Dama International Journal of Researchers (DIJR), ISSN: 2343-6743, ISI Impact Factor: 0.878
Vol 1, Issue 6, June 2016, Page 21-31, Available @ www.damaacademia.com

Perspective on International Trade and Payment System

Dr. Dotsey Nelson Monday, Dr. Maindson Kweku Benn & Dr. David Ackah
Head of Research Development, Vice President Academics, & President of IPMP
Institute of Project Management Professionals - IPMP
Email: dackah@goldensunbeamuniversity.edu.gh & nelsonmonday@gmail.com

Abstract
International trades between countries and across continents have existed for centuries including previous civilizations. Traditionally international trade consisted of traded goods like textile, food items, spices, precious metals, precious stones, and objects of art and various items across the borders. Everybody has heard of the silk route as well as amber road and other famous routes that existed and the ports and settlements that flourished due to the trade, which was carried on through land route as well as sea routes. We have come a long way since the earlier times and International trade today has taken on new dimension. It was a fact earlier that impact of trade between two countries was not limited to economics alone, but fuelled political, social ambitions too. Today with the advancement of technology and impact of globalization has made it necessary for all countries to engage necessarily in international trade for their survival. Various factors including but not limited to industrialization, development of transportation, globalization, technology that enables trade and communication has contributed to change in the format of business organizations as well as trade practices. Companies and Organizations today are no longer entities with a local identity. Multinational organizations have emerged through the previous century with footprints all over the globe. They have in fact shrunk the earth and changed the way businesses are conducted. Companies no longer limit themselves to local markets. They no longer depend upon local resources. These companies setup manufacturing wherever it is conducive in terms of cheaper resource availability as well as support from local government and in terms of markets, geographical boundaries do not bother them. They are present everywhere. Technology in terms of communication as well as software technology has changed the way business organizations manage activities be it manufacturing, procurement, finance or sales. Today software applications drive the processes and work at the speed of thought.

Keyword: *Trade Perspective, International Trade, International Trade Payment System*

I. INTRODUCTION

In present scenario, no country can afford to remain isolated from and not participate in globalization. While countries do open their economies to global competition, they need to tread very carefully not to upset their domestic economy and protected industries. This balancing act is often managed through individual countries trade and tariff policy, which forms a part of each country's foreign trade policy that governs its approach to international trade and commerce. Post Second World War, World Trade Organization has been playing major role in facilitating and attempting to streamline the global trade and tariff structures with an aim to move towards free trade. However in reality, free trade may just be a dream as long as there is no parity between developed and developing economies. Today most of the countries are party to several bi-lateral as well as multi-lateral tariff and trade agreements like GATT — General Agreement on Tariffs and Trade though which they regulate imports and exports to and from specific countries. In the last few decades we have seen the emergence of services export and imports and it is continually growing. Developing countries are harnessing their intellectual capital to provide software services to the developed countries.

Today's international trade has many more new dimensions like intellectual property, a variety of services, trade related investments, Bilateral and Multilateral Trade Agreements, Establishing terms for trade in services, investments as well as creating climate for dispute settlement. Managing International trade has multi-dimensional aspects, which need to be considered, by each country. Any political, economic or other events anywhere in on the earth have an impact on each countries international trade. We have seen the impact of recession in one country affecting across the globe. We have also seen impact of financial markets crash in one country having ripple effects all over the world. Any Business Manager holding responsibility of a business function in an organization today would have to be equipped with the macro level understanding of the world trade, macroeconomics, macro finance and its impact. He needs to understand at the micro level export and import policies and procedures of various countries to be able to steer his business ahead in accordance with the existing environment. It is his ability to fore see the risks, assess the impact and manage the risk that is going to be detrimental to his organization's success.

