify trade measures in their targeted markets by using these available online tools:

- Global Trade Helpdesk: Provides an overview of tariffs, domestic and product requirements, and market conditions.
- The Integrated Trade Intelligence Portal (I-TIP): provides a single-entry point for information compiled by the WTO on trade policy measures.
- Tariff Analysis Online: This is an advanced online database that allows users to extract detailed information for specific products, including bound and applied MFN and preferential tariffs at the national tariff line level (HS-8 digits or more), as well as other duties and charges as notified by importing economy.
- Market Access Map: This identifies customs tariffs, tariff-rate quotas, trade remedies, and non-tariff measures that apply to a specific good in any market in the world. Visit the map to learn more.
- World Integrated Trade Solution (WITS): The WITS database displays detailed statistics and country profiles on trade flows, tariffs, and non-tariff measures. Visit the WITS database for further detail.

Where can I learn more?

- FedEx: This website has a useful video and other information on how duties and taxes are calculated.
- WTO DATA: This new data portal which publishes general statistical indicators related to WTO issues. This includes data on applied MFN, preferential, and bound tariffs for all WTO Members. These are aggregated at the standard HS levels (2-digit chapter, 4-digit heading and 6-digit subheading levels).
- World Tariff Profiles: This is a tariff data book jointly published by the WTO, the International Trade Centre (ITC), and UNCTAD, which provides comprehensive summary information on the tariffs and non-tariff measures imposed by over 170 countries and customs territories. Tariff data are presented in comparative tables and in one-page profiles for each economy.

Links to Supporting Information

Trade4 MSMEs Guide [How Do I Determine My Product's HS Code?](#)

Trade4 MSMEs Guide [Regional Trade Agreements and Preferential Trade Agreements](#)

Trade4 MSMEs Guide [Non-tariff Measures](#)

World Trade Organization – information on tariffs [WTO | Tariffs](#)

World Trade Organization – Principles of the trading system [WTO | Understanding the WTO – principles of the trading system](#)

World Trade Organization briefing note: Anti-dumping, subsidies, and safeguards [WTO | Ministerial conferences – Ninth WTO Ministerial Conference – Briefing notes](#)

Global Trade Helpdesk [Global Trade Helpdesk](#)

The WTO Integrated Trade Intelligence Portal (I-TIP) [WTO | Integrated Trade Intelligence Portal \(I-TIP\)](#)

The WTO Integrated Trade Intelligence Portal (I-TIP) Tariff Analysis Online [Welcome to TAO – Tariff Analysis Online](#) facility provided by WTO

ITC Market Access Map [Market Access Map](#)

World Integrated Trade Solution (WITS) database [World Integrated Trade Solution \(WITS\) | Data on Export, Import, Tariff, NTM](#)

FedEx [How duties and taxes are calculated | United Kingdom](#)

United States Council for International Business [VAT Per Country | Value Added Tax Rates By Country | USCIB](#)

WTO DATA: data portal [WTO Data – Information on trade and trade policy measures](#)

World Tariff Profiles: This is a tariff data book jointly published by the WTO, the International Trade Centre (ITC), and UNCTAD [WTO | Economic research and analysis gateway – World Tariff Profiles](#)



What are non-tariff measures?

Non-tariff measures are policy measures that can potentially affect traded goods by changing their quantities, prices, or both. The purposes of non-tariff measures include the protection of public health, or the environment, and may imply information, compliance, and procedural costs. These measures can apply to both imports and exports and are divided into 16 categories. The United Nations Conference on Trade and Development (UNCTAD) provides a full list of non-tariff measures and their definitions.

What are the different types of non-tariff measures?

Below is a table with broad categories of non-tariff measures that you may encounter. The first two, A and B, apply to importers, or buyers, and item P at the bottom of the table applies only to exporters, or sellers. It is important to note that some of these, such as quotas and trade-related investment measures, are prohibited under World Trade Organization (WTO) rules except for specific circumstances.

For more details, please see the WTO's General Agreement on Tariffs and Trade (GATT).

Technical measures on imports

- A Sanitary and phytosanitary (SPS) measures: These include measures to restrict substances, ensure food safety, and prevent the dissemination of diseases or pests. (See guide on [SPS measures](#))
- B Technical barriers to trade: These relate to product, technical, or quality requirements. They also include measures on labelling and packaging. (See guide on [TBT](#))
- C Pre-shipment inspection and other Customs formalities: These involve other technical measures.

Non-technical measures on imports

- D Contingent measures: These include antidumping, countervailing, and safeguard measures.
- E Licensing and quotas: These also cover quantity controls and other related restrictions.
- F Price control measures: These affect the prices of imported goods.
- G Finance measures: These restrict payment of imports and terms of payment.
- H Competition measures: These grant privileges to one or more economic operators.
- I Trade-related investment measures: These impose local content or export conditions on investment.
- J Distribution restrictions: These regulate the internal distribution of imported products.
- K Restrictions on post-sales services: These restrict, for example, the provision of accessory services.
- L Subsidies and other forms of support: These include financial transfers to enterprises, individuals, or households.
- M Government procurement restrictions: These restrict bidders from selling products to a foreign government.
- N Intellectual property: These involve restrictions or rules related to intellectual property rights.
- O Rules of origin: These are criteria involving the origin of products or their inputs, which can affect whether these are subject to restrictions, duties, or other measures.
- P Export-related measures: include export quotas and other export prohibitions.

How can I start identifying non-tariff measures?

Chambers of commerce, industry associations, and trade agencies may provide online portals with lists of non-tariff measures applicable for your products. Businesses can also identify trade restrictions in their targeted

markets by using four available online tools, described below:

- Market Access Map: This database features specific non-tariff regulations that apply to exports or imports of products, as well as a tracker of temporary trade measures put in place in response to COVID-19.
- Trade Analysis Information System (TRAINS): The TRAINS database provides an exhaustive list of non-tariff measures available for more than 160 countries, covering more than four fifths of world trade.
- Global Trade Helpdesk: The Global Trade Helpdesk provides an overview non-tariff measures coming from the Market Access Map and TRAINS, as well other information on rules of origin, trade statistics, and related procedures for importers or exporters targeting foreign markets.
- World Integrated Trade Solution (WITS): The WITS presents country profiles on non-tariff measures by type.

Links to Supporting Information

The United Nations Conference on Trade and Development (UNCTAD) provides a full list of non-tariff measures and their definitions [International Classification of Non-tariff Measures – 2019 edition \(unctad.org\)](https://unctad.org/publication/International-Classification-of-Non-tariff-Measures-2019-edition)

World Trade Organization (WTO)'s General Agreement on Tariffs and Trade (GATT) [WTO | legal texts – Marrakesh Agreement](https://www.wto.org/press/2015/01/150115_gatt_legal_texts_marrakesh_agreement.htm)

Trade4MSMEs guide [Sanitary and Phytosanitary Measures](#)

Trade4MSMEs guide [Technical Barriers to Trade](#)

International Trade Centre ITC [Market Access Map](#)

UNCTAD [TRAINS](#)

International Trade Centre ITC [Global Trade Helpdesk](#)

World Integrated Trade System [WITS](#)

Guide: Sanitary and Phytosanitary Measures



What are sanitary and phytosanitary (SPS) measures?

SPS measures consist of laws, decrees, regulations, requirements, and procedures that countries adopt to protect human, animal, or plant life or health against certain risks. These measures generally aim to promote food safety and protect against potential risks from cross-border spread of contaminants, diseases, and pests affecting animals and plants.

Examples of SPS measures include:

- Requirements for products to come from disease-free areas;
- specific treatment or processing of products;
- thresholds for pesticide residues;
- use of certain additives in food.

SPS measures apply to domestic foods, local animals, and plants, as well as foreign products. For more information, see the link below to the World Trade Organization document on Understanding the WTO Agreement on Sanitary and Phytosanitary Measures.

What are the types of SPS measures that can apply to imports?

SPS measures include six broad categories:

- prohibitions or restrictions of imports;
- limits for residues and restricted use of certain substances;
- labelling, marking, and packaging requirements related to food safety;
- hygienic requirements related to sanitary and phytosanitary conditions;
- treatment for elimination of plant and animal pests and disease-causing organisms in the final product or prohibition of treatment;
- other requirements relating to production or postproduction processes.

In addition, SPS measures cover procedures to verify that products meet SPS requirements. For a more comprehensive list of SPS measures, see the United Nations Conference on Trade and Development's (UNCTAD) International Classification of Non-Tariff Measures.

How do I find information about the SPS measures that may apply to my products?

The exporter, or seller, is responsible for complying with all SPS requirements that apply in the country of import. Local trade agencies, industry associations, and chambers of commerce may offer resources such as newsletters, events, and online platforms for businesses to learn about SPS measures.

- ePing: To stay informed of new and updated SPS requirements, businesses can register on ePing, an online initiative developed by the United Nations, the World Trade Organization (WTO), and the International Trade Centre (ITC). Through ePing alerts, businesses can receive notifications of new SPS requirements relevant to their products and target markets, and also identify existing measures in their database.
- Global Trade Helpdesk: This provides an overview of product requirements for importers or exporters targeting foreign markets.
- Market Access Map: This displays specific SPS measures applicable to products that businesses may seek to import from targeted markets.
- Trade Analysis Information System (TRAINS): This presents an outlook of existing SPS measures worldwide and multiple features of non-tariff measures reported by 160 countries.
- World Integrated Trade Solution (WITS): This offers country profiles on SPS regulatory indicators, organized by product sectors.

Links to Supporting Information

The World Trade Organization Document on Understanding the WTO Agreement on Sanitary and Phytosanitary Measures [WTO | Understanding the Sanitary and Phytosanitary Measures Agreement](#)

The United Nations Conference on Trade and Development's (UNCTAD) International Classification of Non-Tariff Measures [International Classification of Non-tariff Measures – 2019 edition](#)

ePing [Home – ePing SPS&TBT platform](#)

ITC UNCTAD WTO [Global Trade Helpdesk](#)

ITC [Market Access Map](#)

UNCTAD [TRAINS Online](#)

World Integrated Trade Solution (WITS) [World Integrated Trade Solution \(WITS\) | Data on Export, Import, Tariff, NTM](#)

Guide: Technical Barriers to Trade



What are technical barriers to trade (TBT)?

The World Trade Organization Agreement on Technical Barriers to Trade (or the 'TBT Agreement') exists to ensure that technical regulations and procedures do not cause unnecessary barriers to international trade.

TBT measures include product-related technical regulations and standards, as well as procedures to assess compliance with the requirements set out in these regulations and standards, because technical regulations are mandatory.

TBT measures are used by a country for safety reasons, to protect the environment, to enhance national security, or to provide information to consumers, among other reasons.

What are examples of TBT measures?

TBT measures can take the following forms:

- testing and certification requirements to ensure product quality, safety, or performance;
- labelling, marking and packaging requirements;
- production or post-production requirements;
- product identity requirements;
- product quality, safety, or performance requirements.

Some examples of TBT measures include:

- packaging or labelling requirements, such as health warnings on tobacco products;
- regulations on product characteristics, such as energy performance requirements for electrical appliances;
- conformity assessment procedures, such as testing procedures for motor vehicle safety requirements.

How do I find information about TBT requirements that may apply to my products?

Exporters, or sellers, are responsible for complying with TBT measures applied in the target country and for providing all necessary documents. Trade agencies, industry associations, and chambers of commerce may offer resources such as newsletters, events, and online platforms to help businesses learn about TBT measures.

Businesses and governments can collaborate to address questions and potential trade issues related to notified TBT requirements using the national forums included in the tool. For any questions on technical regulations, procedures and standards in an export market, businesses can contact the TBT enquiry point in that market.

- **Global Trade Helpdesk:** This provides an overview of product TBT requirements for importers or exporters targeting foreign markets.
- **Market Access Map:** This displays specific TBT measures applicable to products that businesses may seek to import from targeted markets.
- **Trade Analysis Information System (TRAINS):** This presents an outlook of existing TBT measures worldwide and multiple features of non-tariff measures reported by 160 countries.
- **World Integrated Trade Solution (WITS):** This offers country profiles on TBT regulatory indicators, organized by product sectors.

Links to Supporting Information

World Trade Organization's (WTO) information on technical regulations and standards [WTO | Understanding the WTO – Standards and safety](#)

United Nations Conference on Trade and Development's (UNCTAD) International Classification of Non-Tariff Measures (Chapter B) [International Classification of Non-tariff Measures – 2019 edition \(unctad.org\)](#)

ePing [Home – ePing SPS&TBT platform \(epingalert.org\)](#)

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ePing [Enquiry point – ePing SPS&TBT platform \(epingalert.org\)](#)

ePing [Enquiry point – ePing SPS&TBT platform \(epingalert.org\)](#)

ITC UNCTAD WTO [Global Trade Helpdesk](#)

ITC [Market Access Map \(macmap.org\)](#)

UNCTAD [TRAINS Online \(unctad.org\)](#)

World Integrated Trade Solution (WITS) [World Integrated Trade Solution \(WITS\) | Data on Export, Import, Tariff, NTM \(worldbank.org\)](#)

Is there a trade agreement or preference scheme in place between my country and my potential destination market?

Guide: Regional Trade Agreements and Preferential Trade Agreements – for Businesses



What is a regional trade agreement or preferential trade arrangement?

A regional trade agreement (RTA) or a preferential trade arrangement (PTA) is a treaty or contractual agreement that governments use to manage their trade relationships and market access conditions. Through trade agreements, governments agree on a range of conditions such as preferential tariffs for goods, market access for services, intellectual property rights, competition and investment measures, among other things.

How can trade agreements affect my business?

Regional trade agreements (RTAs) provide preferential market access, such as full or partial relief from tariffs for goods traded between the RTA parties. They also include chapters related to trade facilitation, SPS and TBT measures, and intellectual property rights, all of which may impact your business.

Preferential trade arrangements (PTAs) are usually provided by developed nations that are members of the World Trade Organization (WTO), to members in developing nations, in the form of reduced tariffs for goods. Businesses can claim these benefits by meeting Rules of Origin and other conditions stated in the text of these arrangements. The Trade4MSME guide on [Rules of Origin](#) contains more information.

What are the different types of RTAs and PTAs?

PTAs are unilateral, or one-sided, meaning an arrangement where one government provides preferential access to imports from one or more governments without receiving anything in return.

RTAs may involve multiple governments, in the same region, or across different regions, or they may be on a bilateral between two governments.

Both the World Trade Organization and International Trade Centre websites have more information on trade agreements.

- **Unilateral agreements:** also known as preferential trade arrangements, or PTAs, these provide trade preferences to the markets of the member that developed the PTA, without requiring that beneficiary economies grant the same preferences in return. These preferences often come in the form of zero or lower import tariffs for products, and only cover trade in goods. One example of a PTA is the Generalized System of Preferences scheme GSP, under which developed economies grant preferential tariffs to imports from developing economies. PTAs can also involve more limited schemes such as the United States' African Growth and Opportunities Act (AGOA) or the European Union's Everything But Arms (EBA) scheme. These are subject to a waiver granted by WTO Members and subject to review.
- **Reciprocal agreements:** Reciprocal agreements are also known as regional trade agreements or RTAs, and these cover the rules and conditions that apply to trade in both goods and services. These include free trade agreements (FTAs), Customs unions, and partial scope agreements. Governments signing these agreements provide each other with preferences and benefits in terms of lower trade barriers and market access. In addition, RTAs can include provisions on investment, Customs cooperation and trade facilitation, trade and environment, trade and labour, and other areas.

How do I know if my products benefit from preferential treatment under an RTA or PTA?

Trade agencies, industry associations, and chambers of commerce can provide information on how businesses can

benefit from trade agreements. For example, the World Trade Organization has an online RTA Database and PTA Database, which provides information on tariff preferences and other provisions such as Customs procedures, SPS and TBT measures, which are under any RTAs and PTAs notified to the WTO.

Businesses can also visit the Rules of Origin Facilitator, an online tool that identifies preferential tariffs under trade agreements, so long as these goods meet the rules of origin requirements included under these agreements.

Through the Facilitator, businesses can find opportunities for preferential market access under trade agreements that can apply to their products.

Links to Supporting Information

Trade4MSME Guide [Rules of Origin](#)

World Trade Organization (WTO) Regional Trade Agreements [WTO | Regional Trade Agreements – scope of RTAs](#)

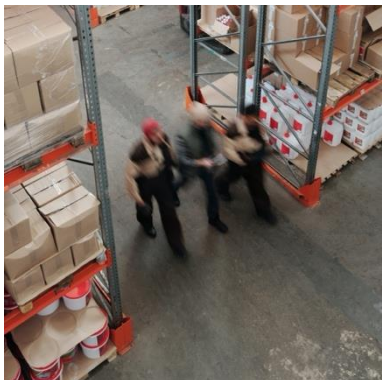
International Trade Centre Rules of Origin Facilitator – Introduction to Trade Agreements [Rules of Origin Facilitator](#)

African Growth and Opportunity Act (AGOA) [African Growth and Opportunity Act \(AGOA\) | United States Trade Representative](#)

European Union's Everything But Arms (EBA) scheme [Everything but Arms \(EBA\) | Access2Markets](#)

Can I benefit from being an authorized economic operator and what does this mean?

Guide: Authorized Economic Operators (AEOs) – for businesses



What are Authorized Economic Operators (AEOs)?

The Authorized Economic Operator (AEO) scheme was introduced in 2007 by the World Customs Organization (WCO), as a way to further improve international supply chain security, and to facilitate legitimate trade.

AEO certification is recognised internationally as granting ‘trusted trader’ status, which demonstrates that a business meets the AEO standards of supply chain security and customs compliance.

Any business directly involved in the international movement of goods can apply for AEO status, regardless of the size of their business, or role in the supply chain.

An AEO is defined as ‘an Economic Operator who is certified reliable in their customs operations,’ and therefore is entitled to certain benefits such as priority clearance for goods at customs, and fewer physical and documentation checks. If your product is selected for controls at the border, it will be given priority as an AEO consignment.

What do I need to do to benefit from AEO status?

Businesses can apply for AEO status through their Customs authorities (if available). According to the World Customs Organization, there are currently 80 operational AEO programs worldwide, with 5 more under development, the WCO AEO online Compendium provides a list of all programmes.

