Journal of Business and Economics, ISSN 2155-7950, USA
May 2015, Volume 6, No. 5, pp. 927-936
DOI: 10.15341/jbe(2155-7950)/05.06.2015/008

http://www.academicstar.us

International Trade Finance

Ali ihsan Ozeroglu
(Faculty of Administrative Sciences, Istanbul Arel University, Turkey)

Abstract: Purpose of Study: Financing is more likely to be required in international trade than in purely domestic transactions. Part of the reason is that the time elapsing between production and payment is likely to be far greater, because of the longer distances involved in shipping goods and in moving payments through financial channels. That, in turn, is related to the increased complexity and extensive documentation typical of international trade. Payment may take a lot longer, because there is a greater possibility of error and delay. The costs of sales are higher in international trade than in domestic trade. There are packing and labeling costs, shipping costs, the costs of hiring freight forwarders, insurance costs, customs remittances, and payments to various agents, distributors and other intermediaries. All of these add up. And many of those providing such services expect payment within 30 to 120 days, whether or not the shipment has reached its destination or has been accepted at the other end. In large international transactions the costs add up quickly, and they can be covered in the short-term only through some form of financing. A separate expenditure in international trade is the cost of protecting a company against specific risks, such as default in payment by a buyer or a sudden unfavorable fluctuation in exchange rates. Establishing credit ratings for foreign companies is often both difficult and costly; so is taking out insurance against payments in default. Hedging against exchange rate fluctuations also costs money, and this is usually payable up front. The purpose of this study is to lead in experienced companies to prepare for a financially strong export performance by making them familiar with both classical and new financial techniques.

Key words: international trade finance; financing technique; finance for foreign trade
JEL codes: F34

1. Background

Financing can make the critical difference between success and failure in the international marketplace. Financing can also be an important marketing tool. In countries where currencies are controlled or limited, financing can make the difference between a profitable transaction and no sale. For example, buyers in some cash-poor countries can pay for equipment only by selling the goods produced by that equipment. In such cases, financing is required to cover the gap between the time the equipment is installed and the time it takes to generate enough revenue to pay for itself.

The companies that are backed by adequate financing to support their activities can offer more attractive terms to their customers in the interests of making the sale.

All companies in foreign trade in developing countries should recognize that they are weak in financial

Ali ihsan Ozeroglu, Ph.D., AssistantProfessor, Facultyof Administrative Sciences, Istanbul Arel University; research areas/interests: international finance. E-mail: ihsanozeroglu@arel.edu.tr.

management and understand how costing and pricing differ from what they do in the home market.

These types of companies set themselves some objectives. We can call them SMART objectives:[1] Specific, Measurable, Achievable, Realistic and Time Dimensioned

Success in foreign trade requires a clear perception of what you produce for whom. It means that you have to do your market segmentation and product positioning.

2. Financial Planning

Successful international trade requires careful financial preparation, especially if additional financing may be required. In most times it is required for the companies in underdeveloped countries. A firm that is looking for financing should clearly know what it needs the money for, how much it needs, and for how long.

Theaim in financial planning should be to match the needs of the company. Financial planning aims at the eliminations of waste resulting from complexity of operation.[2] This can come only from financial planning.

In an export transaction, key planning elements are included: a costing analysis, cash flow planning, a pricing analysis, an assessment of the risks involved.

2.1 Costing

Costing is the first step in the financial planning process. The exporter should have a clear idea of what the transaction will cost, when particular costs will be incurred, and what kind of financial arrangements are needed to support the transaction. This is a key element in cash flow planning.

The following table summarizes the basic cost categories involved in international trade. This will be needed to prepare accurate estimates of the cash flow associated with the transaction.

Table 1 Export Costing Items[3]

Category	Detailed items	Costs	Timing
Marketing and promotion	Agent’s and distributor’s fees Advertising Travel Communications Trade fairs and exhibits		
Production	Unit cost of manufacture Product modification		
Preparation	Labelling Packaging Packing Marking		
Documentation	Inspection Certification Preparation of documents Cargo insurance Freight forwarder’s fees		
Transportation	Lading and related charges Carriage Warehousing and storage Insurance		

(To be continued)

[1] Managing the export transaction, International Trade Center-UNCTAD/WTO, 2000, p. 2.
[2] *Financıal Management & International Finance*, The Institute of Cost and Works Accountants of India, June, 2010, p. 10.
[3] Costing and Pricing for Export ITC (UNCTAD/WTO) Palais des Nations, 1211 Geneva 10, Switzerland, 2000, p. 27.