II. LITERATUTRE REVIEW

A. History of International Trade

Any time you walk into a super market and pick up any stuff like a knife or a toy and chances are that the item has been manufactured in China or assembled in Mexico. Pick up coffee pods and you will see that they have been imported from Africa. When you shop for clothes, it is quite likely that you will see 'Made In China' label. We all know that international trade has been in vogue for centuries and all civilizations carried on trade with other parts of the world. The need for trading exists due to the variations in availability of resources and comparative advantage. In the present context where technology and innovation in all fields have thrown open borders to globalization, no country can afford to remain isolated and be self-sufficient.

International trade has a rich history starting with barter system being replaced by Mercantilism in the 16th and 17th Centuries. The 18th Century saw the shift towards liberalism. It was in this period that Adam Smith, the father of Economics wrote the famous book 'The Wealth of Nations' in 1776 where in he defined the importance of specialization in production and brought International trade under the said scope. David Ricardo developed the Comparative advantage principle, which stands true even today. All these economic thoughts and principles have influenced the international trade policies of each country. Though in the last few centuries, countries have entered into several pacts to move towards free trade where the countries do not impose tariffs in terms of import duties and allow trading of goods and services to go on freely.

The 19th century beginning saw the move towards professionalism, which petered down by end of the century. Around 1913, the countries in the west say extensive move towards economic liberty where in quantitative restrictions were done away with and customs duties were reduced across countries. All currencies were freely convertible into Gold, which was the international monetary currency of exchange. Establishing business anywhere and finding employment was easy and one can say that trade was really free between countries around this period. The First World War changed the entire course of the world trade and countries built walls around themselves with wartime controls. Post world war, as many as five years went into dismantling of the wartime measures and getting back trade to normalcy. But then the economic recession in 1920 changed the balance of world trade again and many countries saw change of fortunes due to fluctuation of their currencies and depreciation creating economic pressures on various Governments to adopt protective mechanisms by adopting to raise customs duties and tariffs. The need to reduce the pressures of economic conditions and ease international trade between countries gave rise to the World Economic Conference in May 1927 organized by League of Nations where in the most important industrial countries participated and led to drawing up of Multilateral Trade Agreement. This was later followed with

General Agreement on Tariffs and Trade (GATT) in 1947.However once again depression struck in 1930s disrupting the economies in all countries leading to rise in import duties to be able to maintain favorable balance of payments and import quotas or quantity restrictions including import prohibitions and licensing. Slowly the countries began to grow familiar to the fact that the old school of thoughts were no longer going to be practical and that they had to keep reviewing their international trade policies on continuous basis and this interns lead to all countries agreeing to be guided by the international organizations and trade agreements in terms of international trade. Today the understanding of international trade and the factors influencing global trade is much better understood. The context of global markets have been guided by the understanding and theories developed by economists based on Natural resources available with various countries which give them the comparative advantage, Economies of Scale of large scale production, technology in terms of e commerce as well as product life cycle changes in tune with advancement of technology as well as the financial market structures.

B. Backdrop to International Trade

Any student or professional wanting to understand more about Imports and Exports would have to understand the history and economic principles that have chartered the course of international trade to its current regime. In the backdrop of the country's economic policies and financial conditions such as its balance of payments situation, the governments formulate rules and regulations that govern the countries trade with other countries. World Trade Organization or WTO as it is called is the International Organization that deals with the global rules of trade between nations. Its primary function and goal is to facilitate smooth and free flow of trade between countries. WTO came into being on 1st January 1995 and is Head Quartered in Geneva, Switzerland. The Organization was created at the Uruguay Round Negotiations and consists of 153 member countries. A Director General and functions with a Secretariat Staff of 637 heads WTO. WTO functions primarily as the Forum for trade negotiations between countries. Its main functions include Administering WTO Trade Agreements, Handling Disputes, Monitoring National Trade policies of member countries, Technical assistance to Member Countries. Considered to be one of the youngest of International Organizations, the WTO is regarded as a Successor to the GATT agreement that came into being in the after warmth of Second World War.