Although different governments have different requirements for becoming an AEO, broadly, to qualify, a company must:

- comply with national domestic laws;
- abide by Customs and taxation requirements;
- maintain appropriate records; and
- practice required safety and security measures.

Where can I learn more about AEO for my business?

The World Customs Organization (WCO) offers a guide for small businesses that can help you learn more about the context and general aspects of AEOs. In addition, some institutions offer training and courses that can help you navigate the process around obtaining AEO status.

Links to Supporting Information

The World Customs Organization (WCO) [safe-framework-of-standards](#) and [World Customs Organization](#)

World Customs Organization (WCO) AEO Compendium 2020 Edition [World Customs Organization](#)

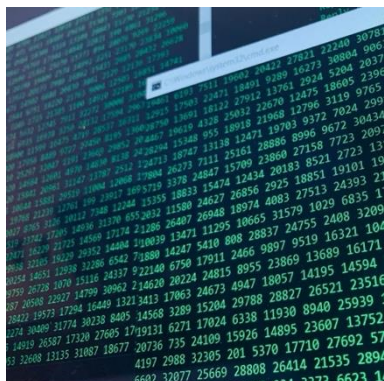
United Nations Economic Commission for Europe (UNECE) Trade Facilitation Guide – AEO [Authorized economic operators](#)

The World Customs Organization (WCO) guide for small businesses [Guide for small businesses](#)

The World Customs Organization (WCO) [Authorised Economic Operator \(AEO\) Validation – WCO – Academy](#) Online training course and [aao-implementation-guidance](#)

What are the benefits of requesting a legal entity identifier (LEI)?

Guide: Legal Entity Identifier



What is a legal entity identifier (LEI)?

A Legal Entity Identifier (LEI) is a 20-character, alphanumeric code that provides unique identification to businesses and other entities participating in financial transactions. The LEI contains information on business ownership structures, that regulators require in order to assess financial risks and therefore promote market integrity.

LEIs are part of global standards that rely on high data quality for enhancing transparency in marketplaces.

More information on what an LEI is can be found at the Global Legal Entity Identifier Foundation's (GLEIF) website, and at LEI Worldwide in the links below.

How can my business benefit from having an LEI?

Although an LEI is not a legal requirement, it does provide benefits to businesses, such as international recognition and credibility with investors and customers, because LEI data will optimize business procedures for market transactions. Having an LEI number can also enhance business security by providing more detailed information about suppliers and partners when doing business overseas. An LEI may encourage a financial institution to give your company a loan, and an LEI can help your business to comply with many international regulations, secure your brand identity, and enhance reporting requirements.

How can I get an LEI?

LEI Worldwide has a website where you can sign up to get a new LEI code or renew an existing one. The process begins with completing an application form, with basic company details such as name, addresses, and telephone number. You will also be asked to provide ownership information for your company with supporting documents. Once you submit your form, you will receive a confirmation within a few hours, depending on the country where your business is located. It is important to note that although LEIs can provide a number of benefits, they do require an annual fee. Learn more about the LEI application process at the LEI website.

Where can I learn more about LEIs?

Some institutions offer online materials and courses that can help you learn more about LEIs and the legal landscape around business and trade.

Global Legal Entity Identifier Foundation (GLEIF): The GLEIF has an online archive on their website of videos and podcasts that explain relevant LEI facts so that you can make the most of their potential benefits.

Links to Supporting Information

Global Legal Entity Identifier Foundation's (GLEIF) website [Introducing the Legal Entity Identifier \(LEI\) – LEI – GLEIF](#)

Legal Entity Identifier (LEI) Worldwide [What is a Legal Entity Identifier – LEI Worldwide \(lei-worldwide.com\)](#)

Learn more about the LEI application process at the LEI website [LEI Application – How to get an LEI Code – LEI Worldwide \(lei-worldwide.com\)](#)

How can I protect my intellectual property rights?

Guide: Intellectual Property Considerations – for Businesses



What is intellectual property (IP) and what are IP rights?

IP refers to creations of the mind and includes inventive products or processes, designs, distinctive signs, and creative works. IP may be generated by investments in research and development and activities aimed at differentiating products by improving product quality, reducing production costs, and/or delivering greater value to customers. IP rights are generally private rights granted by governments to individuals, businesses, or associations to exclude others from using a protected work without the owner's permission for a limited period, subject to exceptions, limitations, and exclusions.

IP rights are granted and enforced at the domestic level and valid only in the jurisdiction in which they have been registered or otherwise acquired. See the World Trade Organization's (WTO) [Guide to the TRIPS Agreement](#) for an introduction to this crucial multilateral treaty on IP, which is otherwise known as the Agreement on Trade-Related Aspects of Intellectual Property Rights. You can also visit the [World Intellectual Property Organization's](#) (WIPO) website and the International Trade Centre (ITC) and WIPO's guidebook on [Secrets of Intellectual Property: A guide for small and medium-sized exporters](#) for more information.

What are the different types of IP rights?

IP assets can be grouped into two main categories:

- Copyright and related rights: Copyright refers to the rights of authors in their literary and artistic works, including books, music, films, computer programs, and advertisements. Related rights include the rights of performers over their performances, producers over their "fixations" (recordings) of performances, and broadcasting organizations over their broadcasts. Copyright and related rights seek to encourage and reward creative work. See WIPO's [Understanding Copyright and Related Rights](#) for more information.
- Industrial property: Industrial property, discussed in greater detail in WIPO's [Understanding Industrial Property](#), can be subdivided into two fields.

The first of these fields involves:

- Distinctive signs and geographical indications, which inform consumers, prevent consumer deception, and help to ensure fair competition among producers.

Within that category, there are a series of sub-categories:

- Trademarks: These are any sign or combination of signs, including words, letters, numerals, figurative elements, and color combinations, capable of distinguishing the goods and services of one undertaking from another. These signs and sign combinations are protected as trademarks.
- Geographical indications (GIs): A GI is a sign that identifies a good, and in some jurisdictions a service, as originating in a place where a given quality, reputation, or other characteristic is essentially attributable to its origin. Most geographical indications are associated with agricultural products e.g., "Champagne" for a white sparkling wine from a region in France, "Tequila" for a spirit drink from a certain region of Mexico, or "Darjeeling" for a tea from a certain region of India.

The second of these fields involves:

- Patents, industrial designs, trade secrets, and other types of industrial property, with an aim to stimulate innovation and enable the transfer and dissemination of technology and associated know-how.

Within that category, there are a series of sub-categories:

- Patents: Patents protect inventions, along with new solutions to a technical problem in the form of a product or process. Various technologies found in smartphones, medical devices, pharmaceuticals, and self-driving cars are patented in certain jurisdictions.
- Industrial designs: New and independently created ornamental or non-functional aspects of an article, such as its shape, patterns, lines, or colors, may be protected as an industrial design. Businesses create industrial designs to customize products, develop new market segments, and strengthen brands. Household products, textiles, toys, and cars often incorporate industrial designs.
- Trade secrets: Information that is secret has commercial value because it is secret and has been subject to reasonable steps to keep it secret may be legally protected as a trade secret. Also known as “undisclosed information,” manufacturing processes, algorithms, customer lists, and formulas for producing products may constitute trade secrets.

Why does IP matter for my business to trade?

Domestic IP laws and regulations have implications for the following:

- product development, design, and delivery.
- marketing, exporting, licensing, and franchising.
- pricing; and
- businesses’ ability to raise financial resources and attract foreign investors and partners.

Identifying the various types of IP that your business develops, which IP rights to protect and enforce, and in which jurisdictions are important steps when considering foreign markets. Researching which IP rights are already protected for other businesses in your field of activity in a target market is equally critical to avoid infringement.

As IP rights are protected and enforced at the domestic level, exporting goods and services often entails navigating through IP laws and procedures that apply in each target market to assess whether export licenses are needed, and which trademarks are appropriate for the markets considered. As engaging in trade expands the marketplace for your business, understanding and protecting your IP rights in relation to your competitors enables you to take advantage of market value, hold transparent negotiations with business partners, and avoid costs from IP infringement.

For more information on why IP rights matter for exporters, refer to WIPO [Training of Trainers](#) presentation.

Where can I learn more?

The domestic and/or regional IP office for either your area or that of your target market may offer useful resources and services.

The World Intellectual Property Organization (WIPO) offers several useful tools including:

- WIPO IP Diagnostics: This free, online diagnostic tool can help you assess your business’ IP. The diagnostic contains several sections with questions on the types of IP that your business may have. At the end, this diagnostic provides a report with suggestions on how you can enhance the competitiveness of your business.
- The Inventor Assistance Program (IAP): This program supports inventors in developing countries in filing patent applications by matching developing country inventors and small businesses with limited financial means with pro bono patent attorneys.

Links to Supporting Information

WTO Guide on Trade-Related Aspects of Intellectual Property Rights [Guide to the TRIPS Agreement](#)

WIPO [World Intellectual Property Organization's website](#)

WIPO guidebook on [Secrets of Intellectual Property: A guide for small and medium-sized exporters](#)

WIPO [Understanding Copyright and Related Rights](#)

WIPO [Understanding Industrial Property](#)

Trade4MSMEs guide [Ways to Resolve an IP Dispute](#)

WIPO [training of trainers](#)

WIPO [Directory of Intellectual Property Offices](#)

WIPO [WIPO IP Diagnostics](#)

WIPO [Inventor Assistance Program \(IAP\)](#)

1.2. What will I need to trade my goods abroad?

What documents do I need to get my goods across borders?

Guide: Trade Documents for Exports



What documents do I need to export?

The documents required for export vary based on the destination market and mode of transportation. Before trading, it is very important to review what documents are required by the transporter and customs authority to ensure your shipment is released upon delivery.

Trade documents, sometimes also referred to as customs documents, generally include the following:

- Commercial invoice: This is a document issued by the seller to the buyer requesting payment for the goods. It serves both as a formal request for payment and may also be used by customs officials to clear the goods in certain countries. It can be used as a supporting document for insurance claims and may be required for the release of funds from the buyer to the seller or for reimbursement of a letter of credit by banks.
 - UN/CEFACT has developed a cross-industry invoice (CII) to support electronic invoicing and standardize the information shared between buyers and sellers, especially when used with Incoterms. For more information on UN/CEFACT's initiative and whether it could be helpful to your business, see the Trade4MSMEs guide on [Incoterms](#).
 - Commercial invoices are prepared after purchase orders are submitted by a buyer to a seller detailing the requested item, amount, and purchase price to be paid. A purchase order generally contains more detail than a commercial invoice, listing each item purchased, the unit information, and both buyer and seller information.
- Bill of exchange: This document details the goods in a transaction, the amount due for payment, when the payment is due, and all necessary banking information. Bills of exchange can be issued directly from a bank (referred to as a bank draft) or from an individual (called a trade draft) and are negotiable, meaning the bearer can sell this document on the market for cash.
- Packing list: This document, sometimes referred to as a weight list, is used to record the precise contents of a shipment, sometimes including details like the product's weight. Although the price may be listed in the packing list, it is different from a commercial invoice because it is not a request for payment. Rather, its purpose is for record keeping.
- Insurance documents: These are included if you have trade insurance. (See Trade4MSMEs guide on [Trade Insurance](#).)
- Letter of credit: These documents can be used by the importer to finance its purchase from the exporter, essentially certifying payment by the importer's bank to the exporter's bank once the goods are received. (See Trade4MSMEs guide on [Trade Finance](#)).
- Transportation documents: These can include bills of lading or waybills. (See Trade4MSMEs guide on [Bills of Lading](#).)

- Export compliance documents: These documents can involve export declarations, licenses, permits, or certificates. (See Trade4MSMEs guide on [Basics of Exporting](#).)
- Certificate of origin: These documents certify where the goods come from. This information is required to apply appropriate tariffs, as well as to determine if the goods are allowed to enter the destination country. (See Trade4MSMEs guide on [Rules of Origin](#).)
- Sustainability certifications: Many new standards and certifications are being created to provide consumers with information about a product's sustainability, environmental or social impact. Some of these are provided by governments, such as "organic" labels for consumables, while others are through non-profits like the Forest Stewardship Council. (See Trade4MSMEs guides on [Standards](#) and [Voluntary Sustainability Standards](#)).

Links to Supporting Information

Trade4MSMEs guide [Incoterms](#)

UNCFACT [e-Invoice](#) | UNECE

Trade4MSME Guide [Trade Insurance](#)

Trade4MSMEs guide for [Trade Finance](#)

Trade4MSMEs guide on Bills of Lading [Bills of Lading](#)

Trade4MSMEs guide [Basics of Exporting](#)

Trade4MSMEs guide [Rules of Origin](#)

Trade4MSMEs guide [Standards](#)

Trade4MSMEs guide [Voluntary Sustainability Standards](#)



Should I have a contract with my international partners?

Any business dealing has a risk of misunderstandings or unfair dealings. Cross-border business transactions may have added difficulties due to the differences in culture, expectations, languages, and legal systems. Given these potential obstacles or risks, it is important to have a clear agreement on a transaction with overseas partners, preferably in writing, in order to avoid potential future disputes and to foster productive long-term relationships.

How do I draft a contract?

The contract should contain terms and conditions upon which both parties agree. It is generally recognized that the parties, i.e., you and your business partner(s), are free to choose and agree on the terms and conditions in your contract (freedom of contract).

Some of the large international organizations aim to harmonize the substantive rules in international trade and business. These organizations include the United Nations Commission on International Trade Law (UNCITRAL), the Hague Conference on Private International Law (HCCH), and the International Institute for the Unification of Private Law (UNIDROIT), they have developed a wide range of Conventions, model laws, and principles that can be used by the parties for international business contracts. Noteworthy among these are the United Nations Convention on Contracts for the International Sale of Goods (CISG), also known as the Vienna Convention; the HCCH Principles on Choice of Law in International Commercial Contracts; and the UNIDROIT Principles of International Commercial Contracts. These instruments contain sets of rules that can either be incorporated in your contracts for international business transactions and/or can govern your contracts, in addition to national law rules. To assist you in navigating the various international instruments, the three organizations have jointly published a guide to International Commercial Contracts in six languages.

Within a contract, it is also important to use specific and well-established terminology in international business transactions. For example, Incoterms (international commercial terms), established by the International Chamber of Commerce (ICC), can help standardize a contract's terminology and assure that parties have the same understanding (see the Trade4MSMEs guide on [Incoterms](#)).

Model contracts are also available free of charge from the International Trade Centre or for a fee from the ICC.

For information on what to do in the event of a breach of contract, see the Trade4MSMEs guide on [Dispute Settlement](#).

Links to Supporting Information

UNCITRAL Guide to International Commercial Contracts [Legal Guide to Uniform Instruments in the Area of International Commercial Contracts, with a Focus on Sales](#)

Trade4MSMEs guide [Incoterms](#)

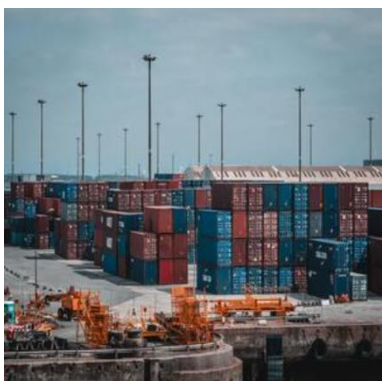
International Trade Centre [Model Contracts for Small Firms](#)

International Chamber of Commerce [ICC Model Contracts](#)

Trade4MSME guide [Dispute Settlement](#)

What are Incoterms and why are they used in my trade contracts?

Guide: Incoterms



What are Incoterms?

Incoterms is an abbreviation for “International Commercial Terms.” Issued by the International Chamber of Commerce (ICC) and globally recognized, they prevent confusion in foreign trade contracts by clarifying the obligations of both the buyers and sellers and provide a standard list of global terms and acronyms used in trade.

Why would I use Incoterms?

Different practices and legal interpretations between traders around the world necessitated a common set of rules and guidelines, which led to the development of Incoterms. These are terms that hold a common, precise, and defined meaning. Whether you are filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of origin at a port, the Incoterms rules are there to guide you. Various parties involved in both domestic and international trade use Incoterms as a shorthand to help understand one another and the exact terms of their business arrangements. Given the clarifying advantages of incoterms, it is recommended that they be used in a sales contract.

What are the different Incoterms that have been developed?

The ICC updates Incoterms every 10 years to align them with the latest trading practices. The most recent version is Incoterms 2020. Some examples of Incoterms include:

Rules for any Mode of transport

- Ex works (EXW): These imply minimum obligations on the seller, requiring goods to be collected and loaded onto a vehicle by the buyer.
- Delivered at place (DAP): This requires the seller to deliver goods ready for unloading at the destination place agreed by the buyer.
- Delivered duty paid (DDP): This states that the seller is responsible for all costs and risks of delivering goods to the buyer, including goods clearance and handling customs formalities. There are others in this series
- Carriage and Insurance Paid to (CIP): This requires the seller to obtain insurance in addition to complying with obligations on handing over goods to carriers and clearing goods for export.

Rules for sea and inland waterway transport

- Free alongside (FAS): This requires the seller to bear risks until goods are either procured or placed alongside a ship/vessel nominated by the buyer. The buyer is responsible for carriage of the goods from the shipment port onward and handling all import formalities.
- Free on board (FOB): This deems that the seller is the one to deliver goods on board the ship agreed by the buyer. Once the goods have been loaded on board the vessel, the responsibility for carriage of the goods and all import formalities transfers to the buyer.
- Cost and freight (CFR): CFR is similar to FOB but requires the seller to bear risks until goods are placed on board the vessel at the delivery port and costs to the destination port. The seller must also manage all export formalities and unloading costs when goods reach the destination port. The buyer is responsible for insuring the goods once the goods have been loaded on board at the departure port.

- Cost, insurance, and freight (CIF): CIF is similar to CFR but requires the seller to insure the buyer's risk of loss or damage from the shipment port to the destination port, at least.

For detailed information about Incoterms 2020, see the ICC's new e-commerce platform in both print and digital formats, which can be purchased online for a fee. The edition is also translated into twenty-nine languages. You can contact your local ICC country office and representatives for their help and for more information. You can also visit the websites of some international law firms to learn more about different types of incoterms.

Where can I get training on how to use Incoterms?

The ICC national committees worldwide organize different training seminars, online courses, and certificate programs on Incoterms and other related topics. Their Incoterms 2020 professional certification covers each Incoterm's rules and the corresponding obligations. It is especially helpful for professionals involved in trade and international business transactions, including those working in legal and regulatory affairs.