(Table 1 continued)

Customs	Customs and other duties at port of entry Customs brokerage fees		
Financing	Costs of financing documents Interest charges Exchange rate fluctuations Export credit insurance		

2.2 Pricing

Pricing analysis is done to predict expected revenues from the transaction and to ensure that the company's products are priced competitively in the target market. The results of the cost analysis are then compared to the price that can reasonably be charged for the product. This will determine the commercial viability of the transaction. A firm can use several pricing strategies to accomplish its marketing goals and ultimately determine its profitability. The following table summarizes some basic approaches to pricing.

Table 2 Approaches to Pricing (IGEME, 1994, p. 25)

Strategy	Description
Static pricing	Charging the same price to all customers
Flexible pricing	Adjusting prices for different classes of customers
Penetration pricing	Charging low prices to secure acceptance and market share
Skimming	Charging premium prices to selected customers in order to maximize profits despite low volumes
Market maintenance	Absorbing cost increases and holding prices firm in order to maintain market-share

2.2.1 Pricing Methods (Terpsta V. & Sarathy Ravi, 2000, p. 556)

Having selected a pricing strategy, the next step is to select one of the following pricing methods:

(1) ***Domestic costs plus mark-up***. This technique is popular and quite simple. Start with the domestic price, eliminate non-applicable domestic costs such as promotion, and add costs associated with exporting (such as transportation and insurance). The risk is that it is easy to underestimate the costs involved in exporting, since the figures are based on previous years and may have changed. This method also ignores the competitive conditions of the marketplace.

(2) ***Full cost pricing****:* This method takes into consideration the fixed costs as well as the relevant variable costs. It allows recovery of total costs, to which a profit margin is added to set the final price. The drawback is that this method assumes fixed costs arbitrarily, and it does not consider competitive factors in the marketplace.

(3) ***Marginal pricing****:* This pricing technique is frequently referred to as the *German or Japanese method*. Marginal pricing is practiced when a manufacturer has a well-established domestic market that can defray all fixed costs. Only the materials and labour for the portion produced for export are calculated in the product cost. Under this formula, any price above the variable costs incurred for the production and marketing of the portion exported contributes to net profit. This strategy is used to penetrate new markets, with the idea that once market-share has been achieved and marginal competition has been knocked out; the price can be increased slowly to generate more profit over time.

A firm must combine its pricing strategy and methods with an examination of the current prices in the target market for comparable, competing or substitute products. This will determine what the market will bear and what kinds of margins can be expected from the transaction. Ultimately, pricing analysis will determine the revenues an international trader can reasonably expect from a transaction.

2.3 Cash Flow Planning

The analysis of costs and prices will provide the information needed for cash flow planning. This is one of the most crucial elements of international trade. It can mean the difference between success and failure (Van Horne James C. & Wachowicz John M., 2008, p. 223).

Cash planning usually involves budgets that set out expected cash receipts, expected cash disbursements, and the calculated cash surplus (to be invested) or shortfall (to be borrowed) on a period-by-period basis.

Firms trading abroad must allow, in particular, for exchange rate fluctuations, transmission delays, exchange controls, political events, and slower collection of accounts receivable. Companies can take measures to reduce or avoid such risks, but only if they know the risks in advance. Cash flow planning is the way to identify possible problems in order to defend oneself against them (Johansson Johny K., 2003, p. 194).

2.4 Assessing Risks

The main concern with exporters from underdeveloped countries is that they are often exporting in product groups which have an inherent risk factor attached to them. The risk can be categorized under three groups: (1) commercial risk, (2) country risk, and (3) currency risk. An exporter must cope with these risks (Sarathy Ravi & Terpstra Vern, 2000, p. 534).

(1) Commercial Risk

As already noted, there are different levels of risk associated with the four basic methods of payment. The significance of these risks depends largely on the creditworthiness of both parties to the transaction. In entering into a transaction, whether as an exporter or an importer, a company must evaluate the creditworthiness of its partner by investigating its business reputation, its asset base, and its ability to perform its part of the transaction. This type of risk is normally referred to as ***commercial risk***.

Major considerations in assessing commercial risk are the length of time a company has been in business, the size of its operations, its financial strength, its credit rating, and its ability to pay. There are several ways to find this information:

- The major banks, through their overseas branches and correspondents, can usually obtain information on any publicly owned company.
- The company can contact other exporters who have done business with the buyer; their comments are a good indicator of the buyer's overall reliability.
- Dun & Bradstreet International will investigate a foreign firm and submit a credit report. There is a charge for Dun & Bradstreet reports, however, and they are only as reliable as the information they can assemble from foreign sources.