Historically treaties have been the agreements that ruled between two countries. Post Second World War and creation of WTO and other organizations have paved way for more and more of international co-operations in the field of politico economic environment, with the result there have come to existence many regional, intra-regional and global super nations groups engaging in regional trade agreements. Creation of The European Union is one of the most important events in the History of our Civilization. EU, known as European Union was formed by Masstricht Treaty in 1991 and laid foundation for an economic and monetary union that included creation of one single currency across member nations. The European Free Trade Association was setup in 1960 with one of the main aims to establish multilateral associations between the member countries to abolish customs barriers and creating a single free market across European Union. Some of the other associations and agreements that have come into being are The North American Free Trade Agreement (NAFTA) signed by Canada, Mexico and US in 1994. The Association of Southeast Asian Nations (ASEAN) Complexities arise in International Trade due to the nature of economies of the countries all over the world. Less Developed Countries and Developing Countries' economies are agriculture based and seasonal and their reliance on export markets is very high. They in turn import manufactured goods from developed countries where in the cost of imports is fairly stabilized. With the variation in export earnings and high or stabilized imports, the countries stand to face huge fluctuations in terms of international trade which in turn effects their domestic economy.

However amongst the developed countries the international trade has always been beneficial. In fact most of the EU member countries have managed to increase their incomes due to the removal of trade barriers within the EU. But the trade relations between developed and under developed countries have always been the bone of contention and controversies. The business orientations of the Multi-National Companies who establish manufacturing as well as selling in countries where labor and resources are cheaper is seen as a form of exploitation. WTO meetings and conferences are used as a platform by various interest groups to bring to the table various issues concerning public health and safety, environmental impact and other evils arising out of international trade.

C. International Trade Integration

No doubt international trade has existed spanning civilizations, in the current global economic situation no country can keep away without participating in international trade. Countries are moving cautiously away from capitalistic and protectionist outlook and engaging in trade with other countries. With the creation of WTO, there have been constant efforts made to unite countries to create more markets, to standardize tariffs and trade laws as well as remove trade barriers in trying to create free markets. We have seen very many bi lateral and multi-lateral agreements taken place that have harmonized international trade to a large extent. Together with the agreements, several countries have begun to form unions to harmonize and free trade regulations within themselves in a bid to create free markets. One such example is the Economic Union of European Countries. Initially EU was a Customs Union that further developed into Economic Union.
Countries have also formed several other types of unions as well as zones in a bid to give impetus to international trade.

a. Customs Union

Customs Union refers to a coming together of member countries to form a union wherein they allow free trade amongst the member countries without customs duties and tariffs. However they formulate a common external trade policy to determine common import duties that are levied for imports from a third party country other than the member country. Customs Union is the first step towards harmonizing and removing trade barriers to facilitate smoother and increased trade flow within the member groups. This would result in increased economic efficiency and improve political relationships amongst the members too paving way for further economic integration. The Customs Union of Zollverein which was formed out of coming together of German States is another example of Customs Union. Customs Union can also be called Free Trade Zones with common Trade Tariffs and Policies.

b. Free Markets & Economic Integration

Customs Union can also be called Free Trade Zones with common Trade Tariffs and Policies. Customs Union is the first step towards building Economic integration that leads to formation of common markets and economic unions and federation. Common markets allow free movement of all resources including labor, capital as well as other resources without tariffs and formalities.

c. Economic Union

Economic Union is a trade bloc, which consists of both free markets and Customs Union within the member community. Economic Unions involve close co-ordination and integration of economic and fiscal policies of the member countries Examples: European Union, CARICOM - Single Market and Economy of Caribbean Community.

d. Monetary Union, Customs and Monetary Union

Creation of Economic Union paves way for creating a Monetary Union and further evolves into a Customs and Monetary Union. Under this Union, member countries enjoy common economic union with free markets with no restriction on movement of goods, labor, capital and resources across member countries, common tariffs for external trade, besides combining it with a common monetary currency system.
Examples: Common Monetary and Economic Community of Central Africa.

e. Economic Integration

Economic Union and Monetary Unions finally lead up to Complete Economic Integration as the final stage. In Economic Integration, the member countries operate with single currency and fiscal policy coupled with single economic policy and function as single economy. To achieve and stabilize single economy, it necessitates the political integration, which brings into being the concept of United Countries with autonomous states governed by federal government. United States of America is the outstanding example of such integration evolving into one Nation.