Links to Supporting Information

ICC [International Chamber of Commerce \(ICC\) website](#) and [ICC Knowledge 2 Go](#) Guide to Incoterms 2020

ICC [local ICC country office and country representatives](#) Contact information for your local International Chamber of Commerce

Aceris Law [Aceris Law](#) also provide information on incoterms

ICC [ICC Incoterms 2020 Certificate](#).

What customs procedures and forms do I need to fill out?

Guide: Customs and Border Procedures



What are customs?

Customs refers to the government agency or authority tasked with regulating trade in goods and collecting any duties levied on imports and exports. Offices and staff working for customs are located at places where goods transit across borders, such as ports, airports or other frontiers. Customs manage a set of procedures and operations to control goods and people (travelers) that enter or exit the country. When you export or import, you will have to comply with a series of customs and border procedures that will verify if your products meet market access requirements (see the Trade4MSMEs guide on [Trade Documents for Exports](#)).

What role do customs play in cross-border trade?

Before selling goods abroad or purchasing foreign commodities or products, it is important to map out the relevant procedures your business will have to manage with customs and other competent authorities (such as national plant protection organizations to obtain SPS certificates). Customs play an important role in trade because they protect domestic borders against potential security threats and counterfeit goods. They also examine if your products will be subject to duties and other local regulations and standards (see the Trade4MSMEs guides on [Trade Document for Exports](#) and [Non-Tariff Measures](#)).

How can my business navigate customs procedures?

In some economies, it is compulsory when an import value is above a certain threshold to use a licensed customs agent to clear goods through customs. In others, businesses simply choose to hire a customs broker to help avoid potentially costly errors. In all cases, the importer is responsible for knowing the requirements and for ensuring compliance.

The [Global Trade Helpdesk](#) (GTH) is a free-of-charge website from the United Nations, the International Trade Centre (ITC), and the World Trade Organization (WTO) that provides information on customs authorities and enquiry points for relevant government authorities (see the Trade4MSMEs guide on [Enquiry Points](#)) for border procedures involved in exports, imports, and transit of goods. It also describes single window platforms (see the Trade4MSMEs guide on [Single Windows](#)) that you can use to submit all documents required by customs and other agencies to comply with local requirements and border procedures.

When using the GTH website, you can check the section on navigating trade procedures that appears when you type the product you seek to export from your domestic market and import into your targeted market. These two webpages will provide you or your customs broker with a starting map of resources to navigate through customs.

Where can I learn more?

Various institutions have online resources and training materials that can help you learn more about technical terms and border procedures managed by customs. Some examples are:

- Glossary of international customs terms: The World Customs Organization has a glossary with descriptions on key terms used by customs authorities.
- E-learning courses on customs: The European Commission offers about 600 e-learning courses in 21 languages about customs and border procedures. Most of the materials are free to access.
- Factsheet on customs procedures and declarations: The European Union Customs Code (UCC) provides a general guide with steps that you can consider for complying with procedures required by customs authorities.

Links to Supporting Information

Trade4MSMEs guide [Trade Documents for Exports](#)

World Customs Organization [World Customs Organization \(WCO\)](#)

Trade4MSMEs guide [Non-tariff Measures](#)

FEDEX Guide to navigating customs [Fedex](#)

Global Trade Helpdesk [Global Trade Helpdesk](#)

Trade4MSMEs guide [Enquiry/Contact Points](#)

- Trade4MSMEs policymakers guide [Single Windows and National Portals](#)

- WCO [World Customs Organization](#)

Website of the European Union [eLearning courses and eBooks](#)

The European Union Customs Code (UCC) [Union Customs code](#) & [Customs Procedures and Customs Declarations Quick Info](#)

Who should I talk to if I have a problem or question about trade documents or processes?

Guide: Enquiry/Contact Points



What are enquiry points?

Enquiry/contact points are officials in government agencies tasked with answering questions that anyone involved in international businesses may have about trade requirements, such as sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT). (See Trade4MSMEs guides on [SPS](#) and [TBT](#))

Where can I find enquiry points for TBT and SPS matters?

[TBT](#) and [SPS enquiry points](#) must be notified to the World Trade Organization (WTO). The [ePing Alert](#) also provides a list with enquiry points for TBT and SPS measures notified by over 180 countries or territories. To contact the relevant enquiry points for your trade transactions, you can begin by checking the resource materials made available by ePing Alert. Also on that website, you can [subscribe](#) to receive notifications on TBT and SPS regulations that may affect your products and [identify who to contact](#) for any enquiries you may have.

How can I contact enquiry points for other goods trade procedures?

The [Global Trade Helpdesk](#) (GTH) provides information on enquiry points that you can contact to ask about matters related to exports, imports, and transit procedures. It also describes single window platforms (see the Trade4MSMEs guide on [single windows](#)) that you can use to submit all documents required by customs and other agencies to comply with local requirements and border procedures. When using the GTH website, you can check the section on navigating trade procedures by typing in the information required for your desired export or import transactions.

Where can I learn more?

The Trade Facilitation Agreement Facility (TFAF): The World Trade Organization has an online Trade Facilitation Agreement Facility that lists contact points for trade facilitation matters reported by about ninety countries or territories. If you need assistance with other trade-related matters, you can reach out to the contact points listed, they may be able to answer questions or direct you to the relevant enquiry officials.

Links to Supporting Information

Trade4MSMEs guide [Sanitary and Phytosanitary Measures](#)

Trade4MSMEs guide [Technical Barriers to Trade](#)

The ePing alert [Enquiry point – ePing SPS&TBT platform](#)

ePing SPS&TBT Platform [Home – ePing SPS&TBT platform](#)

The Global Trade Helpdesk [Global Trade Helpdesk](#)

TRADE4MSMEs Guide [Single Windows](#)

WTO Trade Facilitation Agreement Facility [Contact Points | TFAF](#)

What is a rule of origin and why does it matter?

Guide: Rules of Origin – for Businesses



What are rules of origin?

Rules of origin (ROOs) are a set of laws, regulations, and administrative procedures that countries impose to determine where an imported product comes from. At first glance, where a product comes from should be a simple question to answer. But digging deeper it becomes more challenging: is a product from where the materials originated? Is it from where it was first put together? What processing step determines where it is from?

ROOs provide governments with the criteria to identify whether imports qualify for preferential treatment under trade agreements in force or to assess whether imports are subject to other trade measures, such as:

- Most-favored-nation treatment.
- Trade remedies.
- Origin marking requirements.
- Quantitative restrictions or tariff quotas.
- Government procurement.
- Trade statistics.

Visit the World Trade Organization (WTO) and [International Trade Centre \(ITC\)](#) Websites to learn more.

What are the different types of origin criteria?

When making customs declarations, businesses must present proof of origin which determines whether their imported products are subject to preferential or non-preferential market access terms. If imported goods were manufactured in multiple countries as part of a global or regional value chain, the country where the latest production process took place typically determines the origin of good, depending on the criteria defined in the rules of origin. These can include:

Preferential origin: This determines whether products are eligible for preferential (lower or zero) tariffs and other benefits provided under trade agreements. Qualifying under preferential origin may require imports to be completely or partially produced in a country that is a party to the relevant trade agreement, according to the specific conditions identified under that agreement.

Non-preferential origin: This is not linked to trade agreements and may determine if businesses must comply with non-tariff requirements, such as trade remedies and quotas.

What do I need to do to verify the origin of my products?

You may have to follow a different process depending on whether you export, import, or do both. [The Rules of Origin Facilitator](#) An online database outlines practical steps you can take according to your trade transactions. [Advance rulings](#) can also be requested in some economies for a binding decision on a good's origin.

- Exporters: They need to classify products into an appropriate HS (See Trade4MSMEs guide on [How do I Determine My Product's HS Code](#))(Harmonized System) code and verify if these qualify for preferential market access. Non-preferential market access is always available in case an exporter prefers not to claim any preferential benefits. If exporters are not the manufacturers of products, they need to confirm the origin of inputs with their suppliers and retain the appropriate declarations and documentation proving this origin. Based on this documentation, exporters can either self-issue an ROO certificate for their product (self-

certification) of origin, or receive a document provided by a designated competent authority (third-party certification).

- Importers: They should present declarations and request exporters' self-issued or authority-generated certificates of origin to declare whether their imports comply with preferential rules of origin. Sometimes an importing country may also request a certificate of origin for non-preferential purposes – i.e., even when no tariff preferences are being claimed.

Do I need to obtain a certificate of origin?

If you are seeking to claim preferential tariffs under a trade agreement, then you will need a certificate that attests that your products comply with the origin requirements stated in that specific agreement. A certificate of origin states whether imported goods in a particular export shipment are wholly obtained, produced, manufactured, or processed or whether these goods have been substantially or sufficiently transformed in a specific country.

Certificates confirm the nationality of products and can exist in paper or digital format. If you are the exporter, you will have to provide your importing partner with the certificate (if you are the importer, it is your responsibility to ensure your exporting partners obtain the certificate prescribed by the authorities of the importing country). The International Chamber of Commerce (ICC) and the Rules of Origin Facilitator provide more information on certificates of origin.

How do I start identifying the origin of goods?

Trade agencies, chambers of commerce, and industry, and other business support organizations may indicate which products may be subject to rules of origin and preferential tariffs. Businesses can also visit the following online tools:

- The Rules of Origin Facilitator: As described above, this tool assists businesses in identifying whether their products are subject to zero or lower tariffs and other preferential market access terms under trade agreements. The ROO Facilitator can also help you determine if you need to get a certificate of origin to verify your eligibility for preferential market access. It explains how you can get the certificate, if needed.
- Market Access Map: Businesses can use this tool to determine if their products will be subject to non-preferential origin.

Where can I learn more?

The WTO has an e-Learning course that provides ROO training. While access is open to all, registration is required. Visit the [WTO E-Learning \(csod.com\)](https://www.wto.org/e-learning/csod.com).

Links to Supporting Information

Trade4MSMEs guide [Tariffs and Taxes at the Border](#)

WTO [WTO | Rules of origin – Technical Information](#)

ITC [Rules of Origin Facilitator](#)

United Nations [Advance ruling](#)

ITC [ITC SME Trade Academy – Catalogue](#)

Trade4MSMEs guide [How Do I Determine My Product's HS Code?](#)

International Chambers of Commerce [Certificates of Origin – ICC – International Chamber of Commerce](#)

- ITC Market Access Map – [Market Access Map](#)

- WTO [WTO e-Learning Platform: All courses](#)

1.3. How do I get my goods across borders?

What are the logistics and transport options available?

Guide: Logistics



What are logistics?

Logistics are the processes needed to get your goods or services from their origin to their destination. Logistics goes beyond the mode of transportation. It also includes the legal arrangements, insurance, border requirements, and delivery.

What are the main steps and considerations for goods logistics?

Arrange the sale: The first step for international trade is to agree the terms of the sale. Contracts need to be drawn up. Various trade documents will apply including commercial invoices, getting Incoterms agreed, trade finance may be

needed, and the mode of transport or shipping needs to be decided on too.

Prepare for export: After the terms of the sale are agreed the shipment needs to be packed, labelled, and documented appropriately. There may be additional requirements to be considered. Other requirements need to also be considered, Bills of Lading, Rules of Origin, selecting the right HS (Harmonized System) Codes, Tariff & Non-Tariff measures, Sanitary & Phytosanitary Measures, Technical Barriers to Trade. Warehousing costs at the port before and after shipping, container types, and potential restrictions for the shipment should be considered.

Prepare for import: Once a shipment has reached its destination, it will need to clear customs before it can be released either to the recipient or for further transportation. Customs clearance can depend significantly on where the goods are being shipped and the type of transportation chosen.

Deliver to buyer: Finally, once the item has cleared customs and been released from storage, the last step requires delivery to the buyer.

What are freight forwarders and other intermediaries and how can they help my business?

- Freight forwarders and other intermediaries can significantly reduce the required work for an international transaction. Types of intermediaries include:
- Customs brokers and clearing agents: These are specialists in customs rules and procedures. They can help ensure import documents are correct and may assist with forwarding arrangements. To find a licensed customs broker, the first step is to search the national customs agency where the import will take place, as they frequently list registered brokers that can be contacted.
- Freight brokers: They match shipments with land transportation, helping you find a way to get a delivery to its destination on schedule, usually by truck or rail.
- Ship brokers: They match ship owners with importers or exporters that want to charter a vessel to transport their product.
- Freight forwarders: They help with all the above, assuming the entire logistical, legal, and financial responsibility of a shipment. Freight forwarders generally arrange everything from transportation and shipment consolidation to tracking or monitoring and delivery to the final destination. Most countries will have a trade association for Freight Forwarders to help you select the right provider.

Links to Supporting Information

Trade4MSME Guide [Shipping](#)

[Trade4MSME Guide Trade Finance Introduction](#)

Trade4MSME Guide [Incoterms](#)

Trade4MSME Guide [Bills of Lading](#)

Trade4MSME Guide [Rules of Origin](#)

Trade4MSME Guide [How Do I Determine My Product's HS Code?](#)

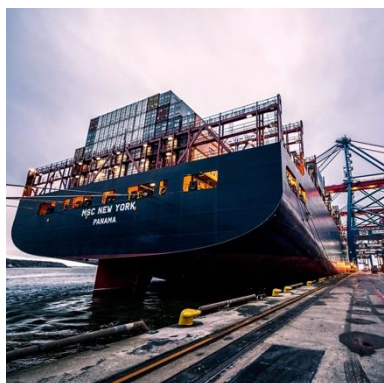
Trade4MSME Guide [Sanitary and Phytosanitary Measures](#)

Trade4MSME Guide [Customs and Border Procedures](#)

The International Trade Centre's (ITC) SME Academy [Introduction to International Transport and Logistics](#). An online training course.

ITC [ITC SME Trade Academy – Summary of Introduction to International Transport and Logistics \(intracen.org\)](#)

Guide: Shipping



It is important to choose the right international shipping strategy for your business. The shipping strategy should depend on your specific product need, budget, margins, product size and weight, and shipping destinations. Choosing the right mode of transportation requires understanding your needs and those of your client, along with the capabilities you have in-house or may require. (See the Trade4MSMEs guide [Logistics](#).)

For small shipments and quick delivery, many well-known global “fast parcel operators” can provide services for goods movements and import and export declarations. The Association of International Courier and Express Services (AICES) has a list of their members. Using a good and reputable third-party logistics (3PL) company can help businesses outsource order fulfillment processes. Research local providers to find the services that suit your needs best.

How do I estimate and evaluate shipping costs?

- Shipping is a service and demand depends on several factors, including price, speed, reliability, and security. Below are common criteria required to estimate shipping costs:
- Shipping point of origin and destination
- Weight
- Volume
- Delivery times
- Shipping insurance (optional)
- Duties and taxes

What types of transportation can I consider?

There are four main shipping methods for goods that are usually paired together in various combinations, referred to as “intermodal transportation.” These include:

- Ocean freight: Maritime transport is the way the largest volume of goods is shipped around the world. There are many options for ocean freight, including booking a container on a regular shipping line or chartering a vessel for a specific type of freight. The cost of ocean freight is usually based on the good, how much it weighs, and its volume. Besides the cost of the freight, traders need to be aware of potential port charges, terminal charges, or adjustment factors such as for fuel or currency, as these can increase costs. In addition to these types of charges, shippers also need to be aware of potential “demurrage” charges. These can be charged when a ship is held in port for longer than loading and unloading, or if ocean containers are not returned in the required amount of time. From origin to destination, the length of time required can vary depending on the distance, with estimates ranging from 20-45 days. In 2021, some of the largest container shipping companies in the world included A.P. Moller-Maersk, COSCO (China Ocean Shipping Company), CMA-CGM, Hapag-Lloyd, and MSC (Mediterranean Supply Company).
- Road transportation (trucking): This is a very flexible mode of transportation. Shipping containers can be directly offloaded onto trucks, which can then bring the cargo to its destination, roads permitting. In terms of time required, trucking can compete with air freight for short- and medium-distance hauls and is significantly less expensive. However, trucking can become more expensive over longer distances and laws may prohibit freight trucks from crossing borders. Countries also have different regulations in terms of size and weight that may make trucking difficult or impossible.

- Rail transport: Transport by train can be a very efficient means of moving cargo, with generally low costs and specialized railcars that facilitate packing depending on the type of good. Standard shipping containers can also be moved directly between ship, truck, and rail. However, rail freight can be very slow and there are increased risks of transportation-related damage to goods because of shocks during movement and coupling/decoupling of the railcars. Most importantly, they only serve destinations with rail infrastructure.
- Air freight: The shipment of goods by aircraft is the fastest, but also the most expensive, form of transportation. Air freight can make sense for small or perishable shipments. Shipments are also generally more traceable and can be delivered more directly to the final destination. However, shippers need to be aware that the higher cost of air shipping can also lead to additional costs in terms of import duty and VAT (Value Added Tax), since these are charged based on the cost of the good plus shipping. They must also know that there are additional restrictions on the types of cargo that can be transported via air freight.

What else should I keep in mind?

- Transshipment and consolidation: These are two terms frequently used when it comes to transportation. They refer to moving cargo through third-party transit locations before arriving at the final destination and to combining shipments from different parties into a single load, respectively. Both options can reduce costs, but they can also increase the delivery time and risk of damage. Additionally, some types of trade finance like letters of credit may prohibit transshipment because of the increased damage risk.
- Documentation: Keeping good records and meeting documentation requirements for shipments is important for tracking and awareness of the contents of shipments. These documents include bills of lading (see the Trade4MSMEs guide [Bills of Lading](#)), invoices, packing lists, certificates of origin (see the Trade4MSMEs guide [Rules of Origin](#)), and insurance certificates (see Trade4MSMEs guide [Trade Insurance](#)).
- Freight forwarders and trading houses: These resources can simplify international shipping, especially for smaller traders. Freight forwarders can take care of the entire logistics process (see the Trade4MSMEs guide [Logistics](#)). Trading houses are specialized businesses that will take a product, look for a potential foreign market, and take care of the entire trade process for that product, from marketing to logistics to foreign sales. Trading houses can be especially beneficial for smaller businesses with fewer resources to devote to international trade.