(2) Country Risk

Country risk is closely tied to political and economical developments in a country, particularly the government's attitude towards foreign loans or investments. Some governments may expropriate the assets of foreigners or prohibits the loan repayments. Examples are: import or export permits may be revoked; wars or civil disruption may occur; or international payments may be slowed or stopped because of foreign exchange shortages, boycotts, sanctions, or international payment moratoriums.

(a) political risk:

Political risk referstoconsequencesthatpoliticalactivities in a countrymayhave on thevalue of a firm'soverseasoperations (The Institute of Cost and Works Accountants of India, June, 2010).

Political risk includes (Shapiro Alan C., 2010, p. 227):

- Discriminationagainstforeignbusiness.
- Compulsoryacquisition of properties of government.
- Boycott of products
- Rules specifyingtheuse of labourandmaterials, orpricessettingconstraints.
- Taxregulationsbiasedagainstforeigninvestment, orforeignoperations.

The link between transactions or events attributable to political risk, and change in exchangerate, is rather weak. Nevertheless, such risks associated with operations in a foreign center cannot be ignored either. The political risks are perceived to be high in foreign country, does not necessarily follow that a company should refrain from investing in a country, if the project returns are large enough to justify taking on that risk. The bottom line is — assess the risk — reward ratio and take decision.

(b) economic risk:

Economic risk refers to the chance that some unfavorable event will ocur. If you invest in speculative stocks, you are taking a risk in the hope of making an appreciable return (Eugene F. Brigham, 1978, p. 105).

Economic risk includes:

- Financial crisis and shocks in the country,
- Boycott of domestic products,
- Highin flation,
- Difficulty in honoring the financial obligations,
- Fluctuations in prices
- Exchange controls-limitations on the extent to which a country’s currency can be used to transfer funds or restrictions on the conversion of currency into other currencies.

(3) Currency Risk

Currency risk is concerned with currency value changes and exchange controls. Internationally active firms constantly face the possibility that currencies will move against them. If payment is to be made in the importer’s currency, the exporter can be adversely affected by fluctuations in the value of that currency. Conversely, if the exporter’s currency is to be used, the importer may suffer a loss. To avoid such risks, parties involved in international trade can specify the exchange rate at which payment will be made when the transaction is completed. Alternatively, the buyer can cover an exposed position by buying up an appropriate amount of foreign currency immediately, and then using it to make payment at the close of the transaction. Typically, if a country has an active market for its currency and its international payments and receipts are in approximate balance, there currency risk is minimal. However, if a country persistently runs a deficit on its balance of payments, it may establish some form of exchange control.

3. Trade Finance Techniques

As known, international transactions are far more complicated than equivalent domestic financing because of the additional sources of risk that are involved. There are a variety of short-, medium- and long-term financing instruments available. The trader must select one that matches the repayment scheme of the transaction to be financed. Such matching is essential; otherwise the exporting firm can find itself paying interest unnecessarily, or facing a cash flow crunch because the financing ran out before the transaction was settled. Such problems in particular must be overcome before many foreign trade deals can be executed.

Short-term financing techniques will be taken on hand primarily. In the case trade goods are machinery, equipment and durable goods, traders prefers medium or long-term export financing.

4. Short-term Financing Methods

4.1 Classical Methods

4.1.1 Methods of Payment

Since small and medium sized companies typically are underfinanced, deciding on the most appropriate form of payment can be a tricky business for them. The seven basic payment methods used in international trade each carry different credit risks and costs for sellers (exporters) and buyers (importers). Each specifies a different time for the seller to receive payment.

In making decision to use one form of finance, international traders need to look at their buyers need and their needs with respect to risk, cashflow and experience with the payment method among others.

(1) Pre-payment (payment in advance)

This method is generally preferred with new customers and when the order is special to one customer. That is there might be no repetetion of the order at all and the goods are to be the buyer's specifications. It is known by the supplier that no other buyer may be willing to take them (The Institute of Cost and Works Accountants of India, June, 2010).

4.1.2 Open Account

In open account trading, the exporter ships both goods and documents to the importer before payment is not made. The exporter is therefore fully exposed to any credit risk associated with the importer until payment is received.