D. Payment Mechanisms in International Trade

Setting up International Trade Mechanisms involves inter disciplinary processes including Finance, Logistics, Taxation and Supply Chain disciplines. Every Business Manager would need to know the nuances of the trade even though he may or may not be involved in the micro management of the processes. Any Import or Export entails commercial transaction and payment. When an import is made into the US, the foreign supplier would have to be paid in the currency in which he has raised the invoice. Normally international transactions are made using USD as the currency. However in many cases of transactions with Europe, the Euro Dollar is used as the currency too. When an Export originates out of US to another country, the Exporter would have to receive payment from the End Customer. In Exports we have several types of trade or export transactions and the nature of the business determines the payment terms.

1. Advance Payment

When a new customer approaches and places an order on the Exporter, normally might insist on advance payment for executing the order. This method normally continues for a few times until mutual trust is built between the two parties and they get to know each other.

2. Letters of Credit

An Exporter if dealing with an unknown customer at the other end may not have any prior exposure to the credit worthiness of the Customer and would normally insist on Confirmed Letter of Credit to be opened by the Customer before shipping the goods. In such cases the Exporter may not be extending any credit. Also in case of high value transactions with known customers too; exporters prefer to get paid through Letter of Credit. While dealing with a customer, the Exporter can check seek a credit worthiness rating from the customer's bank to be able to ascertain the authenticity and credibility of the Customer. Normally Large Multi Nationals demand such credit worthiness reports as a part of their policy.

3. Bill of Exchange of Documentary Drafts

When there has been sufficient relation between an Exporter and the Customer (Importer) and the customer's credit worthiness is known through previous records, the Exporter might decide to extend credit and accept payment on bill of exchange basis. This system is also called as Documentary Drafts. Documentary drafts are of two types namely Sight Drafts and Date and Time Drafts.

4. Open or Ongoing Account

When there is a huge volume of continuous business transactions between the Exporter and Importer and exports continue to happen on ongoing basis, the Exporter can simply export on the basis of a purchase order and expect the Importer to pay promptly on due date. This is the usual method adopted by most of the Multi-National Companies as well as the large organizations that have sufficient import volumes spread across various countries and are dealing with multiple vendors on ongoing basis. In such cases they just determine the annual volumes to be supplied by each vendor, issue an open purchase order and keep reviewing only the delivery schedule. They offer standard payment commitment on a particular date to all vendors as a global policy. The payment process will be set and determined as a part of their business agreement.

5. Other Types of Trade and Related Payment Mechanisms

Besides the above types of payment mechanisms based on normal Exports and Imports, there are other types of business models which work on various other modes of payment terms too.

6. Consignment Sale

An exporter might sign up a contractor with a distributor overseas to import, hold stock and sell the goods on his behalf. In such a situation, the distributor may not own the stocks and the ownership might continue to lie with the exporter. The distributor would only be an intermediary to sell the stocks and repatriate the money realized back to the exporter and get remunerated in terms of service charges or commission. In such cases there may be a business agreement in place but no fixed payment mechanism may be adopted.

7. Counter Trade / Counter Purchase / Barter Trade

In yet another case of business arrangement called counter trade, exports may be linked with return purchase of some other items from the importer or from another source in the country. The payment may also involve services other than products. This kind of trade becomes a necessity while dealing with countries that do not have sufficient foreign currency. There is also another system of international barter which is not very commonly practiced in the commercial world.