Links to Supporting Information

Association of International Courier & Express Services AICES [Our Members – Aices.org](#) Information on fast parcel/courier operators

Trade4MSME guides [Logistics](#)

Trade4MSME guides [Bills of Lading](#)

Trade4MSME guides [Rules of Origin](#)

Trade4MSME guides [Trade Insurance](#)

The International Trade Centre's (ITC) SME Academy [Introduction to International Transport and Logistics](#). Training

Guide: Bills of Lading



What are bills of lading?

A bill of lading (BL, B/L or BOL) is a legal document showing the ownership of the goods in a trade transaction (document of title). A bill of lading is also a receipt issued by the shipper that the specified goods have been received by the transporter and are on the transportation vehicle. Finally, it also serves as a contract for how the goods will be shipped.

When shipping your cargo, one of the most important things to ensure is that the cargo arrives safely and without mix-ups. This is why the bill of lading is so relevant. Not only are the items being shipped listed, the BOL also includes specific shipping instructions so that your cargo arrives complete and at the

correct destination.

What information is included in a BOL?

The BOL describes the essential details of a goods shipment. Depending on the type of BOL that is being filled, it is important to have information including: shipper (seller), consignee (buyer), point of origin, place of delivery, contents of shipment, and payment terms.

What are the different types of BOLs?

Bills of lading are issued by a carrier, or transporter, for a consignor (seller) to detail the transportation of the goods to the consignee (buyers). There are two main types of BOLs:

- Straight bill of lading: This type of BOL is used when the buyer has already paid for the shipment and the transporter is delivering the item directly to the consignee or other appropriate party. This is very similar to a waybill. Straight bills of lading and waybills are generally used for intra-firm transactions or between two trusted parties using an open account payment rather than trade finance(see the Trade4MSMEs guide [Trade Finance](#)).
- Order bill of lading: This type of BOL is used when the shipment will be paid for at a later time. Importantly, an order bill of lading is also a transferable document of title and can be used to access credit by the holder. BOLs that are "to order" mean that the document can be delivered to any added consignee following transfer of the document if all endorsements are in place and can therefore be used to access finance given its inherent value, represented by the goods.

Links to Supporting Information

International Trade Centre (ITC) [Cotton Exporter's Guide](#) This guide has detailed definitions and descriptions of different types of BOLs, and how they are used.

Trade Finance Global [What Is Bill of Lading? BoL Example 2023 | Trade Finance Global](#)

Trade4MSME guide [Trade Finance Introduction](#)

Trade Finance Global [Trade Finance Global | Trade Finance Without Barriers](#)

Guide: Reverse logistics



What is reverse logistics?

Once trading for a while you will find that customers may need or want to return products to you either because they are damaged, faulty, or are no longer required.

Companies must manage costs, inventory and customer relationships during this returned product process.

One solution is reverse logistics which is a supply management practice for moving products from customers back to the sellers or suppliers. Using reverse logistics enables businesses to regain value from returned goods by recycling, refurbishing or reselling them. Unlike traditional logistics that transports products from suppliers to distributors to consumers, reverse

logistics starts with the consumer and moves in the opposite direction along the supply chain.

Examples and types of reverse logistics

Retailers like Home Depot, Levi Strauss and Kohl use reverse logistics to repurpose returned goods into new items or product lines while enhancing customer relationships in the process. Manufacturing and healthcare companies also adopt reverse logistics practices to refurbish, repair and remanufacture goods consumers find defective or outdated. There are different types of reverse logistics that businesses can explore. These are also known as reverse logistics components which focus on policies, procedures and management strategies for reusing products that are returned, unsold, damaged or reached end of life or contractual terms.

Why do reverse logistics matter for my business?

Managing returned items by customers can often lead to additional unplanned costs, hiring extra staff, return shipping costs, possible additional duties and increased overhead. To offset costs involved in returns, reverse logistics can help generate value companies can use to recoup losses. Reverse logistics can offer a way for your business to maintain an efficient flow of goods while reducing supply chain management costs and building consumer trust. By adopting reverse logistics, you can generate additional benefits to your business such as improved customer satisfaction and retention, enhanced brand sentiment, waste reduction and greater sustainability.

How can I get started with reverse logistics?

Business support organizations such as chambers of commerce and industry associations may have relevant resources to help you get started with using reverse logistics as part of your business practices. By searching on the internet, you can also find guides, training manuals and materials on reverse logistics.

Links to Supporting Information

Oracle NetSuite [A Guide to Reverse Logistics: How It Works, Types and Strategies | NetSuite](#) information on how reverse logistics works

The International Trade Centre (ITC) ITC SME Trade Academy – [Summary of Introduction to Supply Chain Management \(intracen.org\) Online Training Course on Introduction to Supply Chain Management](#)

1.4. What is trade Finance and how can I access it?

What are the different types of trade finance options?

Guide: Trade Finance Introduction



What is trade finance and why may I need it?

There are many definitions of trade finance, varying by organization and purpose. Trade finance includes the financial instruments and products used by companies to finance international trade, importing and exporting. Trade finance covers a wide range of financial products and can help companies increase the volume of transactions they make, help them satisfy large contracts, scale and grow internationally. (See Trade Finance Global's [Trade Finance Explained](#).)

Many firms do not have the necessary working capital to self-finance exports where payment might only be received after the goods arrive at the purchaser, or to pay up-front for imported goods that are being shipped from abroad. Because of the time between purchase and delivery and the many possibilities for disruption that can occur due to transportation mishaps, purchaser demand, or economic and political events, international trade has many risks that can be alleviated through trade finance.

Trade finance and Incoterms are highly related. Incoterms is an abbreviation for "International Commercial Terms." Issued by the International Chamber of Commerce (ICC) and globally recognized, Incoterms define the obligations between buyers and sellers. (See the Trade4MSMEs Guide on [Incoterms](#)).

What are the different types of trade finance arrangements directly between buyer and seller?

Trade Credit: This is the least expensive arrangement for the buyer (importer). Normally, the buyer has to pay for the product within a set timeframe after shipment is complete, often ranging between one to three months. This can leave the seller (exporter) with a high level of risk of non-payment. The seller often takes out insurance in case the buyer fails to comply.

Cash Advances: This involves the payment of unsecured funds to the exporting business before the goods are shipped. Like trade credit, it is often based on trust, however, cash advances take the risk from the seller (exporter) and place it on the buyer (importer), as the seller receives payment immediately. Risks can include shipping delays or non-delivery.

What are other types of trade finance and methods of payment?

By using different types of financing, like letters of credit and receivable finance, suppliers can not only reduce their risk for non-payment but can also receive early payment for their invoices and other documents, thereby decreasing the risk of supply disruptions and increasing working capital.

- **Letter of credit (LC):** These are contractual commitments issued by banks or specialist trade finance institutions. An LC guarantees that the seller will be paid on behalf of the buyer if the terms specified in the LC are fully met. Letters of Credit are created to protect both exporters and importers.
- **Bank payment obligation (BPO):** This is similar to a letter of credit and requires a bank to pay if appropriate documents, in this case digital, are presented. BPO is an irrevocable undertaking given by one bank to another that payment will be made on a specified date after successful electronic matching of data according to industry-wide rules set by the International Chamber of Commerce Banking Commission (ICC)
- **Documentary collection:** Documentary collection is an exchange between banks, where the seller/exporter requests payment by presenting its export documentation, including shipping and

collection documents to their remitting bank. These documents are presented to the buyer/importer's bank and the exporter's bank will be credited by the importers. Unlike a letter of credit, no payment guarantee is made, no document verification is made, and no credit or country risks are assumed by the bank. Payment is solely based on the available funds of the buyer.

- Bill of exchange or promissory note: These are documents between two transacting parties that confirm a financial transaction has been agreed.
- Open account transactions: These are arrangements for buyers to pay sellers within a certain amount of time (typically 30-90 days), with no additional formalities. This type of payment is very beneficial to buyers but leaves sellers with more risk.
- Supply chain finance: is a cash flow solution that businesses can adopt to help free up working capital stuck in global supply chains (see the Trade4MSMEs guide on [supply chain finance](#)).
- Other forms of financing: There are other types of financing tools that firms can also consider for trade, including equity finance, leasing, asset-backed finance, or even fintech like crowdfunding or peer-to-peer financing.
- Term loans: These are also a longer-term financing option permitting the borrowing of a determined amount for a specific period of time from a bank or other financial institutions. They come with a specified repayment schedule and fixed or floating interest rate payments.

What type of trade finance is right for me?

It is important to understand the costs and benefits of using trade finance to help you decide if it would be a good option for your business. You may have the cash to enable a transaction without additional finance, but It's worth considering if the additional assurances and guarantees that trade finance provides could help you free up working capital for other business development and expansion.

Links to Supporting Information

Trade Finance Global's [Trade Finance Explained](#), a guide for MSME importers and Exporters. This guide is co-authored by Trade Finance Global, the ITC, the Federation of Small Businesses (FSB), the Institute of Export & International Trade (IOE&IT), the British Exporters Association (BExA), the Forum of Private Business (FPB), and the International Finance Corporation (IFC).

International Trade Centre's (ITC) [How to Access Trade Finance](#) information on types of trade finance and how to access it.

International Chamber of Commerce (ICC) Academy's [What is Export Finance](#) Guide Export Finance

Trade Finance Global [Methods of payment in trade finance | TFG 2023 Guide](#) (tradefinanceglobal.com) and [Letters of Credit \(LCs\) – TFG 2023 Ultimate Guide & Free Video](#) (tradefinanceglobal.com)

UNECE United Nations Economic Commission for Europe [Bank payment obligation – Trade Facilitation Implementation Guide on Bank Payment Obligation](#)

International Chamber of Commerce [ICC-Guidelines-for-the-Creation-of-BPO-Customer-Agreements](#)

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Trade Finance Global [Documentary Collections \(DCs\) | Trade Finance Global \[UPDATED 2023\]](#)

Trade4MSMEs guide [Trade Insurance](#)

Trade4MSMEs guide [Incoterms](#)

Trade4MSMEs guide [Supply Chain Finance](#)

The International Trade Centre's (ITC) [How to Access Trade Finance](#) guide, written for small exporters to understand how to access trade finance.

The ITC SME Trade Academy [ITC SME Trade Academy – Summary of Export Finance and Payments](#) training course on Export Finance and Payments

The International Chamber of Commerce (ICC) offers a [trade finance online training and certificate](#).

The Global Trade Helpdesk can also suggest potential trade finance providers



What is Supply Chain Finance (SCF)?

Supply Chain Finance SCF is a cash flow solution that businesses can adopt to help free up working capital stuck in global supply chains. It is a wider category of trade financing, encompassing all the financing opportunities across a supply chain.

What are SCF products?

SCF has two main categories of various products for buyers and sellers to receive finance:

Receivable purchase SCF:

This is when a finance provider purchases the amount you owe to another business, called a receivable, at a slight discount so that you have immediate access to working capital and your debt burden is not affected. The amount is taken off your balance sheet, which can increase your borrowing capacity. These types of products include receivables discounting, forfaiting, factoring, and payables finance (reverse factoring).

Receivables discounting is when a financial institution purchases receivables from a seller of goods or services, such as unpaid invoices, at a slight discount. At the receivable's maturity, the buyer listed on the receivable pays the financial institution directly, rather than the originator of the invoice (receivable).

Forfaiting is when medium- to long-term payments for foreign accounts receivable (such as letters of credit or promissory notes) are sold at a discounted price for immediate payment. The importer/buyer then pays the financial institution directly upon the receivable's maturity. Forfaiting only applies to international transactions.

Factoring refers to when accounts receivable documents, such as invoices, post-dated checks, or bills of exchange are sold to a financial institution at a discounted price for immediate payment (see the Trade4MSMEs guide on [Trade Documents](#)). Information on other trade documents for export can be seen in the Trade4MSME guide on Trade Documents for Exports. Upon sale, the financial institution also becomes responsible for managing the debtor portfolio and collecting the receivable. As previously, the buyer pays the financial institution directly when the debt is mature.

Payables Finance (reverse factoring) refers to early payments to suppliers by a financial institution both based on the buyer's creditworthiness and at the buyer's initiation, not on the seller/supplier's credit grade or request. The buyer then pays the financial institution directly at the debt's maturity or due date.

Loan-based SCF:

Is where the receivable stays on your balance sheet and is used as collateral to access finance. These products include loan/advance against receivables, distributor finance, loan/advance against inventory, and pre-shipment finance.

Loan/advance against receivables is when financing is made available based on current or future receivables and is usually, but not always, secured with those same receivables. At its maturity, the seller of the receivable accessing the finance repays the financial institution.

Distributor finance is when a large manufacturer or other financial institution provides finance to cover the costs of distributors between the time they receive goods and the time they sell them to consumers. This finance is usually through direct loans. At maturity, the distributor repays the manufacturer or financial institution directly.

Loan/advance against inventory is a loan to a participant in a supply chain for holding or warehousing inventory. Generally, the loan is issued against that same inventory and the proceeds of sales are used for repayment.

Pre-shipment finance is credit made available to a seller to finance the preparation and shipment of goods to a buyer, generally requiring a purchase order from an anchor firm. The financial institution issuing the finance

usually requires a percentage of the value of the order as an advance and disburses the loan in stages as the order is fulfilled. At maturity, the seller repays the financial institution.

SCF techniques are more likely to be used in open account transactions when the two parties know each other and have done business previously. SCF may also be referred to as supplier finance, payables finance, or reverse factoring.

How can I access SCF and what are the benefits?

SCF is offered by banks, funding providers, and alternative lenders, including FinTechs. Some of the benefits your business could gain include:

- Improved working capital efficiency
- Less expensive sources of financing
- Payment security / reduction of late payment
- Mitigation of default risk
- Improved relationships with your anchor company
- Expanded sales, which can enable more growth
- Off-balance sheet financing

Links to Supporting Information

International Finance Corporation [SCF+Knowledge+Guide+FINAL.pdf \(ifc.org\)](#) In-depth guides on SCF are available from the International Finance Corporation

Trade Finance Global [Supply Chain Finance | 2023 Guide | Trade Finance Global](#)

Trade4MSME Guide [Trade Documents for Exports](#)

World Bank Group: International Finance Corporation [World Bank Document](#) comprehensive guide to Supply Chain Finance by Development Banks and Public Entities

SME (Small and Medium Enterprises) Finance Forum: An in-depth presentation on SCF. The recorded course is available here [Supply Chain Finance Training Series – IFC & SME Finance Forum on Vimeo](#)

Who can help me finance my trade activities?

Guide: Trade Finance Providers



What kind of trade finance lending do I need?

Small businesses and new exporters can often find it difficult to access credit and finance, there are however lots of different resources MSMEs (Micro and Small Medium Enterprises) can explore.

Who are the Trade Finance Lenders?

There are several types of trade finance lenders to consider. Below are brief descriptions of some of the most common:

- **Corporate and Commercial Banks:** These banks can provide a range of trade credit options to businesses, including accepting letters of credit or bills of exchange, or facilitating documentary collection (see Trade4MSMEs guide on [Trade Finance](#)). Corporate banks typically service very large transactions, whereas commercial banks are more accessible to smaller traders.
- **Alternative Finance Providers:** These are non-bank lenders. These can include private investment, crowd-funding options, or other fintech that allows users to access financial services other than through a traditional bank. Alternative, or non-bank, finance can sometimes be more accessible to smaller traders because they do not face the same regulations as traditional banks, which can make traditional banks unwilling to spend the resources required to enable smaller transactions. Alternative finance providers based on new technologies may also be able to look at different types of collateral, which can open new areas of funding for businesses including Supply Chain Finance (SCF) (see Trade4MSMEs guide on [Supply Chain Finance](#)).
- **Development Finance Institutions (DFIs):** These provide trade finance help to businesses to promote economic development. They might be funded by national governments and tend to be country or region-specific. DFIs usually operate as joint ventures in emerging markets and can provide insurance and guarantees against political and socio-economic risk to encourage investment. Like commercial banks, they may also provide standby letters of credit, invoice discounting facilities, and project finance from mid-term to long-term projects. Although DFIs may have an overall objective of increasing small business finance, they often do not lend directly to businesses.
- **Export Credit Agencies (ECAs):** This financing is used to assist exporters through loans, loan guarantees, and insurance. The transactions supported by ECAs are capital intensive, such as machinery for large-scale projects. They have long-term financing maturities with attractive conditions, as they are usually provided through government financing facilities. ECAs may have minimum requirements, such as the size of a transaction, which could exclude certain smaller traders.

What do I need to access this finance?

Lenders have different requirements and criteria to access their financing options based on the level of risk, interest rate, and repayment conditions. If you are interested in accessing trade finance, first understand your financial needs and then reach out to your targeted lenders.

Links to Supporting Information

International Trade Centre (ITC) [How to Access Trade Finance](#) A guide for small exporters.

Trade4MSMEs guide [Trade Finance Introduction](#)

Trade4MSMEs guide [Supply Chain Finance](#)

United Nations [OHCHR | Development finance institutions](#)

OECD (Organization for Economic Cooperation and Development) [Development finance institutions and private sector development – OECD](#)

The ITC's SME (Small and Medium Enterprises) Trade Academy [Export Finance and Payments Course](#) Online training course

Trade Finance Global [Trade Finance Explained, an SME Guide for Importers and Exporters](#), is a publication co-authored by Trade Finance Global, the ITC, the Federation of Small Businesses (FSB), the Institute of Export & International Trade (IOE&IT), the British Exporters Association (BExA), the Forum of Private Business (FPB), and the International Finance Corporation (IFC).

Is trade something I need insurance for?

Guide: Trade Insurance



What are the challenges and risks in international trade?

Transactions across borders can be complex and risky. From not getting paid to geopolitical crises, businesses that trade across borders face many uncertainties. These can partly be eased by insurance. From the moment a transaction is started, there can be doubts about the trustworthiness of a business partner, whether the specified amount and quality of goods will be shipped, when the goods will be received, and more. Businesses should consider which risks they are most likely to face with any given transaction and weigh up the costs and potential benefits of purchasing some form of trade-related insurance.

What types of trade-related insurance are available and what do they cover?