Thus open account trading consists of issuing invoices once goods have been delivered — exactly as is normally done in domestic transactions. In addition, because open account terms usually allow 30, 60 or 90 days — or longer — before payment is due, the exporter effectively finances the transaction. Often this financing period is extended because the importer pays after the due date.

This method is used primarily between companies that have a long-standing trusting relationship, or when billing within the same firm.

4.1.3 A Bank Line of Credit to Finance Open Account Receivables

Selling on open account is the easiest way to finance export sales, since it incurs minimal costs to the exporter and involves little paperwork. Goods are delivered to the buyer, an invoice is issued, and the buyer pays within 30 to 90 days. Open account transactions can be very risky in international trade.

Open account payment terms provide financing to the buyer but they potentially generate a liquidity problem for the seller.

Commercial banks, with their multinational network of foreign branches and their international correspondent relationships, are prominent actors in the financing process, and it is the use of alternative financing technique for the most transactions that makes the process work smoothly (Kidwell David S. & Peterson Richard L., 1981, p. 690).

(1) Letter of Credit

Letters of credit (L/C) are a common method of payment in international trade all over the world, as they protect both parties in a transaction. They do so by relying on banks to receive and check shipping documents and to guarantee payment. The importer's bank usually arranges for the L/C.

Letters of credits specify the documentation that will be needed to satisfy the importer (buyer) that the goods are as ordered, as well as details of any other terms associated with the sale (e.g., packaging changes or translated literature). If the exporter meets these conditions, the bank promises to pay the exporter (Sarathy Ravi & Terpstra Vern, 2000, p. 539).

By specifying particular terms and conditions, an L/C can allow the costs of financing a transaction to be borne by either the exporter or importer. *Sight* (immediate) and *term* (deferred) payment provisions can both be arranged under an L/C.

An L/C may be *revocable* or *irrevocable*. Irrevocable L/Cs are preferable because they cannot be cancelled unilaterally, and therefore greatly reduce the risk of non-payment. The exporter can also ask the bank that will be transferring the funds — usually the exporter's own bank — to confirm the L/C. This means that the bank guarantees that payment will be made when the exporter fulfils the terms of the agreement. This provides additional assurance that the exporter will be paid.

There is also a distinction between *confirmed* and *unconfirmed* L/Cs. An L/C issued by a foreign bank can be confirmed by a correspondent bank, constituting a guarantee by the correspondent bank that payment will be made. This is an undertaking by the correspondent bank to pay, even if the foreign bank does not. Confirmed L/Cs protects exporters against the risk of non-payment by the foreign bank. The most secure form of L/C is one which is both confirmed and irrevocable.

So, the letter of credit (L/C) is the key to trouble-free international trade as it gives the seller an assurance of getting paid for the goods within the time agreed in the contract. It is also the documents which give rise to more problems, delays and costs than any other. This is not because of any inherent weakness in the document. The lack of attention to detail and carelessness in dealing with the document can result in failure to comply with the conditions under which it is issued (International Trade Center, 2000, p. 18).

(2) Documentary Collections

In a documentary collection, the exporter ships goods to an importer and mails the shipping documents to a collecting bank, which obtains payment from the importer in exchange for the documents. An alternate method of financing foreign collections, which may be preferred by banks during periods of tight money, is to use bankers' acceptance (Venedikian M. & Warfield Gerald A., 1996, p. 375).

In a documentary collection, commercial documents such as invoices, shipping documents, or documents of title are used — with or without financial documents — to obtain payment. The documentary collection is more secure than open account, because the bank requires either payment or the importer's promise to pay (e.g., a term draft) before the goods are released. Unless otherwise instructed, the bank will release the documents to the importer only on payment (DOP) and not on acceptance (DOA) (Turhan Nihat., 2010, p. 86). If payment from the drawee (importer) is not received, the bank will make use of its right of recourse on the drawer and will demand payment from him.

(3) Export Credit Insurance

Export credit insurance is used by exporters as an alternative to formal letters of credit (or cash) that enables importers to buy goods essentially on open account without having to acknowledge the indebtedness formally. At the same time, the exporter is protected from most of the commercial risk of the transaction (and often all of political risk). Thus export credit insurance is used as a marketing tool to stimulate exports by making the financing package more attractive to the importer (Kidwell David S. & Peterson Richard L., 1981, p. 694).