E. International Payment Systems

If you have shopped online on international portals or have received payments from abroad, you would have wondered about how the payments flow across the world and which banks and financial institutions underpin global commerce and trade. Further, if you work in a corporate that has global supply chains with international suppliers and customers, you would be again dealing with a complex network of institutions and banks that route the payments from one end of the supply chain or the value chain to the other. In addition, when nations trade with each other and when central banks transact with each other as well as banks in different countries deal with each other, then they are all participating in the international payment system that is the bedrock of global payment flows.

a. Components and Constituents of the International Payment System

To start with, banks and financial institutions form the first layer of the international payment wherein they hold accounts of other global banks who in turn hold accounts of the former. This enables the banks to send and receive payments from each other as they can simply debit their accounts and credit the other bank's account with them and this in turn leads to payments flowing to the recipient bank that debit the sending bank and credit their account. Indeed, it can be said that banks such as Citibank which is part of the international financial conglomerate, Citigroup, Standard Chartered, HSBC, and Barclays form the lifeline of the international payment system by routing the money from the senders to the recipients anywhere in the world, anytime of the year, and any place that they are located in.

b. The SWIFT Protocol

However, it is not enough for banks and other financial institutions to simply transfer money to each other without having a common protocol and standard by which they can communicate with each other. In other words, they need to "talk to each other" in a "language" that is understood by them. Hence, there is indeed a common protocol that forms the basis for such communication, this is the SWIFT **st**andard wherein the acronym stands for Society for Worldwide International Funds Transfer wherein this payment standard prescribes the rules and regulations that all participants in the international payment network must abide with to ensure that there is a common standard of messaging and communication between the banks and other financial institutions. For instance, the sender, the recipient, the intermediary, and the address and other details are to be captured in a specific format that is standard across banks so that each participant in the payment value chain knows exactly what is contained in the payment message.

c. An Example of How International Payments Work

To take an example, if you are located in the United States and want to send a funds transfer to India, you must first setup the beneficiary and then transfer funds from your account to the beneficiary. While this completes your end of the value chain, the next step is when your bank in the United States debits your account and credits its account with the funds. After this, it transfers the money to its partner bank in India or if it does not have any dealings with Indian banks, it contacts a bank in the United States that has such dealings and in both these cases; the funds are then transferred from the banks in the United States to the bank in India. Once the banks in India receive the funds, they must then send it to the ultimate beneficiary wherein the funds are debited from its account and credited to the recipient. Again, this step might be a single or two step processes depending on the recipient holding an account with the concerned bank that receives the funds.

d. Automation and Digitalization of the International Payment System

As you can see from the above example, international payments involve a complex chain of transactions and payment routes that entail cooperation and coordination between multiple banks and financial institutions. All these flows are made possible by automated payment systems that use the SWIFT standard which as explained earlier enables and ensures that the payments flow smoothly throughout the value chain. Further, in recent years, there has been so much automation and digitalization of the payment systems that funds from one country to the other are flowing in an almost real time manner with just minor delays because of the clearing houses in between. Clearing houses are financial institutions such as the Reserve Bank of India in India and the United States Federal Reserve in the US which function as the node for the payments between domestic banks and international banks. Clearing houses are also places where traditionally there have been like the village markets where at the end of the day, the various merchants gather to settle their accounts and square the debts and the credits.

F. Letter of Credit - Meaning and Different Types of LC

International trade between an Exporter and Importer would entail multiple transactions in terms of documentation exchange, physical cargo movement as well as settlement of payment which have to be clearly defined and setup in order to ensure smooth business transaction. Over the years international trade has established various methods and payment mechanisms that are accepted globally by all financial institutions and other related parties.