- Bonds are a financial product that ensures payment of a transaction. It is a type of insurance whereby an insurance company guarantees scheduled payments of interest and principal on a bond or other security in cases where the issuer of the bond or security has defaulted on payment.
- Credit insurance is a frequently used type of trade insurance. Importers guarantee to exporters that they will pay them in full when the contractual conditions are met. If the buyer does not fulfil the contract and defaults on payment, the insurance company compensates the seller.
- Foreign exchange risk insurance is a forward operation where a contract can be arranged with a financial institution to buy/sell currency on a specific date at a pre-defined exchange rate. This type of insurance is offered by financial institutions to lessen the loss from exchange rate fluctuations.
- Financial guarantees are binding, non-cancellable promises backed by banks or insurers to underwrite a contract and make payments to a recipient if terms are not met. Besides protecting the exporter against non-payment, guarantees can also protect importers against the risk that the supplier will not fulfil the contract.
- Political risk insurance covers the risk of the overseas government intervening in the investment, and if events that are considered “political” in nature interfere with a transaction. Examples of the latter situation include the expropriation of assets or the outbreak of violence. Although sometimes sold separately, it is important to note that many credit insurance contracts also cover political risk.
- Product liability insurance covers risks from litigation if the product fails to comply with national regulations.
- Surety is a guarantee issued by a third party to pay the loss suffered by one party in a contract in the event of complete failure to fulfil a contract. In this case, the third party assumes the responsibility of paying the contract.
- Transit insurance, for merchandise that is currently being transported, includes:
 - Marine cargo insurance, which protects the shipment of merchandise via a cargo vessel, including from ship to terminal.
 - Air cargo insurance, which provides protection against loss, damage, and sometimes the delay of shipments via aircraft.

- Ground transportation insurance, which is available for additional coverage for goods shipped by road and rail. This type of shipper is usually already liable for delivering the merchandise as received, with certain exceptions.

Links to Supporting Information

Trade Finance Global [Risk and Insurance – Trade Finance Global](#) An overview of the various types of trade insurance available and guides on how they work.

Trade Finance Global [Bond Insurance Policy](#) Information on Bond Insurance

What do I need to know about exchange rates to make an international transaction?

Guide: Exchange Rates



What are Exchange Rates?

Has your business ever managed a financial transaction to buy foreign supplies or sell products overseas? In a globalized world, doing business can often entail finding new suppliers, customers and partners outside national boundaries to innovate and be more competitive. When conducting cross-border business operations, companies usually purchase or sell goods and services that are priced in a different currency than that used at home. The value of your local currency compared to a foreign currency is determined by their exchange rate. An exchange rate refers to the monetary value of one currency per one unit of another currency. Exchange rates are expressed in currency pairs that can indicate, for example, how many U.S. dollars can be exchanged for one euro.

Knowing the exchange rates involved in your business transaction is necessary to understand your full costs, revenues and profits.

Types of exchange rates

Broadly speaking, exchange rates can be “fixed” or “flexible”. Fixed exchange rates peg the local currency to another currency or asset for determining the value. Fixed exchange rates remain the same over time and they do not fluctuate with the market. By contrast, flexible exchange rates change constantly and are determined by the foreign exchange market and what transactors are willing to pay. Other types of exchange rates include the spot, forward and dual rates. The spot rate is the current price of one currency against another with the shortest delivery time. Forward rates are used for contracts to agree on foreign exchange transactions in the future before the spot rate can be known (see the guide on [international commercial contracts](#) for more information on trade contracts). Dual rates occur if an economy has both a fixed and flexible, or floating, exchange rate. There are also situations where the official fixed exchange rate is different from the unofficial rate given that ultimately an exchange rate is the amount agreed between two transactors of one currency for another.

How can exchange rates affect my business?

Exchange rates are constantly in flux. This means your foreign purchases and sales can have a different cost or value than expected when converted into your local currency, affecting your profits. Note that in addition to the quoted rates for a transaction there may be a fixed charge or a percentage fee. For example, if you intend to make a lot of small sales across borders some payment services charge a flat per transaction rate, some of which currently amount to \$24 per transaction. This level of costs renders small sales impossible.

Exchange rates have a direct impact on the goods and services you buy, or sell, overseas. For example, if the currency your foreign supplier uses increases its value with respect to your local currency, your supplies from overseas become more expensive. You need to decide what currency your products will be offered for sale in. Many e-commerce platforms offer products with a sales price converted into the currency the buyer is located in, others offer sales in the major traded currencies such as Euro, USD or RMB. You should examine in detail the terms, conditions, charges and rates calculations to see which suit your business activities best.

In addition, exchange rates can have indirect effects on your business operations. For instance, a reduction of your local currency value with respect to the foreign currency in which oil imports are priced can increase transportation, packaging, power and fertiliser costs. On the other hand, foreign sales made in your currency become cheaper and more competitive when the currency of your targeted markets increases its value with respect to your local currency.

What can I do to protect my business from exchange rate risks?

- **Monitor exchange rates:** International organizations such as the International Monetary Fund (IMF) and the Bank for International Settlements (BIS) offer free-of-charge dashboards that track daily updates on exchange rates between the U.S. dollar and some currencies around the world. For more information, see [BIS's Statistics Warehouse](#) and [IMF's Exchange Rates Wizard](#). Exchange rate converters such as [x-](#)

[rates.com](#) and [com](#) can also help you to get started with foreign exchange calculations for your businesses.

- **Hedge exchange rate risks:** Financial institutions offer forward contracts that enable businesses to hedge foreign exchange risks by setting an agreement on the exchange rate applicable for a specified payment date in the future. Using forward contracts can be suitable if you want to avoid fluctuations in the exchange rate affecting your foreign business transactions. While you are protected from negative currency movements, you also will not benefit from exchange rates that may turn favorable to your business. Other instruments such as foreign exchange orders or derivatives can be an option if you are open to the possibility of benefiting from positive exchange rate movements but willing to take the risks of losing from unfavorable exchange rates. [American Express](#) and [Toptal](#) offer more information on hedging strategies.
- **Forward transactions:** If you are trading out of a country with highly volatile exchange rates relative to your intended sales markets then you could try to fix your input costs exchange rates and your export market exchange rates at the same time through a forward transaction with a financing institution. There is a cost for this service calculated on the basis of the time to the actual transaction due dates and the financing institution's forecast of what the actual rate will be at that time.
- **Alternative solutions:** Other options that can help your business mitigate foreign exchange risks include setting up multi-currency accounts or agreeing contracts denominated in your local currency. You can also consult the websites of the central bank, export associations and chambers of industry and commerce in your country to identify additional resources for formulating a financial risk mitigation strategy that best suits your business conditions.

Links to Supporting Information

Trade4MSMEs guide [International Commercial Contracts](#)

The Bank for International Settlements (BIS) [Tools and support](#) & [BIS's Statistics Warehouse](#) Exchange Rate dashboards

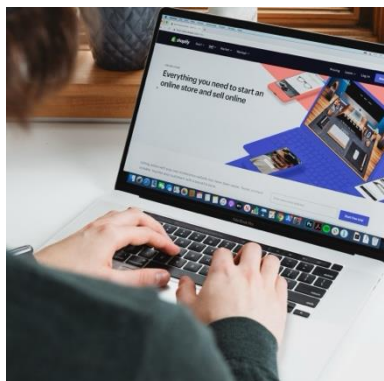
International Monetary Fund [Exchange Rate Report Wizard](#)

American Express [American Express](#) Information on Hedging Strategies

1.5. How can I make the best use of digital tools to trade?

How can I benefit from e-commerce?

Guide: Selling Abroad Online



Why might I want to sell online?

Selling online offers a competitive edge to small businesses seeking to expand into new markets. It is often a lower cost, lower risk business model for small businesses starting out in international trade. Retail e-commerce sales worldwide have seen a rapid increase in recent years. E-commerce can be a quick and effective way to attract more customers. By selling online, it is possible for you to reach a new global customer base with lower overhead than if sales were only made through physical stores.

How can I sell online?

From online marketplaces and platforms to social media and e-commerce websites, there are a wide range of digital sales options in addition to traditional or physical stores. Some of the most common ways to sell online are listed below.

- **Marketplaces:** These could be general or specialized by market sector (for example textiles, or electronics). General marketplaces are suitable to sell products or services with mass appeal when branding is not a business priority. In contrast, specialized marketplaces enable businesses to position their brands, find market niches, and offer customized value propositions to clients.
- **Listing websites:** These are useful for MSMEs with business models that focus on buying and re-selling common items. They are also appealing for businesses that sell by offering competitive prices or promoting additional features of goods and services advertised on the web.
- **Social media:** Social media platforms enable businesses to create customized webpages linked to online e-commerce sites and marketplaces with mass reach.
- **Your own online webshop:** Building and maintaining your own online shop can be effective, you can engage a commercial company /website builder to do this for you. This is the quickest, easiest route to creating a sleek, professional online presence for your ecommerce business. Many companies also offer competitively priced template sites that you customize. Or, if you have the knowledge and skill, you can code your own.

What should I consider before selling online?

A starting point is to plan a sound e-commerce sales strategy and get customer feedback on products and services. Either through social media or direct contact channels, you can reach out directly to potential customers to understand their needs and find target markets domestically and/or internationally.

Understanding your customer base can help you customize products and services and identify market entry options. Other things to consider include payment methods, as well as the shipping and returns policies that may be best suited for your customers. These may vary depending on the market.

You should also research market access requirements that may affect your products and services (see the Trade4MSMEs guides on [services export potential](#) and [services contact points](#)) [Services Contact Points](#) have more information. Many businesses can benefit from online communities and training courses about online sales methods and e-commerce strategies.

Links to Supporting Information

WTO (World Trade Organization) regional initiatives on e-commerce [WTO | Electronic commerce](#)

UNCTAD [Global E-Commerce Jumps to \\$26.7 Trillion, Covid-19 Boosts Online Retail Sales | UNCTAD](#)

Statista [Global retail e-commerce sales 2026 | Statista](#)

International Trade Centre (ITC) ecomConnect: [ecomConnect | E-commerce Community Engagement Platform for Everyone](#) Is an e-commerce online community

Trade4MSME Guide [Export Potential Guide](#)

Trade4MSME guide [Services Contact Points](#)

ITC Online training courses [ITC SME Trade Academy – Catalogue \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of Introduction to E-commerce \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of Using Virtual Marketplaces for your E-commerce Initiative \(intracen.org\)](#)

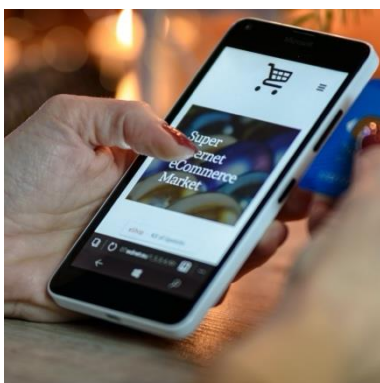
ITC [ITC SME Trade Academy – Summary of Creating Quality E-commerce Content \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of E-Commerce for your B2B Business \(intracen.org\)](#)

Google [Free Online Marketing & Career Courses – Google Digital Garage – Google Digital Garage \(learndigital.withgoogle.com\)](#)

Google Skillshop tutorials on using Google Ads [Google Ads : Google \(exceedlms.com\)](#) and [Get a business online – Google Digital Garage \(learndigital.withgoogle.com\)](#)

PayPal [How to Sell Internationally | PayPal US](#)



How can an e-commerce readiness assessment support my business?

Selling online has advantages over selling in traditional shops and stores. Businesses can reach customers worldwide and enter new markets quickly and easily. Geography no longer creates the same physical barriers to trade. It is always best to check that you have everything in place before you start. An E-commerce readiness assessment can help you evaluate what stage you are at.

What is an e-commerce readiness assessment?

An E-commerce readiness assessment is the starting point to help any businesses understand what is needed to design an online sales strategy. An e-commerce readiness assessment is a tool that evaluates the capabilities needed to set up and run a successful online business. It will help you evaluate strengths, as well as identifying areas that need improving. It shows that by investing in market research, online payment systems, developing good fulfillment and logistics, and creating great customer service experiences, will help build a more successful business.

What is the structure of an e-commerce readiness assessment?

The International Trade Centre ITC has developed a quick and easy short quiz to check your businesses readiness to start online sales. It will look at the following five sections:

- E-commerce planning: This involves getting you to think about your product and services value proposition, ask yourself why customers should buy your products. It gets you to think about your ideal target customers. Confirm if your products or services comply with regulations in your target markets.
- Online presence: This involves identifying whether you are going to run your own e-commerce website, or if you will list products and services in marketplaces.
- Digital marketing: This involves looking at the extent to which businesses use digital marketing to promote their online sales and monitor digital goals and key performance indicators (KPIs).
- Shipping and inventory: This involves checking that your inventory, fulfillment and shipping options meet the expectations of your customers. Confirming that you can manage the customs import duties, taxes and other charges needed is essential.
- Customer service: This involves understanding what good customer service is and that your business is supplying the right information about products and services. Coupled with the ability to communicate, interact and build trusted relationships with your customers and clients, will ensure your business will thrive.

Links to Supporting Information

ITC International Trade Centre [ITC ecomConnect – Readiness](#) an e-commerce readiness assessment quiz

ITC International Trade Centre [How to Start Your First E-commerce Business | ecomConnect](#)

ITC [ITC ecomConnect – Calculator](#) & Video tutorials from [ecomConnect](#)

[Strive Community](#)'s Ecommerce Training Toolkit [ecomConnect](#)

What digital tools and approaches can help my business?

Guide: Digital Tools and Approaches



How can technology help my business trade?

Businesses that adopt new technologies are better positioned to seize opportunities in global marketplaces. Understanding consumer and business trends will also help you develop and sell the right products and services. New technology can help build more resilient and more efficient businesses, that can scale-up quickly. The adoption and use of mobile devices, social media, and cloud computing can reduce up-front investment costs and improve business management and marketing to reach customers worldwide. New technologies can also help your business trade by outsourcing services and building partnerships in supply chains essential for entering new markets.

What new technologies and digital tools can I consider for my business?

Some examples of new technologies that can help your business become more competitive in global markets include:

- **3D printing:** If your business is in the manufacturing industry, using a 3D printer can help you innovate and develop new products quickly to satisfy your customer's needs. 3D printing is also known as additive manufacturing and consists of making three-dimensional solid objects from layering materials like plastics, composites, or biomaterials.
- **Cloud computing:** Is a centralized location on the internet that stores data and information. Cloud computing uses a network of remote servers hosted on the internet to store, manage, and process data, rather than using a local server or personal computers. This can save businesses the cost of installing hardware and software, it can increase productivity and performance. Cloud computing also allows companies to easily set up e-commerce shops.
- **Digital platforms:** These platforms are online infrastructures and networks that facilitate commercial interactions between suppliers and consumers. Some examples include e-commerce and social media websites that you can use to advertise your products and services, promote additional features, and offer payment options (see the Trade4MSMEs guide on [selling abroad online](#)).
- **Electronic payments:** E-payments are payments for goods and services that users make electronically through digital platforms. E-payments can help your business to trade overseas because they save costs, provide security, and are convenient for collecting money transfers from customers.
- **Social media:** This consists of websites and applications that facilitate information and content sharing. Some of the well-known social media apps are Instagram, Facebook, Twitter, and TikTok. Your business can use social media tools to create customized webpages for reaching out to customers through online e-commerce sites and marketplaces.
- **Other technologies:** Blockchain/distributed ledger technologies, artificial intelligence (AI), and machine learning (ML) are other technologies that can offer opportunities for your business to grow and expand into global markets.

How can I learn more about useful technologies for my business?

The SME Trade Academy is the online learning platform of the International Trade Centre, a joint agency of the United Nations and the World Trade Organization. With over 200 online courses on trade and trade-related topics, specifically tailored for learners in developing and least-developed countries. Courses that can help you learn more about new ways of doing business and trade through new technologies.

Links to Supporting Information

ITCs (International Trade Centre) SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to E-commerce](#) Course on introduction to e-commerce: This course showcases business opportunities in e-commerce and strategies for developing online sales channels.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to Supply Chain Management](#) Course on Supply chain management : This course introduces methods that help businesses design a digital transformation roadmap.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Innovating for Success: A Guide for Entrepreneurs](#) Course on innovation for entrepreneurs: This course teaches entrepreneurs and business owners about the most relevant aspects of innovation and digital technologies.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to Blockchain for Trade](#) Course on introduction to blockchain for trade: This course explains the role of blockchain in doing business through international trade.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Export Finance and Payments \(intracen.org\)](#) Course on Export Finance and payments

What other resources should I look at?

Microsoft [What Is Cloud Computing? A Beginner's Guide | Microsoft Azure](#) What is cloud Computing.

Trade4MSME guide [Selling Abroad Online](#)

[ITC ecomConnect – Calculator](#) a tool to calculate e-commerce costs amazon Etsy Shopify eBay.

Information Technology & Innovation Foundation ITIF [ITIF Technology Explainer: What Are Digital Platforms? | ITIF](#)

UNECE (United Nations Economic Commission for Europe) Trade Facilitation Implementation Guide [United Nations Economic Commission for Europe](#)

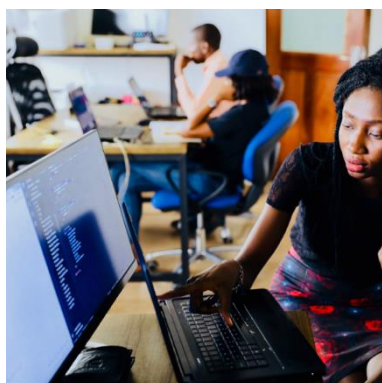
ITC SME Academy [ITC SME Trade Academy – Summary of Introduction to Blockchain for Trade](#)

ITC ecomConnect [African Marketplace Explorer | ecomConnect](#) African Market Place explorer

ITC [Latin America and the Caribbean Marketplace Explorer | ITC](#) Latin American and the Caribbean Marketplace Explorer

Google [Google Digital Academy](#) and [Analytics Academy \(google.com\)](#) and [Understand the basics of machine learning – Google Digital Workshop](#)

The International Telecommunications Union (ITU) [Training overview | ITU Academy](#)



What are standards for cross-border paperless trade?

Running a business can often involve filling in lots of forms, and printing lots of documents. The volume of paperwork can increase significantly when international trade is added to your business operations.

According to some studies, the average cross-border transaction requires exchanging 36 different documents and 240 paper copies. To reduce paper waste and enhance business efficiency in international trade, various organizations have been mapping out standards that can support small businesses to go paperless.