(4) Discounting Export Receivables

An exporting firm can convert its foreign receivables to immediate cash by selling them, at a discounted value, to a bank "factoring house". That bank is then responsible for the commercial and political risks underlying the transaction, as well as for collecting payment from the foreign buyer. The purchase by the bank provides the exporter with the advantage of immediate cash, credit risk protection, and collection services. Such advantages are not free. The discount applied covers the costs of these services, the risk premium, and an interest charge covering the time allowed for payment. This reduces the revenues that find their way to the exporter (Venedikian M. & Warfield Gerald A., 1996, p. 337).

(5) Factoring

Factoring is similar to discounting. It offers exporters a method of satisfying their short-term cash flow requirements even if their receivables are long-term. Another advantage of factoring is that it can relieve exporters of the burdens and complexities of obtaining payment from buyers. The institution purchasing the receivable assumes responsibility for collection. At the same time, the exporter is relieved of the risk involved in the transaction. The institution purchasing the receivable assumes the risk and the costs (in the event of a default) "risk: credit risk (default)" (Czinkota Michael R. & Ronkainen İlkka A., 2004, p. 297).

(6) Forfaiting

One of the most important form of medium term export financing is called forfaiting. Meaning "to forfeit or surrender a right", forfaiting is the name given to the purchase of trade receivables maturing at various future dates without recourse to the exporter or to any other holder of the obligation. In forfaiting, the exporters receives cash up front and does not have to worry about the financial ramifications of non-payment, this risk being transferred to the forfeiter (Czinkota Michael R. & Ronkainen İlkka A., 2004, p. 297).

4.2 New (Suggested) Method

4.2.1 International Supplier Finance

"Supplier finance is a generic term that relates to the provision of (or grant of access to) low-cost finance to a business' suppliers — often as part of a flexible settlement system" (Czinkota Michael R. & Ronkainen İlkka A., 2004, p. 297).

It is sometimes called "reverse factoring" or "supply chain finance", supplier finance can improve cash flow for both buyers and suppliers by allowing suppliers to access early payment and/or facilitating an extension of payment terms.

Early payment is provided (usually by a bank or specialist factoring company) to suppliers on the basis of invoices that have been approved by the buyer as "valid" and scheduled for future payment as in a factoring transaction.

Once the invoice is approved by the buyer, the supplier receives payment (automatically or on demand, depending on the system), minus a fee, in advance of the contractual payment date.

Thus, the supplier receives quick payment (improving their working capital position) without the buyer needing to repay the financier in advance of the original contract terms.

Importantly, the approval of the invoice by the buyer is usually taken into account by the financial institution when making its lending fee decision — often results in a lower cost of funds than would be possible without this prior approval (the buyer effectively leverages its own stability and financial strength to support suppliers).

International Supplier Finance works by enabling suppliers to sell invoices, which have been approved by a Buyer for future payment, to a financial institution via a dedicated Platform.

Program Advantages:

(1) The process is all conducted in an easy way to use secure online environment in a manner appropriate to high-value financial transaction,

(2) The advance rate is 100% of the face value of the invoice, less the financing discount,

(3) Discount rate is on the basis of market rate (based on Libor),

(4) After joining the program, you have an option not to sell your invoices, so no costs to you,

(5) There is no requirement to commit to any level of trading activity on the programme,

(6) You have flexibility to draw money only as and when you need it without any obligation to use it at other times.

(7) By gaining access to low cost liquidity, it is possible that the exporter may be able to grow his business as a result of improved efficiency,

(8) ISF is an unsecured facility and for this reason there is no requirement for security over other assets of the supplier company.

(9) ISF is a non-recourse arrangement.

So with these treats above, ISF is a unique financing system. There are four parties involved in the programme:

(1) The Buyer: the buyer is responsible for the process of approving invoices for future payment.

(2) Without buyer approval, it is not possible for the Financial Institution to provide financing to supplier.

(3) The supplier; He has to manage existing invoice submission process.

(4) The platform operator; He is responsible for providing the electronic platform through which approved invoices can be viewed and funding request made. The platform operator can be a part of the financial institution and the total transaction cost goes down. In the case the platform operator is a separate entity, normally he may consider cost plus profit margin and this increases the transaction cost up. Funds due to suppliers never pass through the Platform Operator’s own bank account — helping to ensure the security of cash flows.

The financial Institution: is responsible for providing programme funding, buying invoices from suppliers following their request to sell via the programme.

The system is highly practical and safe for supplier. Also time saving. Non-recourse characteristics of the system provide a uniqueness and help distinguish it from other current financial techniques in foreign trade (IFC, GTSF Programme, 2011, p. 23).