Normally when the Customer is new to the Exporter, the business transactions are done either based on advance payment or Letter of Credit option. LC is one of the safest mechanisms available for an Exporter to ensure he gets his payment correctly and the importer is also assured of the Exporters adherence to his requirement in terms of quality, quantity, shipping instructions as well as documentation etc. A letter of Credit is the Buyer's Banker's promise to the Bank of the Seller / Exporter that the bank will honor the Invoice presented by the Exporter on due date and make payment, provided that the Seller/Exporter has complied with all the requirements and conditions set by the Importer in the said letter of credit or the Buyer's Purchase Order and produced documentary evidence to prove compliance, along with the necessary shipment related documentation.

a. Confirmed Letter of Credit

A Letter of Credit is always sent by the Buyer's bank to the Seller's Bank or any bank that is becomes an advising bank. Normally the Seller's bank becomes an advising bank when a normal LC is received and it delivers or advises the buyer regarding the receipt of LC with no responsibility towards it. In case of a Confirmed LC, the Seller's bank checks out the authentication of the LC from the Buyer's bank and confirms to stand responsible for negotiating, collecting payment from the Buyer's bank and making payment to the seller in line with the terms and conditions stipulated in the LC. By adding confirmation to the LC, the Seller's bank too becomes equally responsible to make payment for the transaction under the LC. Seller's Bank in turn will charge and collect service charges from the Seller for the same.

b. Revocable and Irrevocable Letter of Credit

Normally the Letter of Credits issued is irrevocable, which means that no single party can unilaterally make any changes to the LC, unless it is mutually agreeable to both the parties involved. However an LC is said to be revocable if the terms allow any one single party to be able to make changes to the LC unilaterally. However it is in the interest of the buyer that he should always insist on irrevocable Letter of Credit.

c. Sight LC

When the LC is opened, stipulating the condition that, on presentation of the negotiable set of shipping document by the seller as per the terms of the LC are made, the buyer's bank will make payment at sight meaning immediately to the seller's bank subject to fulfillment of terms and conditions of the LC being fulfilled, the LC is called Sight LC.

d. Future or Credit LC

If the payment schedule under the said LC stipulates payment at certain future dates after presentation of negotiable set of shipping documents by the Seller and fulfilling the LC terms and conditions, such an LC is termed Future LC or Credit LC. It is quite normal for sellers to extend credit of 30 days to 60 days under LCs. However the shipping documents would have to be presented to the bank immediately so that they documents reach the buyer well ahead in time before the consignment reaches the foreign shores and the buyer is able to clear the consignment and take delivery.

G. International Trade Terms - INCOTERMS

Globalization has given impetus of international trade which is increasing by the day. International trade involves multiple agencies, transportation agents, carriers as well as Customs and Banks etc of the two countries involved in trade. Any Export or Import transaction involves transportation of goods predominantly via sea or air and in some cases over the road transportation too. Export and Import transactions are essentially dependent upon documentation and information to flow across all related agencies smoothly. In fact it is essential for information to flow to the agencies involved in each sector in advance before the physical goods arrive or move. The advancement of technology in terms of internet and EDI has helped smoothen the transactions internationally across all countries. Similarly in the case of international terms of trade too, things have been smoothened and standardized across all countries with the introduction of INCOTERMS published by ICC or International Chamber of Commerce in 1936. **INCOTERMS** are the standard terms of trade that define the rights and obligations of the parties involved in trade. It specifies the responsibility of the buyer and the seller by defining the transaction and the cost aspects concerning the transaction and especially related to carriage, custom duties as well as Insurance, etc. However it limits itself to the scope of the liability of costs and definition thereof and does not deal with the ownership or transfer of title of goods. **INCOTERMS** are divided into 4 groups namely E,F,C & D.

1. *GROUP – E*

This group contains only one Incoterm namely EXW **-** Ex. Works.
This term represents minimum liability on the part of the Seller. Seller responsibility ends with delivering goods at his factory doc. The rest of the risk and expenses involved are borne by the Buyer and would have to be carried out through his agent at Origin.

2. *GROUP – F*

Consists of FCA, FAS & FOB terms. Under this category the Seller pays for the pre carriage expenses at the Origin and the main carriage as well as Destination charges are borne by the Buyer.

FCA - Free Carrier - Seller delivers goods to the Buyer nominated vehicle and his responsibility ceases with delivery. Unloading, transportation as well as Insurance from this point will be borne by the Buyer.