Standards for cross-border paperless trade are the result of collaboration between public and private-sector institutions facilitating best practices when using digital tools for commercial transactions, logistics, payments and other operations involved in trade. (See Trade4MSMEs guide on [Standards](#).)

Types of standards for cross-border paperless trade

The Standards Toolkit for Cross-border Paperless Trade developed jointly by the World Trade Organization (WTO) and the International Chamber of Commerce (ICC) provides a detailed explanation of the most important and frequently used standards in digitalizing trade procedures facilitating a move to frictionless cross-border paperless trade.

Standards for cross-border paperless trade can be general to international trade, or specific to the participants in supply chains.

The Standards Toolkit provides a list of the most commonly and widely adopted paperless trade standards and identifies six types of standards that are more practical for small businesses.

These are summarized below:

- **Foundational standards:** Support businesses to meet requirements on data sharing, reporting, usability, due diligence and compliance. Making it easier to transmit data from one system to another. Some examples include country, language and currency codes, units of measure, and standards on financial messaging and freight containers.
- **Identifier standards:** These refer to the names or IDs for any element involved in a supply chain and the relevant data exchanges, such as products, persons, entities, packages, carriers, containers and other physical or digital items such as trade documents. The Harmonised Commodity Description and Coding System (HS code) is an example related to products.
- **Commercial Transaction Document standards related to the 'buy' 'ship' 'pay' Process:** These relate to organisations of all sizes from Corporations to micro-small- and medium-sized enterprises MSMEs in international supply chains. They are manufacturers, exporters, suppliers, distributors, importers, and buyers of products. Standards are set for digitizing documents for commercial transaction, transport and logistics, and payments. A prime example of this are standards for a commercial invoice, purchase orders, packing lists etc.
- **Standards for transport, forwarding and cargo handling documents:** Relate to shipping-related documents, such as standards on bills of lading, air waybill, and documents for rail and road transport.
- **Standards for Customs authorities and other cross-border regulatory agencies:** Customs authorities and other cross-border regulatory agencies (CBRAs) have a regulatory view of the supply chain and require submission of data primarily for the purpose of regulatory reporting and compliance at points of export, import and transit. Sanitary and Phytosanitary (SPS) Certification is a prime example.
- **Standards for Interoperable digitalisation frameworks:** Allows organizations, business partners and intermediaries to interact with supply chain participants so they can embrace digitalisation frameworks that

support the exchange of electronic trade documents. Distributed Ledger Payment Commitment (DLPC) is an example of this

How can standards for cross-border paperless trade support your business to engage in international trade?

Adopting standards for cross-border paperless trade can save your business from significant costs associated with managing operational procedures in paper format. For example, statistics indicate that managing paper files can take up to 40% of workers time in addition to the high expenses that companies have to spend on printed forms and documents.

Paperless trade standards can also help your business to access data and exchange information between supply chain actors that may be relevant for your current and/or future international business activities.

As these standards aim to digitalize your key information flows and present them in widely recognized formats, your business can reduce costs and improve efficiency while gaining trust with business partners and customers in new markets. By moving from paper to digital, you can amplify your business opportunities to engage in international trade.

Links to Supporting Information

Trade4MSME Guides [Standards](#)

The World Trade Organization (WTO) and the International Chamber of Commerce (ICC) [WTO | Standards Toolkit for Cross-border Paperless Trade: Accelerating Trade Digitalisation Through the Use of Standards](#)

The International Chamber of Commerce (ICC) Digital Standards Initiative [For Executives | The ICC Digital Standards Initiative](#)

The European Digital SME Alliance Standards Guides for Information and communications technology (ICT) [ICT Standards for SMEs – European DIGITAL SME Alliance](#)

The European Digital SME Alliance [Sustainable Digitalisation – the path to European Digital Sovereignty \(digitalsme.eu\)](#)

How do I protect my business from cyber attacks?

Guide: The Importance of Cybersecurity



What is cybersecurity?

Introducing Cybersecurity into your organization is a way individuals and businesses reduce the risk of cyber-attacks. It is also known as information technology security or electronic information security. Using technology and digital platforms for commercial activities exposes companies to cybercrime like phishing, malware, or data and identity theft. Cybersecurity embodies a set of systems, processes, and actions and its core function is to protect businesses from digital attacks. We all use smartphones, laptops, tablets and computers, and we access multiple services online at home and at work and we need to protect them from theft or damage.

To reduce these cyber threats, learn more about how to protect your organization's data, assets, networks, programs and your reputation from digital attacks. Introducing cybersecurity can protect your data and systems.

Why does cyber security matter for my business?

We all live in an increasingly interconnected world, and this has had many positive effects enabling businesses to collect and share more information, reach new customers and innovate. It has also though, led to a rise of criminal activities that profit from stealing customer data and spying on business practices.

Small businesses can often be victims of cyber-attacks, putting their assets, data, information, and technology equipment at risk. Investing in sound cybersecurity systems can prevent you from suffering financial losses and corporate reputation damage.

How cyber threats could affect business?

Some examples of cyber threats that may affect your business.

- **Phishing:** This is a social engineering tactic that lures individuals into providing sensitive data by offering fake rewards. Through this tactic, criminals often target personally identifiable information, banking and credit card details, and passwords.
- **Malware:** This consists of malicious software that comes from website downloads, spam emails, and connection to other machines or devices. Hackers use malware to gain access to networks and steal or destroy data on computers.
- **Ransomware:** This is a form of malware that encrypts business files, making them no longer accessible. Criminals use it to demand a ransom in exchange for unlocking the data targeted.
- **Weak passwords:** Passwords are weak when humans or machines can easily identify them. Criminals that correctly identify passwords have easy access to business accounts that store confidential and sensitive data.
- **Insider threats:** These threats are performed by current or former employees, business contractors or other associates who seek to access critical business data for illicit purposes.

How can I protect my business against cyber risks?

Protecting your business from cyber risks can enable you to counteract criminal activity and keep pace with emerging trends in data privacy. You can start planning cybersecurity strategies by identifying systems, data, and users that are essential for your business operations. This mapping exercise will highlight vulnerability points that can be the subject of your cybersecurity goals and strategies, as well as help you to develop a cybersecurity plan at your business.

Links to Supporting Information

Cyber Research Institute [Roadmap](#) A guide to being cyber ready.

Cyber Research Institute [Cyber Readiness Program – Cybersecurity Awareness Workforce Training](#) This program guides SMEs (Small and Medium Enterprises) to become cyber against cyber threats.

GCA (Global Cyber Alliance) Cybersecurity Training [Small Business](#) and [Know What You Have – GCA Cybersecurity Toolkit | Tools and Resources to Improve Your Cyber Defenses](#)

The Global Cyber Alliance (GCA) offers a cybersecurity toolkit designed for small businesses and online training courses.

US Small Business Administration [Strengthen your cybersecurity](#)

The United Kingdom's [National Cyber Security Centre](#) and [Small & medium sized organisations – NCSC.GOV.UK](#) provides training and certification.

Government of Canada [Cyber Secure Canada](#) offers an SME-targeted certification scheme.

1.6. What happens when there is a trade disagreement?

What do I do when my trade transaction doesn't go as planned?

Guide: Dispute Settlement



What happens if there is a breach of commercial contract?

If your business trades with a company based in another country or customs territory, this is classed as 'cross-border trade' and effectively it means, in legal terms, that the other party is not necessarily subject to the jurisdiction of courts where you are based. It is important that you get the right commercial agreements in place, and confirm the law applicable to the contract, and a dispute resolution mechanism, at the very start of trading internationally.

Although you hope it will never happen, should a dispute arise, it is always better if you can have it resolved in your local court, with your own lawyers and in your own language.

If this is not possible and the dispute involves an overseas jurisdiction, this can complicate things and you would need to obtain legal advice familiar with commercial law in both country's jurisdictions.

Points to consider when drawing up a contract:

- Look to minimise your risk with fair and transparent contracts and terms and conditions.
- Appoint a legal professional / specialist international trade lawyer to help guide you.
- Ensure you have a clear understanding of what all your obligations will be under the finalised contract.
- Don't accept "standard terms" with which you cannot comply.
- Ensure you have a clear understanding of what all your obligations will be under the finalised contract.
- Be clear on the extent of your potential liabilities. It would usually be sensible to try and agree a cap on liability – in many cases this comprises a multiple of the contract value.
- Deliver on time to the terms of the contract

When a breach of an international contract occurs, the parties encounter issues such as:

- What type of case it is.
- Where the case will be decided.
- Which law will be used to decide

It is also important to agree on a dispute resolution mechanism at the start, choices can include:

- Judicial Proceedings
- Alternative Dispute Resolution ADR mechanisms
 - Arbitration
 - Mediation

While choosing the mode of resolution, another factor to consider is where and whether the ensuing judgment or

arbitral award will be recognized and enforced. It would not be helpful if, for example, the judgment or the arbitral award was in your favour but cannot be recognised and/or enforced in another state where your other contractual party has assets.

The law applicable to the contract will be applied to settle the dispute arising from the negotiation, conclusion, performance, interpretation, or execution of the contractual terms.

Links to Supporting Information

The International Trade Centre ITC [Model Contracts for Small Firms | ITC](#) Model contracts are available free of charge

WIPO (World Intellectual Property Organization) Alternative Dispute Resolution [Alternative Dispute Resolution \(wipo.int\)](#)

New York Convention for arbitral awards [1958 New York Convention](#)

The UN (UNCITRAL) [United Nations Commission on International Trade Law](#) and [Online Dispute Resolution: Online Resources | United Nations Commission On International Trade Law](#)

What should I do if I think someone has infringed on my intellectual property?

Guide: Intellectual Property Disputes



What is an IP (Intellectual Property) dispute?

An IP dispute is a conflict or disagreement over Intellectual property rights (IP rights) (see the Trade4MSMEs guide on [Intellectual Property Considerations](#)). A dispute is usually started by the individual or business with in which the IP was created known as the “right holder.” Businesses raise IP disputes when they believe that other individuals, companies, or entities have made an unauthorized use of their IP assets, such as copyrighted material, patented inventions, trademark-protected signs, and trade secrets.

As with other commercial disputes, it is important to maintain and understand your own IP rights and how they can be protected, as well as recognize and respect the IP rights of others. The World Intellectual Property Organization (WIPO) is a center of excellence for training and education on this subject.

How can IP disputes arise?

IP disputes arise when the holder of an IP right alleges that its IP has been acquired or used by another (infringed) without its permission. For example, use of a trademarked sign or patented invention without the holder’s consent may constitute trademark or patent infringement. Acquiring trade secrets or protected information dishonestly may also violate the holder’s rights. Unfortunately, an IP dispute may also be raised in bad faith by a business which alleges the infringement of a right that does not in fact exist, with the goal of eliminating or delaying competition. IP disputes can also arise over the ownership and authorization to use IP developed by joint partnerships or through other cooperative arrangements.

What can I do in the event of an IP infringement?

It is usually the responsibility of the IP right holder to protect their rights by identifying and challenging infringement. You should seek expert legal advice if you suspect someone else has infringed your IP rights or alleges that you have infringed theirs. As IP rights are enforced at the local level, specialized knowledge of domestic laws and practices is required to successfully protect your IP or defend against an infringement allegation. Depending on the right holder’s location or jurisdiction, businesses can contact local business support associations to find out what help, and guidance may be available.

The five actions listed below are among those commonly taken in the event of IP infringement:

- Cease-and-desist letters: When the identity of an alleged infringer is known, the IP right holder often first attempts to resolve the dispute directly by sending a cease-and-desist letter that notifies the infringer of how its business activities conflict with an IP right(s). If the infringement was unintentional, the infringer will often either discontinue its activities or consent to negotiate a licensing agreement.
- Border actions: IP right holders who suspect that infringing goods are being transported across borders may file written applications with the competent domestic authorities for the suspension of such goods by customs authorities.
- Administrative proceedings: Most jurisdictions maintain registers of patents and trademarks, among other IP rights, which are protected in their jurisdiction. Some jurisdictions offer procedures for opposing a registration or invalidating an already registered right. IP right holders may pursue such administrative procedures to prevent similar or allegedly infringing signs or inventions from obtaining legal rights.
- Alternative dispute resolution (ADR): ADR proceedings are sometimes less costly and complex alternatives to resolving an IP dispute than judicial proceedings. Two types of ADR processes may be available. In a [mediation procedure](#), a mediator helps the parties reach a mutually satisfactory agreement. In

an [arbitration procedure](#), one or more arbitrators make a binding decision for all parties based on the rights and obligations of the latter and arbitral law. Licensing agreements and other contracts often provide for parties to resolve disputes under the agreement through ADR in lieu of judicial proceedings.

- Judicial proceedings: Judicial proceedings seeking resolution through the courts is usually the last resort for resolving an IP dispute. Different judicial venues and remedies may be available under domestic law. Judicial authorities may issue temporary and/or permanent injunctions enjoining infringing activities; order the infringer to pay compensation for the IP right holder's damages and expenses; and/or order the disposal of infringing goods. Domestic law enforcement may also pursue IP infringers with criminal proceedings and penalties in certain circumstances.

The World Intellectual Property Organization (WIPO) has an [Arbitration and Mediation Center](#) that provides mediation and arbitration services at reduced fees for small businesses in case the latter opt for ADR mechanisms to resolve IP disputes. The WIPO Arbitration and Mediation Center can assist with procedures and provide templates for contract clauses and submission agreements to present in an IP dispute.

Links to more information

The Trade4MSMES guide [Intellectual Property Considerations](#)

The World Intellectual Property Organization (WIPO) Academy provides additional training [WIPO Academy](#)

WIPO Alternative Dispute Resolution [Alternative Dispute Resolution \(wipo.int\)](#)

WIPO Mediation [Guide to WIPO Mediation](#)

WIPO Arbitration [Guide to WIPO Arbitration](#)

WIPO Mediation and Arbitration center for MSMEs [WIPO Mediation and Arbitration for SMEs](#)

WIPO [WIPO Clause Generator](#) suggested clauses related to IPR for use in contracts

2. Services

Services are amenities or benefits provided by your business to your consumers. They can only be delivered at a particular moment. For example postal services, banking, insurance, etc.

2.1. What should I know for trading services?

Can I trade my service internationally?

Guide: Services Trade



What Should I Know Before Exporting My Service?

Several trends, including digital innovations, have resulted in the rapid growth in the export of services. Service exports are defined as any service provided by a person or business in one customs territory delivered to or provided to people or businesses from another customs territory. Increasingly, companies are looking for new markets for their services, including international markets.

How can services be exported?

There are four different ways, or 'modes of supply,' for exporting services, as defined in the World Trade Organization's (WTO) in the General Agreement on

Trade in Services GATS.

These are:

- Cross-border supply (Mode 1): When your company is based in one country and supplies services to a customer in a different country. For example, an architect in country A sends building plans to a developer in country B.
- Consumption abroad (Mode 2): When your company supplies a service to a foreign customer who is present in your country. For example, this includes hotel or restaurant services supplied to foreign visitors.
- Commercial presence (Mode 3): When your company establishes a commercial presence in a foreign market, such as opening a subsidiary, branch, or representative office, to provide services to local consumers. This is the case, for instance, of a foreign supermarket serving customers in the local market.
- Presence of natural persons (Mode 4): When you, as an independent service supplier, or an employee of your company, are present in a foreign country temporarily to supply a service to local customers. For example, an IT specialist is abroad to develop a new piece of software for a foreign client.

What are the key practical steps for exporting services?

- Decide if your service is ready for export:
 - Is your service already successful in your domestic market?
 - Does your company have the capacity to offer this service in export markets? Does it have sufficient staff, time, financial and legal resources?
 - Is your company's management committed to expanding into export markets?

- Does your company have a comprehensive financial/marketing/business plan with clearly defined goals in support of exporting?
 - Does your company have a concrete strategy for how to export the service? For example, you can export your service directly to your buyer in your target market, such as another company or a consumer. Or you could export via e-commerce platforms?
 - Is your intellectual property protected in export markets?
 - Does your company have the capacity and expertise to adapt its service according to cultural preferences or different standards in export markets?
- Find target markets and customers: Trade agencies, chambers of commerce, and other business support organizations may offer online information tools and networking events for finding target markets and customers as well general exporting information.
 - Check for any benefits from regional trade agreements: Services exports may be subject to preferential market access under regional trade agreements (see Trade4MSMEs [guide on trade agreements](#)) the Trade4MSME guide on trade agreements provides more information.
 - Meet the conditions in target markets: Depending on which mode of supply you rely on to trade, which market you are targeting, and which service you are exporting, you may face various requirements and restrictions in the target market. These can include:
 - Mode 1 (cross-border) service suppliers may need to obtain licenses and/or authorizations, comply with local presence requirements, and/or face nationality requirements.
 - Mode 2 (consumption abroad) exports of services would generally not entail meeting additional conditions beyond those required to supply services domestically.
 - Mode 3 (commercial presence) service suppliers may need to acquire licenses and/or authorizations, be required to establish as a specific type of legal entity, and/or be confronted with foreign equity caps or discriminatory procedures.
 - Mode 4 (presence of natural persons) services exports often require securing business visas, having diplomas recognized, or acquiring specific qualifications. These exports may also have to contend with quotas or labor market tests.

Links to Supporting Information

WTO World Trade Organization [WTO | Services – The GATS: objectives, coverage and disciplines](#)

European Commission [Guide for export of services | Access2Markets \(europa.eu\)](#) Steps to take to export a service.

International Trade Centre ITC [ecomConnect](#) Connects entrepreneurs, organisations and industry experts to share e-commerce solutions and access free learning resources.

Trade4MSMEs Guide [Trade Agreements](#)

United Nations [TRADE IN SERVICES AN ANSWER BOOK | Shop.un.org : Official Source for United Nations Books and More](#)



Is my business export ready?

One of the first questions to consider is why Export? What are the benefits?

Research shows companies that export are more profitable, more productive and more innovative than those that do not. Research has shown that businesses are 11% more likely to survive if they export. The reasons for this range from spreading export risk amongst different country markets, to increasing turnover and improving innovation by developing specific services for specific overseas markets.