5. Conclusion and Summary

In today’s harsh competition environment, internationalization seems “last resort” for many SME’s.

Some basic reasons for this: (a) relatively limited target market, deterioration in purchasing power of the people in the target market, (b) dissatisfaction of the meets and needs of the people in the target market, (c) innovation needs of the people in the target market and etc. As seen clearly financing is highly important factor in international trade.

Thus all the above parameters restrict the segmented zone and take the enterprise under pressure. As a result, enterprises face two options; exit or sustain the position. If the decision is on the basis of sustaining the current business, the only way out is export.

Although export has many risks, it has also many advantages. Because successful international trade requires careful financial preparations. The key planning elements include costing analysis, pricing analysis, cashflow planning and risk assessment. Cash flow planning for export transactions must take into account exchange rate fluctuations, transmission delays, exchange controls, political events and slower collection of accounts receivables.

To facilitate export transaction, first priority must be given to export financing. All the current financing technique except ISF is highly costly and deterrent for the export transaction. The payment method selected will affect the type and amount of export financing required. So, the exporter's exposure and sensitivity to risk must also be considered when negotiating terms of payment with the foreign buyer.

The ISF system is highly practical and safe for supplier. Also time saving. Non-recourse characteristics of the system provide an uniqueness and help distinguish it from other current financial techniques in foreign trade.

(1) The process is all conducted in an easy way to use secure online environment in a manner appropriate to high-value financial transaction.

(2) The advance rate is 100% of the face value of the invoice, less the financing discount.

(3) Discount rate is on the basis of market rate (based on Libor).

(4) After joining the program, you have an option not to sell your invoices, so no costs to you.

(5) There is no requirement to commit to any level of trading activity on the programme.

(6) You have flexibility to draw money only as and when you need it without any obligation to use it at other times.

(7) By gaining access to low cost liquidity, it is possible that the exporter may be able to grow his business as a result of improved efficiency.

(8) ISF is an unsecured facility and for this reason there is no requirement for security over other assets of the supplier company.

(9) ISF is a non-recourse arrangement.

So with these treats above, ISF is a unique financing system and advisable for all commercial banks in Turkey to facilitate the export transactions at a reasonably affordable level.

References:

International Trade Center-UNCTAD/WTO (2000). "Managing the export transaction", Switzerland, p. 5.
TheInstitute of Costand Works Accountants of India (2010). *Financial Management & İnternatıonal Finance*, p. 10.
International Trade Center, UNCTAD/WTO (2000). "Costing and pricing for export", Switzerland, p. 27.
IGEME (1994). "How do you determine export prices", December, p. 25.
Terpsta V. and Sarathy Ravi (2000). "International marketing", Thomson- Sought-Western, p. 556.
Van Horne, James C. and Wachowicz John M. (2008). *Fundamentals of Financial Management*, Prentice Hall, p. 223.
Johansson Johny K. (2003). *Global Marketing*, McGraw-Hill Irwin, p. 194.
Sarathy Ravi and Terpstra Vern (2000). *International Marketing*, Thomson South-Western, p. 534.
Shapiro Alan C. (2010). *Multinational Financial Management*, John Wiley & Sons, INC., p. 227.
Eugene F. Brigham (1978). *Fundamentals of Financial Management*, The Dryden Press, p. 105.
Kidwell David S. and Peterson Richard L. (1981). *Financial Institutions, Markets, and Money*, The Dryden Press, p. 690.
Sarathy Ravi and Terpstra Vern (2000). *International Marketing*, Thomson South-Western, p. 539.
International Trade Center (2000). *Managing Export Transactions*, p. 18.
Venedikian M.,Warfield Gerald A. (1996). *Export-Import Financing*, John Wiley & Sons, INC., p. 375.
Turhan Nihat (2010). Dış Ticaret ve Akreditifli İşlemlerin Uluslararası Uygulamaları Klavuzu, Adalet, p. 86.
Kidwell David S. and Peterson Richard L. (1981). *Financial Institutions, Markets, and Money*, The Dryden Press, p. 694.
Venedikian M. and Warfield Gerald A. (1996). *Export-Import Financing*, John Wiley & Sons, INC, p. 337.
Czinkota Michael R. and Ronkainen İlkka A. (2004). *International Marketing*, Thomson-South Western, p. 297.
IFC, GTSF Programme (2011). *Working Capital Education Manuel*, pp. 22-23.