FAS - Free alongside Ship - Seller completes Export formalities and delivers cargo alongside ship. From this point onwards the risk and costs including transportation and Insurance pass on to the Buyer.

FOB - Free On Board - Seller responsible for inland transportation, Export clearance as well as delivery cargo onboard the Ship. Once Onboard the Ship the risk and responsibility shifts to the Buyer who pays the transportation, Insurance and Destination Charges.

3. *GROUP – C*

Under this group the Seller arranges for and pays for transportation but does not take on the risk.

CFR - Cost and Freight - Seller pays transportation cost up to Destination Port. Insurance and Risk are with the Buyer from the time the Seller delivers cargo on board.

CIF - Cost, Insurance & Freight - Seller pays for transportation and Insurance but the Risk passes to the buyer as soon as the cargo is delivered on board the ship.

CPT - Seller pays transportation cost. The risk and insurance lies with the buyer from the point of delivery of cargo to the carrier by the Seller.

CIP - Carriage & Insurance Paid to - Seller pays transportation and Insurance. The risk passes to the buyer when Seller delivers cargo to carrier.

4. *GROUP – D*

Under this group the Seller assumes all or most of the risk and takes responsibility of delivery at Destination upto the agreed point of delivery.

DAF - Delivered at Frontier - Seller responsible to deliver cargo upto the point of entry at Destination. Risk and responsibility further passes on to the Buyer.

DES - Delivered Ex Ship - Seller assumes risk until the ship with the cargo reaches the port of Destination. Then the risk shifts to Buyer from the point of discharge of vessel onwards.

DEQ - Delivered Ex. Quay Duty Paid - Seller takes responsibility until the cargo is delivered after import clearance at destination and customs duty paid and delivered to the point on buyers dock.

DDU - Delivered Duty Unpaid - Seller takes responsibility to deliver cargo at the destination port where the Buyer takes on the responsibility for import clearance, Import duties and onward delivery.

DDP - Delivered Duty Paid - Seller takes responsibility until the cargo reaches destination, clears the customs, pays the duty and delivers cargo at Buyer dock.

III. CONCLUSION

As can be seen from the points raised so far, international payment flows go smoothly as long as all participants in the value chain do their part in addition to adhering to the SWIFT protocol. Further, the global payment value chain is efficient mainly because globalization has led to liberalization of the banking rules and regulations that have enabled banks anywhere to deal with other banks everywhere and anytime and every time.

Finally, the next time you send or receive an international payment, just think about what it takes to enable your payment and imagine bits and bytes of data and information streaming across the world so that your payment is processed smoothly and successfully.

Reference

Barrett, R. 2003. From fast close to fast forward. *Strategic Finance* (January): 24-29.

1. Barrows, W. P. 1916. Receivers and public accountants. *Journal of Accountancy* (January): 1-15.
2. Barth, M. and D. Taylor. 2010. In defense of fair value: Weighing the evidence on earnings management and asset securitizations. *Journal of Accounting and Economics* (February): 26-33.
3. Barth, M. E. 1994. Fair value accounting: Evidence from investment securities and the market valuation of banks. *The Accounting Review* (January): 1-25. (Part of a forum on financial reporting).
4. Barth, M. E. 2003. Discussion of “Compensation policy and discretionary disclosure”. *Journal of Accounting and Economics* (January): 311-318.
5. Barth, M. E. 2006. Including estimates of the future in today's financial statements. *Accounting Horizons* (September): 271-285.
6. Barth, M. E. and C. M. Murphy. 1994. Required financial statement disclosures: Purposes, subject, number, and trends. *Accounting Horizons* (December): 1-22.