- **Increased Sales** – If you are selling well in your own home market, and your service is in demand, exporting is a way to develop new additional sales in other countries. If your services are in demand at home, then there is likely to be significant demand in foreign markets.
- **Higher profits result from increased sales** – If you can cover fixed costs through domestic operations or other types of financing, your export profits can grow very quickly.
- **Economies of scale** – You can benefit from the cost savings when you produce and sell more services. The benefits from the economies of scale can be very advantageous.
- **Global competitiveness** – The experience your company gains internationally will help keep you competitive in both your home market and in the global marketplace.
- **Domestic competitiveness** – Successful exporting companies are often more resilient to potential foreign competition.
- **Reduced risk** – If you can sell into several different countries, you are spreading the risk. If you diversify into international markets, you avoid depending on a single marketplace and suffering from any domestic instability.
- **New knowledge & experience leads to innovation** – The global marketplace abounds with new ideas, approaches and marketing techniques that could also prove successful in your home market. Adaptations to your service for example leads to new innovations and new service development.

Trading internationally not only helps with all of the above, in addition trading globally can boost your company's profile, reputation and credibility.

Is my business export ready?

We live in an increasingly interconnected world, which means that businesses of all sizes might receive enquiries from buyers in other countries. An export-ready business is one that has the capacity, resources and management to deliver a marketable service on a global scale at a competitive price. To determine if your business is ready to export internationally you can do your own export readiness assessment.

Here is a check list of areas to consider

- Set clear and achievable export objectives. Develop an Export Plan.
- Understand your service USPs (unique selling points) in export markets.
- Formulate a realistic idea of what exporting entails and create a timetable for results.
- Understand what is required to succeed in the international marketplace.

- Confirm you have staff in place with the knowledge and skills to trade internationally or are willing to learn
- Is finance in place to help scale up for export?
- Undertake market research and decided on the best international target markets. These could be neighbour countries who are part of a trading bloc or developed countries with large populations and large purchasing power.
- Understand international marketing requirements.
- Research your competitors – both international competitors but also competitors based in the country which you want to export to.
- Considered any adaptations that may be required.
- Understand any cultural and language needs.

Research your market entry strategy how, and to whom you will sell to in the export markets: Direct sales to a business or consumer / Intermediary representatives / licensing / foreign direct Investment through establishing a company in your target export market

Understand destination country regulations, export and import documentation, customs requirements and procedures.

You can also use export readiness assessment tools. A typical export readiness assessment will involve answering questions to determine a final score. This score is then used to help guide businesses through the necessary steps to become fully export ready. See the links for more information.

Links to Supporting Information

The Canadian Trade Commissioner Service [Export_guide_canada.pdf \(iberglobal.com\)](#)

Official Website of the International Trade Administration USA [Exporter Assessments \(trade.gov\)](#)

Government of Canada Export quiz [Are you ready? \(international.gc.ca\)](#)

Caribbean Export Development Agency [10 Steps to Exporting | Caribbean Export \(carib-export.com\)](#)

Kenya Export Promotion & Branding Agency [BrandKE – Guide to Exporting](#)



What is export potential and why is it important for my business?

- Export potential refers to the likelihood that a company's service can be successfully sold abroad. Businesses usually identify the export potential of their services by analyzing:
- customer profiles.
- service modifications.
- transportation, shipping, and logistics.
- local representation in overseas markets.
- exporting services.
- business development capacities.

Additional information like the export market's economic outlook and current trade conditions may also be useful. Analysing these areas enables businesses to identify the strengths and weaknesses of their targeted overseas markets and to determine whether and why an export has the potential to succeed abroad.

How do I determine my business' export potential?

There are two practical ways to assess the export potential of companies' services in overseas markets.

- If you are already selling successfully in your domestic market, look for an overseas market with similar characteristics.
- Assess the unique features that make your service different from those found abroad and therefore desirable in a foreign market.

How do I select my target markets?

Online trade statistics are a useful tool, as they provide an overview of markets in target countries. They can show if target countries are already importing the services that your company is intending to export. They also indicate supply levels in target countries. One resource for identifying target markets is the European Commission's Guide for export of services, (see links to supporting information).

How do I find potential buyers?

The next step after identifying a target market is to find and connect with potential trade partners and business contacts. For example:

- Trade fairs are a great place to find business partners, as this is where companies from across the world can meet to explore business opportunities, find potential markets, and use contacts or word of mouth.
- Events hosted by business support organizations for domestic companies, with the aim of helping local companies explore export opportunities, is another option.

There are also an increasing number of online platforms that connect buyers and sellers. In addition to well-known global marketplaces like Clickworker, Amazon Mechanical Turk or Appen, a simple internet search is another way to identify specialized online marketplaces (see the [Trad4MSMEs guide on selling abroad online](#)).

Links to Supporting Information

United States International Trade Administration's (U.S. ITA) [How to Analyze a Product or Service's Export Potential](#)

The Government of Canada's Step-by-Step Guide to Exporting [Getting started: assessing your export potential](#)

The U.S. ITA export guide for small businesses [Guide To Exporting](#)

The European Commission's Guide for export of services. [Guide for export of services | Access2Markets](#)

The U.S. ITA guide on how to find buyers and partners. [Find Buyers and Partners](#)

Trade4MSMEs guide [Selling Abroad Online](#)

IMF (International Monetary Fund) World Economic Outlook [World Economic Outlook](#)

Google's Market Finder training [Find Global Business Opportunities – Market Finder by Google](#) & [\(110\) Discover International Growth Opportunities with Market Finder by Google – YouTube](#)

Is there a trade agreement or preference scheme in place between my country and my potential destination market?

Guide: Trade Agreements Guide



What is a regional trade agreement?

A regional trade agreement (RTA) is a treaty or contractual agreement that two or more governments sign to grant each other preferential market access and set rules to govern their trade relations. Through trade agreements, governments agree on a range of obligations. These can include improved market opportunities for services and may also include processes and regulations for trade in services and investment, among other commitments.

The General Agreement on Trade in Services (GATS)

The creation of the GATS was one of the landmark achievements of the World Trade Organization WTO. It includes the following key concepts:

- **MFN (Most Favored Nation) treatment:** Under Article II of the GATS, WTO (World Trade Organization) Members are held to extend immediately and unconditionally to services or services suppliers of all other members "treatment no less favourable than that accorded to like services and services suppliers of any other country"
- **Transparency:** WTO Members are required to publish all measures and respond to other member countries requests for information, through national enquiry points.
- **Market access:** Commitment from members to negotiate on access to markets. There may be some limitations and Article XVI(2) has details.
- **National treatment:** WTO Members are not allowed to discriminate in favor of their indigenous services or suppliers.

The GATS agreement was structured to encourage and increase the participation of developing countries in services trade. The GATS does allow a waiver to allow preferential treatment for exporters of services from least-developed countries (LDCs).

How can trade agreements affect my business?

Trade in services: Businesses can benefit from preferential market access terms for supplying their services in the markets where a RTA is in force.

Intellectual property protection and enforcement: Trade agreements increasingly include detailed chapters on intellectual property protection and enforcement. For more information, see the Trade4MSME guide on [Intellectual Property](#).

Investment: A RTA can provide favorable circumstances enabling companies to set up a commercial business presence in a foreign market. Investment rules in RTAs (Regional Trade Agreements) or **international investment agreements (IIAs)** can in some cases protect foreign investments in host countries. More information on international investment policy can be found at the United Nations Conference on Trade and Development (UNCTAD) various tools can help assess the benefits of RTAs and IIAs.

What are the different types of RTAs?

RTAs are signed on a bilateral (an agreement between two governments) or regional basis (agreements with more than two governments). Governments signing these agreements benefit in terms of preferential market access. They also often contain rules that aim to facilitate trade in services.

How do I know if my service benefits from preferential treatment under an RTA?

The World Trade Organization (WTO) website has more information on regional trade agreements. Trade agencies, industry associations, and chambers of commerce may also have information on how you can benefit from regional trade agreements.

Links to Supporting Information

WTO [WTO | Services – The GATS: objectives, coverage and disciplines](#) Trade in services.

WTO [directdoc](#) Directory of country contact points for trade in services.

Trade4MSME guide [Intellectual Property Considerations](#)

UNCTAD [Home | UNCTAD Investment Policy Hub](#) Investment information

UNCTAD [International Investment Agreements Navigator | UNCTAD Investment Policy Hub](#) information on IIAs

WTO [WTO | Regional Trade Agreements – scope of RTAs](#) Information on regional trade agreements RTAs

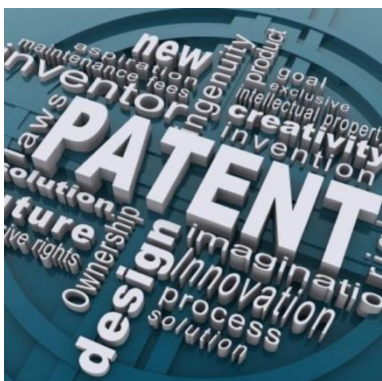
WTO [WTO | Regional trade agreements](#) Regional Trade Agreement Database

WTO [\(16\) WTO Database on RTAs Tutorial series – Main functionalities – – YouTube](#) Tutorial on how to use the RTA database

I-TIP (Integrated Trade Intelligence Portal) Services World Trade Organization and the World Bank. [WTO | I-TIP Services](#) A set of linked databases that provides information on provisions for trade in services within regional trade agreements (RTA).

How can I protect my intellectual property rights?

Guide: Intellectual Property Considerations – for Businesses



What is intellectual property (IP) and what are IP rights?

IP refers to creations of the mind and includes inventive products or processes, designs, distinctive signs, and creative works. IP may be generated by investments in research and development and activities aimed at differentiating products by improving product quality, reducing production costs, and/or delivering greater value to customers. IP rights are generally private rights granted by governments to individuals, businesses, or associations to exclude others from using a protected work without the owner's permission for a limited period, subject to exceptions, limitations, and exclusions.

IP rights are granted and enforced at the domestic level and valid only in the jurisdiction in which they have been registered or otherwise acquired. See the World Trade Organization's (WTO) [Guide to the TRIPS Agreement](#) for an introduction to this crucial multilateral treaty on IP, which is otherwise known as the Agreement on Trade-Related Aspects of Intellectual Property Rights. You can also visit the [World Intellectual Property Organization's](#) (WIPO) website and the International Trade Centre (ITC) and WIPO's guidebook on [Secrets of Intellectual Property: A guide for small and medium-sized exporters](#) for more information.

What are the different types of IP rights?

IP assets can be grouped into two main categories:

- Copyright and related rights: Copyright refers to the rights of authors in their literary and artistic works, including books, music, films, computer programs, and advertisements. Related rights include the rights of performers over their performances, producers over their "fixations" (recordings) of performances, and broadcasting organizations over their broadcasts. Copyright and related rights seek to encourage and reward creative work. See WIPO's [Understanding Copyright and Related Rights](#) for more information.
- Industrial property: Industrial property, discussed in greater detail in WIPO's [Understanding Industrial Property](#), can be subdivided into two fields.

The first of these fields involves:

- Distinctive signs and geographical indications, which inform consumers, prevent consumer deception, and help to ensure fair competition among producers.

Within that category, there are a series of sub-categories:

- Trademarks: These are any sign or combination of signs, including words, letters, numerals, figurative elements, and color combinations, capable of distinguishing the goods and services of one undertaking from another. These signs and sign combinations are protected as trademarks.
- Geographical indications (GIs): A GI is a sign that identifies a good, and in some jurisdictions a service, as originating in a place where a given quality, reputation, or other characteristic is essentially attributable to its origin. Most geographical indications are associated with agricultural products e.g., "Champagne" for a white sparkling wine from a region in France, "Tequila" for a spirit drink from a certain region of Mexico, or "Darjeeling" for a tea from a certain region of India.

The second of these fields involves:

- Patents, industrial designs, trade secrets, and other types of industrial property, with an aim to stimulate innovation and enable the transfer and dissemination of technology and associated know-how.

Within that category, there are a series of sub-categories:

- Patents: Patents protect inventions, along with new solutions to a technical problem in the form of a product or process. Various technologies found in smartphones, medical devices, pharmaceuticals, and self-driving cars are patented in certain jurisdictions.
- Industrial designs: New and independently created ornamental or non-functional aspects of an article, such as its shape, patterns, lines, or colors, may be protected as an industrial design. Businesses create industrial designs to customize products, develop new market segments, and strengthen brands. Household products, textiles, toys, and cars often incorporate industrial designs.
- Trade secrets: Information that is secret has commercial value because it is secret and has been subject to reasonable steps to keep it secret may be legally protected as a trade secret. Also known as “undisclosed information,” manufacturing processes, algorithms, customer lists, and formulas for producing products may constitute trade secrets.

Why does IP matter for my business to trade?

Domestic IP laws and regulations have implications for the following:

- product development, design, and delivery.
- marketing, exporting, licensing, and franchising.
- pricing; and
- businesses’ ability to raise financial resources and attract foreign investors and partners.

Identifying the various types of IP that your business develops, which IP rights to protect and enforce, and in which jurisdictions are important steps when considering foreign markets. Researching which IP rights are already protected for other businesses in your field of activity in a target market is equally critical to avoid infringement.

As IP rights are protected and enforced at the domestic level, exporting goods and services often entails navigating through IP laws and procedures that apply in each target market to assess whether export licenses are needed, and which trademarks are appropriate for the markets considered. As engaging in trade expands the marketplace for your business, understanding and protecting your IP rights in relation to your competitors enables you to take advantage of market value, hold transparent negotiations with business partners, and avoid costs from IP infringement.

For more information on why IP rights matter for exporters, refer to WIPO [Training of Trainers](#) presentation.

Where can I learn more?

The domestic and/or regional IP office for either your area or that of your target market may offer useful resources and services.

The World Intellectual Property Organization (WIPO) offers several useful tools including:

- WIPO IP Diagnostics: This free, online diagnostic tool can help you assess your business’ IP. The diagnostic contains several sections with questions on the types of IP that your business may have. At the end, this diagnostic provides a report with suggestions on how you can enhance the competitiveness of your business.
- The Inventor Assistance Program (IAP): This program supports inventors in developing countries in filing patent applications by matching developing country inventors and small businesses with limited financial means with pro bono patent attorneys.

Links to Supporting Information

WTO Guide on Trade-Related Aspects of Intellectual Property Rights [Guide to the TRIPS Agreement](#)

WIPO [World Intellectual Property Organization's website](#)

WIPO guidebook on [Secrets of Intellectual Property: A guide for small and medium-sized exporters](#)

WIPO [Understanding Copyright and Related Rights](#)

WIPO [Understanding Industrial Property](#)

Trade4MSMEs guide [Ways to Resolve an IP Dispute](#)

WIPO [training of trainers](#)

WIPO [Directory of Intellectual Property Offices](#)

WIPO [WIPO IP Diagnostics](#)

WIPO [Inventor Assistance Program \(IAP\)](#)

Who should I talk to if I have a problem or question about the conditions of services supply?

Guide: Services Contact Points



What are services contact points?

The World Trade Organization's (WTO) General Agreement on Trade in Services (GATS) requires WTO Members, set up contact points who can make it easier for services suppliers from developing countries to obtain the information they need. The information provided by these contact points concerns commercial and technical aspects of the supply of services in the domestic market; registration, recognition, and obtaining of professional qualifications; and the availability of services technology.

Where can I find other resources on this?

Services conditions are often specific to a particular location and industry. Places to start when looking for more information on exporting your service include professional associations for your business, local chambers of commerce, or government trade bodies both domestically and in your target market.

Links to Supporting Information

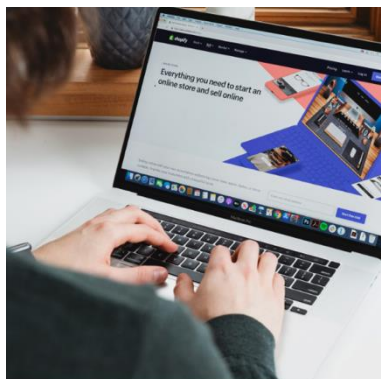
WTO [contact points](#)

WTO directory of contact points for trade in services [directdoc.aspx \(wto.org\)](#)

2.2. How can I make the best use of digital tools to trade?

How can I benefit from e-commerce?

Guide: Selling Abroad Online



Why might I want to sell online?

Selling online offers a competitive edge to small businesses seeking to expand into new markets. It is often a lower cost, lower risk business model for small businesses starting out in international trade. Retail e-commerce sales worldwide have seen a rapid increase in recent years. E-commerce can be a quick and effective way to attract more customers. By selling online, it is possible for you to reach a new global customer base with lower overhead than if sales were only made through physical stores.

How can I sell online?

From online marketplaces and platforms to social media and e-commerce websites, there are a wide range of digital sales options in addition to traditional or physical stores. Some of the most common ways to sell online are listed below.

- **Marketplaces:** These could be general or specialized by market sector (for example textiles, or electronics). General marketplaces are suitable to sell products or services with mass appeal when branding is not a business priority. In contrast, specialized marketplaces enable businesses to position their brands, find market niches, and offer customized value propositions to clients.
- **Listing websites:** These are useful for MSMEs with business models that focus on buying and re-selling common items. They are also appealing for businesses that sell by offering competitive prices or promoting additional features of goods and services advertised on the web.
- **Social media:** Social media platforms enable businesses to create customized webpages linked to online e-commerce sites and marketplaces with mass reach.
- **Your own online webshop:** Building and maintaining your own online shop can be effective, you can engage a commercial company /website builder to do this for you. This is the quickest, easiest route to creating a sleek, professional online presence for your ecommerce business. Many companies also offer competitively priced template sites that you customize. Or, if you have the knowledge and skill, you can code your own.

What should I consider before selling online?

A starting point is to plan a sound e-commerce sales strategy and get customer feedback on products and services. Either through social media or direct contact channels, you can reach out directly to potential customers to understand their needs and find target markets domestically and/or internationally.

Understanding your customer base can help you customize products and services and identify market entry options. Other things to consider include payment methods, as well as the shipping and returns policies that may be best suited for your customers. These may vary depending on the market.

You should also research market access requirements that may affect your products and services (see the Trade4MSMEs guides on [services export potential](#) and [services contact points](#)) [Services Contact Points](#) have more information. Many businesses can benefit from online communities and training courses about online sales methods and e-commerce strategies.

Links to Supporting Information

WTO (World Trade Organization) regional initiatives on e-commerce [WTO | Electronic commerce](#)

UNCTAD [Global E-Commerce Jumps to \\$26.7 Trillion, Covid-19 Boosts Online Retail Sales | UNCTAD](#)

Statista [Global retail e-commerce sales 2026 | Statista](#)

International Trade Centre (ITC) ecomConnect: [ecomConnect | E-commerce Community Engagement Platform for Everyone](#) Is an e-commerce online community

Trade4MSME Guide [Export Potential Guide](#)

Trade4MSME guide [Services Contact Points](#)

ITC Online training courses [ITC SME Trade Academy – Catalogue \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of Introduction to E-commerce \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of Using Virtual Marketplaces for your E-commerce Initiative \(intracen.org\)](#)

ITC [ITC SME Trade Academy – Summary of Creating Quality E-commerce Content \(intracen.org\)](#)

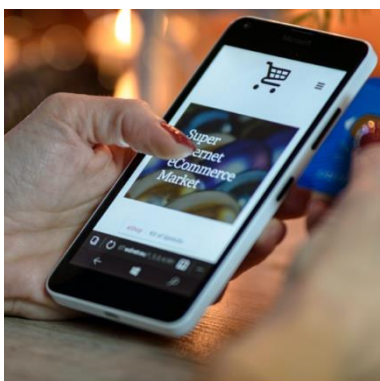
ITC [ITC SME Trade Academy – Summary of E-Commerce for your B2B Business \(intracen.org\)](#)

Google [Free Online Marketing & Career Courses – Google Digital Garage – Google Digital Garage \(learndigital.withgoogle.com\)](#)

Google Skillshop tutorials on using Google Ads [Google Ads : Google \(exceedlms.com\)](#) and [Get a business online – Google Digital Garage \(learndigital.withgoogle.com\)](#)

PayPal [How to Sell Internationally | PayPal US](#)

Guide: Assessing E-Commerce Readiness



How can an e-commerce readiness assessment support my business?

Selling online has advantages over selling in traditional shops and stores. Businesses can reach customers worldwide and enter new markets quickly and easily. Geography no longer creates the same physical barriers to trade. It is always best to check that you have everything in place before you start. An E-commerce readiness assessment can help you evaluate what stage you are at.

What is an e-commerce readiness assessment?

An E-commerce readiness assessment is the starting point to help any businesses understand what is needed to design an online sales strategy. An e-commerce readiness assessment is a tool that evaluates the capabilities needed to set up and run a successful online business. It will help you evaluate strengths, as well as identifying areas that need improving. It shows that by investing in market research, online payment systems, developing good fulfillment and logistics, and creating great customer service experiences, will help build a more successful business.

What is the structure of an e-commerce readiness assessment?

The International Trade Centre ITC has developed a quick and easy short quiz to check your businesses readiness to start online sales. It will look at the following five sections:

- **E-commerce planning:** This involves getting you to think about your product and services value proposition, ask yourself why customers should buy your products. It gets you to think about your ideal target customers. Confirm if your products or services comply with regulations in your target markets.
- **Online presence:** This involves identifying whether you are going to run your own e-commerce website, or if you will list products and services in marketplaces.
- **Digital marketing:** This involves looking at the extent to which businesses use digital marketing to promote their online sales and monitor digital goals and key performance indicators (KPIs).
- **Shipping and inventory:** This involves checking that your inventory, fulfillment and shipping options meet the expectations of your customers. Confirming that you can manage the customs import duties, taxes and other charges needed is essential.
- **Customer service:** This involves understanding what good customer service is and that your business is supplying the right information about products and services. Coupled with the ability to communicate, interact and build trusted relationships with your customers and clients, will ensure your business will thrive.

Links to Supporting Information

ITC International Trade Centre [ITC ecomConnect – Readiness](#) an e-commerce readiness assessment quiz

ITC International Trade Centre [How to Start Your First E-commerce Business | ecomConnect](#)

ITC [ITC ecomConnect – Calculator](#) & Video tutorials from [ecomConnect](#)

[Strive Community](#)'s Ecommerce Training Toolkit [ecomConnect](#)

What digital tools and approaches can help my business?

Guide: Digital Tools and Approaches



How can technology help my business trade?

Businesses that adopt new technologies are better positioned to seize opportunities in global marketplaces. Understanding consumer and business trends will also help you develop and sell the right products and services. New technology can help build more resilient and more efficient businesses, that can scale-up quickly. The adoption and use of mobile devices, social media, and cloud computing can reduce up-front investment costs and improve business management and marketing to reach customers worldwide. New technologies can also help your business trade by outsourcing services and building partnerships in supply chains essential for entering new markets.

What new technologies and digital tools can I consider for my business?

Some examples of new technologies that can help your business become more competitive in global markets include:

- **3D printing:** If your business is in the manufacturing industry, using a 3D printer can help you innovate and develop new products quickly to satisfy your customer's needs. 3D printing is also known as additive manufacturing and consists of making three-dimensional solid objects from layering materials like plastics, composites, or biomaterials.
- **Cloud computing:** Is a centralized location on the internet that stores data and information. Cloud computing uses a network of remote servers hosted on the internet to store, manage, and process data, rather than using a local server or personal computers. This can save businesses the cost of installing hardware and software, it can increase productivity and performance. Cloud computing also allows companies to easily set up e-commerce shops.
- **Digital platforms:** These platforms are online infrastructures and networks that facilitate commercial interactions between suppliers and consumers. Some examples include e-commerce and social media websites that you can use to advertise your products and services, promote additional features, and offer payment options (see the Trade4MSMEs guide on [selling abroad online](#)).
- **Electronic payments:** E-payments are payments for goods and services that users make electronically through digital platforms. E-payments can help your business to trade overseas because they save costs, provide security, and are convenient for collecting money transfers from customers.
- **Social media:** This consists of websites and applications that facilitate information and content sharing. Some of the well-known social media apps are Instagram, Facebook, Twitter, and TikTok. Your business can use social media tools to create customized webpages for reaching out to customers through online e-commerce sites and marketplaces.
- **Other technologies:** Blockchain/distributed ledger technologies, artificial intelligence (AI), and machine learning (ML) are other technologies that can offer opportunities for your business to grow and expand into global markets.

How can I learn more about useful technologies for my business?

The SME Trade Academy is the online learning platform of the International Trade Centre, a joint agency of the United Nations and the World Trade Organization. With over 200 online courses on trade and trade-related topics, specifically tailored for learners in developing and least-developed countries. Courses that can help you learn more about new ways of doing business and trade through new technologies.

Links to Supporting Information

ITCs (International Trade Centre) SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to E-commerce](#) **Course on introduction to e-commerce:** This course showcases business opportunities in e-commerce and strategies for developing online sales channels.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to Supply Chain Management](#) **Course on Supply chain management :** This course introduces methods that help businesses design a digital transformation roadmap.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Innovating for Success: A Guide for Entrepreneurs](#) **Course on innovation for entrepreneurs:** This course teaches entrepreneurs and business owners about the most relevant aspects of innovation and digital technologies.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Introduction to Blockchain for Trade](#) **Course on introduction to blockchain for trade:** This course explains the role of blockchain in doing business through international trade.

ITCs SME Trade Academy [ITC SME Trade Academy – Summary of Export Finance and Payments \(intracen.org\)](#) **Course on Export Finance and payments**

What other resources should I look at?

Microsoft [What Is Cloud Computing? A Beginner's Guide | Microsoft Azure](#) What is cloud Computing.

Trade4MSME guide [Selling Abroad Online](#)

[ITC ecomConnect – Calculator](#) a tool to calculate e-commerce costs amazon Etsy Shopify eBay.

Information Technology & Innovation Foundation ITIF [ITIF Technology Explainer: What Are Digital Platforms? | ITIF](#)

UNECE (United Nations Economic Commission for Europe) Trade Facilitation Implementation Guide [United Nations Economic Commission for Europe](#)

ITC SME Academy [ITC SME Trade Academy – Summary of Introduction to Blockchain for Trade](#)

ITC ecomConnect [African Marketplace Explorer | ecomConnect](#) African Market Place explorer

ITC [Latin America and the Caribbean Marketplace Explorer | ITC](#) Latin American and the Caribbean Marketplace Explorer

Google [Google Digital Academy](#) and [Analytics Academy \(google.com\)](#) and [Understand the basics of machine learning – Google Digital Workshop](#)

The International Telecommunications Union (ITU) [Training overview | ITU Academy](#)

How do I protect my business from cyber attacks?

Guide: The Importance of Cybersecurity



What is cybersecurity?

Introducing Cybersecurity into your organization is a way individuals and businesses reduce the risk of cyber-attacks. It is also known as information technology security or electronic information security. Using technology and digital platforms for commercial activities exposes companies to cybercrime like phishing, malware, or data and identity theft. Cybersecurity embodies a set of systems, processes, and actions and its core function is to protect businesses from digital attacks. We all use smartphones, laptops, tablets and computers, and we access multiple services online at home and at work and we need to protect them from theft or damage.

To reduce these cyber threats, learn more about how to protect your organization's data, assets, networks, programs and your reputation from digital attacks. Introducing cybersecurity can protect your data and systems.

Why does cyber security matter for my business?

We all live in an increasingly interconnected world, and this has had many positive effects enabling businesses to collect and share more information, reach new customers and innovate. It has also though, led to a rise of criminal activities that profit from stealing customer data and spying on business practices.

Small businesses can often be victims of cyber-attacks, putting their assets, data, information, and technology equipment at risk. Investing in sound cybersecurity systems can prevent you from suffering financial losses and corporate reputation damage.

How cyber threats could affect business?

Some examples of cyber threats that may affect your business.

- **Phishing:** This is a social engineering tactic that lures individuals into providing sensitive data by offering fake rewards. Through this tactic, criminals often target personally identifiable information, banking and credit card details, and passwords.
- **Malware:** This consists of malicious software that comes from website downloads, spam emails, and connection to other machines or devices. Hackers use malware to gain access to networks and steal or destroy data on computers.
- **Ransomware:** This is a form of malware that encrypts business files, making them no longer accessible. Criminals use it to demand a ransom in exchange for unlocking the data targeted.
- **Weak passwords:** Passwords are weak when humans or machines can easily identify them. Criminals that correctly identify passwords have easy access to business accounts that store confidential and sensitive data.
- **Insider threats:** These threats are performed by current or former employees, business contractors or other associates who seek to access critical business data for illicit purposes.

How can I protect my business against cyber risks?

Protecting your business from cyber risks can enable you to counteract criminal activity and keep pace with emerging trends in data privacy. You can start planning cybersecurity strategies by identifying systems, data, and users that are essential for your business operations. This mapping exercise will highlight vulnerability points that can be the subject of your cybersecurity goals and strategies, as well as help you to develop a cybersecurity plan at your business.

Links to Supporting Information

Cyber Research Institute [Roadmap](#) A guide to being cyber ready.

Cyber Research Institute [Cyber Readiness Program – Cybersecurity Awareness Workforce Training](#) This program guides SMEs (Small and Medium Enterprises) to become cyber against cyber threats.

GCA (Global Cyber Alliance) Cybersecurity Training [Small Business](#) and [Know What You Have – GCA Cybersecurity Toolkit | Tools and Resources to Improve Your Cyber Defenses](#)

The Global Cyber Alliance (GCA) offers a cybersecurity toolkit designed for small businesses and online training courses.

US Small Business Administration [Strengthen your cybersecurity](#)

The United Kingdom's [National Cyber Security Centre](#) and [Small & medium sized organisations – NCSC.GOV.UK](#) provides training and certification.

Government of Canada [Cyber Secure Canada](#) offers an SME-targeted certification scheme.

2.3. What happens when there is a trade disagreement?

What do I do when my trade transaction doesn't go as planned?

Guide: Dispute Settlement



What happens if there is a breach of commercial contract?

If your business trades with a company based in another country or customs territory, this is classed as 'cross-border trade' and effectively it means, in legal terms, that the other party is not necessarily subject to the jurisdiction of courts where you are based. It is important that you get the right commercial agreements in place, and confirm the law applicable to the contract, and a dispute resolution mechanism, at the very start of trading internationally.

Although you hope it will never happen, should a dispute arise, it is always better if you can have it resolved in your local court, with your own lawyers and in your own language.

If this is not possible and the dispute involves an overseas jurisdiction, this can complicate things and you would need to obtain legal advice familiar with commercial law in both country's jurisdictions.

Points to consider when drawing up a contract:

- Look to minimise your risk with fair and transparent contracts and terms and conditions.
- Appoint a legal professional / specialist international trade lawyer to help guide you.
- Ensure you have a clear understanding of what all your obligations will be under the finalised contract.
- Don't accept "standard terms" with which you cannot comply.
- Ensure you have a clear understanding of what all your obligations will be under the finalised contract.
- Be clear on the extent of your potential liabilities. It would usually be sensible to try and agree a cap on liability – in many cases this comprises a multiple of the contract value.
- Deliver on time to the terms of the contract

When a breach of an international contract occurs, the parties encounter issues such as:

- What type of case it is.
- Where the case will be decided.
- Which law will be used to decide

It is also important to agree on a dispute resolution mechanism at the start, choices can include:

- Judicial Proceedings
- Alternative Dispute Resolution ADR mechanisms
 - Arbitration
 - Mediation

While choosing the mode of resolution, another factor to consider is where and whether the ensuing judgment or arbitral award will be recognized and enforced. It would not be helpful if, for example, the judgment or the arbitral

award was in your favour but cannot be recognised and/or enforced in another state where your other contractual party has assets.

The law applicable to the contract will be applied to settle the dispute arising from the negotiation, conclusion, performance, interpretation, or execution of the contractual terms.

Links to Supporting Information

The International Trade Centre ITC [Model Contracts for Small Firms | ITC](#) Model contracts are available free of charge

WIPO (World Intellectual Property Organization) Alternative Dispute Resolution [Alternative Dispute Resolution \(wipo.int\)](#)

New York Convention for arbitral awards [1958 New York Convention](#)

The UN (UNCITRAL) [United Nations Commission on International Trade Law](#) and [Online Dispute Resolution: Online Resources | United Nations Commission On International Trade Law](#)

What should I do if I think someone has infringed on my intellectual property?

Guide: Intellectual Property Disputes



What is an IP (Intellectual Property) dispute?

An IP dispute is a conflict or disagreement over Intellectual property rights (IP rights) (see the Trade4MSMEs guide on [Intellectual Property Considerations](#)). A dispute is usually started by the individual or business with in which the IP was created known as the “right holder.” Businesses raise IP disputes when they believe that other individuals, companies, or entities have made an unauthorized use of their IP assets, such as copyrighted material, patented inventions, trademark-protected signs, and trade secrets.

As with other commercial disputes, it is important to maintain and understand your own IP rights and how they can be protected, as well as recognize and respect the IP rights of others. The World Intellectual Property Organization (WIPO) is a center of excellence for training and education on this subject.

How can IP disputes arise?

IP disputes arise when the holder of an IP right alleges that its IP has been acquired or used by another (infringed) without its permission. For example, use of a trademarked sign or patented invention without the holder’s consent may constitute trademark or patent infringement. Acquiring trade secrets or protected information dishonestly may also violate the holder’s rights. Unfortunately, an IP dispute may also be raised in bad faith by a business which alleges the infringement of a right that does not in fact exist, with the goal of eliminating or delaying competition. IP disputes can also arise over the ownership and authorization to use IP developed by joint partnerships or through other cooperative arrangements.

What can I do in the event of an IP infringement?

It is usually the responsibility of the IP right holder to protect their rights by identifying and challenging infringement. You should seek expert legal advice if you suspect someone else has infringed your IP rights or alleges that you have infringed theirs. As IP rights are enforced at the local level, specialized knowledge of domestic laws and practices is required to successfully protect your IP or defend against an infringement allegation. Depending on the right holder’s location or jurisdiction, businesses can contact local business support associations to find out what help, and guidance may be available.

The five actions listed below are among those commonly taken in the event of IP infringement:

- **Cease-and-desist letters:** When the identity of an alleged infringer is known, the IP right holder often first attempts to resolve the dispute directly by sending a cease-and-desist letter that notifies the infringer of how its business activities conflict with an IP right(s). If the infringement was unintentional, the infringer will often either discontinue its activities or consent to negotiate a licensing agreement.
- **Border actions:** IP right holders who suspect that infringing goods are being transported across borders may file written applications with the competent domestic authorities for the suspension of such goods by customs authorities.
- **Administrative proceedings:** Most jurisdictions maintain registers of patents and trademarks, among other IP rights, which are protected in their jurisdiction. Some jurisdictions offer procedures for opposing a registration or invalidating an already registered right. IP right holders may pursue such administrative procedures to prevent similar or allegedly infringing signs or inventions from obtaining legal rights.
- **Alternative dispute resolution (ADR):** ADR proceedings are sometimes less costly and complex alternatives to resolving an IP dispute than judicial proceedings. Two types of ADR processes may be available. In a [mediation procedure](#), a mediator helps the parties reach a mutually satisfactory agreement.

In an [arbitration procedure](#), one or more arbitrators make a binding decision for all parties based on the rights and obligations of the latter and arbitral law. Licensing agreements and other contracts often provide for parties to resolve disputes under the agreement through ADR in lieu of judicial proceedings.

- **Judicial proceedings:** Judicial proceedings seeking resolution through the courts is usually the last resort for resolving an IP dispute. Different judicial venues and remedies may be available under domestic law. Judicial authorities may issue temporary and/or permanent injunctions enjoining infringing activities; order the infringer to pay compensation for the IP right holder's damages and expenses; and/or order the disposal of infringing goods. Domestic law enforcement may also pursue IP infringers with criminal proceedings and penalties in certain circumstances.

The World Intellectual Property Organization (WIPO) has an [Arbitration and Mediation Center](#) that provides mediation and arbitration services at reduced fees for small businesses in case the latter opt for ADR mechanisms to resolve IP disputes. The WIPO Arbitration and Mediation Center can assist with procedures and provide templates for contract clauses and submission agreements to present in an IP dispute.

Links to more information

The Trade4MSMES guide [Intellectual Property Considerations](#)

The World Intellectual Property Organization (WIPO) Academy provides additional training [WIPO Academy](#)

WIPO Alternative Dispute Resolution [Alternative Dispute Resolution \(wipo.int\)](#)

WIPO Mediation [Guide to WIPO Mediation](#)

WIPO Arbitration [Guide to WIPO Arbitration](#)

WIPO Mediation and Arbitration center for MSMEs [WIPO Mediation and Arbitration for SMEs](#)

WIPO [WIPO Clause Generator](#) suggested clauses related to IPR for use in contracts