7. Barth, M. E. and M. F. McNichols. 1994. Estimation and market valuation of environmental liabilities relating to superfund sites. *Journal of Accounting Research*(Studies on Accounting, Financial Disclosures, and the Law): 177-209.
8. Barth, M. E. and W. R. Landsman. 1995. Fundamental issues related to using fair value accounting for financial reporting. *Accounting Horizons* (December): 97-107.
9. Barth, M. E., D. W. Collins, G. M. Crooch, J. A. Elliott, T. J. Frecka, E. A. Imhoff Jr, W. R. Landsman and R. G. Stephens. 1995. AAA's Financial Accounting Standards Committee response to FASB discussion documents: Response to The FASB exposure draft "Accounting by creditors for impairment of a loan - Income recognition". *Accounting Horizons* (March): 96-98.
10. Barth, M. E., D. W. Collins, G. M. Crooch, J. A. Elliott, T. J. Frecka, E. A. Imhoff, Jr., W. R. Landsman, C. L. McDonald and D. G. Searfoss. 1993. AAA's Financial Accounting Standards Committee response to FASB discussion memorandums and exposure draft: Accounting by creditors for impairment of a loan.*Accounting Horizons* (September): 114-117.
11. Barth, M. E., D. W. Collins, G. M. Crooch, J. A. Elliot, T. J. Flecka, E. A. Imhoff, Jr. W. R. Landsman, C. L. McDonald and D. G. Searfoss. 1994. AAA's Financial Accounting Standards Committee report,. Response to the FASB exposure draft "Accounting for certain investments in debt securities". *Accounting Horizons* (June): 117-119.
12. Barth, M. E., D. W. Collins, G. M. Crooch, J. A. Elliott, T. J. Frecka, E. A. Imhoff Jr, W. R. Landsman and R. G. Stephens. 1995. AAA's Financial Accounting Standards Committee response to FASB discussion documents: Response to the FASB exposure draft "Disclosure about derivative instruments and fair value of financial instruments". *Accounting Horizons* (March): 92-95.
13. Barth, M. E., D. W. Collins, J. A. Elliott, J. W. Gribble, W. R. Landsman, S. H. Penman, J. T. Smith, R. G. Stephens and T. D. Warfield. 1995. AAA's Financial Accounting Standards Committee response to FASB discussion documents: Response to the FASB exposure draft "Accounting for mortgage servicing rights, and excess servicing rights and for securitization of mortgage loans". *Accounting Horizons* (June): 77-79.
14. Barth, M. E., D. W. Collins, J. A. Elliott, J. W. Gribble, W. R. Landsman, S. H. Penman, J. T. Smith, R. G. Stephens and T. D. Warfield. 1995. AAA's Financial Accounting Standards Committee response to FASB discussion documents: Response to the FASB "Preliminary views on major issues related to consolidation policy". *Accounting Horizons* (June): 80-82.
15. Barth, M. E., J. A. Elliott, D. W. Collins, G. M. Crooch, T. J. Frecka, E. A. Imhoff Jr, W. R. Landsman and R. G. Stephens. 1995. AAA's Financial Accounting Standards Committee response to FASB discussion documents: Response to the FASB discussion document "Accounting for hedging and other risk-adjusting activities: Questions for comment and discussion". *Accounting Horizons* (March): 87-91.
16. Barth, M. E., M. F. McNichols and G. P. Wilson. 1997. Factors influencing firms' disclosures about environmental liabilities. *Review of Accounting Studies* 2(1): 35-64.
17. Barth, M. E., T. B. Bell, D. W. Collins, G. M. Crooch, J. A. Elliot, T. J. Flecka, E. A. Imhoff, Jr. W. R. Landsman and R. G. Stephens. 1994. AAA's Financial Accounting Standards Committee reports. Response to the FASB prospectus "Earnings per share". *Accounting Horizons* (June): 111-113.
18. Barth, M. E., T. B. Bell, D. W. Collins, G. M. Crooch, J. A. Elliot, T. J. Flecka, E. A. Imhoff, Jr. W. R. Landsman and R. G. Stephens. 1994. AAA's Financial Accounting Standards Committee reports. Response to exposure draft "Accounting for stock-based compensation". *Accounting Horizons* (June): 114-116.