



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **BSBINT407B Prepare business advice on export Free on Board Value**

**Revision Number: 1**

## BSBINT407B Prepare business advice on export Free on Board Value

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	This unit describes the performance outcomes, skills and knowledge required to accurately determine and prepare business advice on the export entry or declaration Free on Broad (FOB) Value on goods exported from Australia.  No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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### Application of the Unit

<b>Application of the unit</b>	This unit applies to individuals with a broad knowledge of international trade who contribute well developed skills to preparing business advice for a client on the FOB value field on an export entry declaration.
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify relevant export invoice	<ul style="list-style-type: none"><li>1.1. Identify the buyer and seller</li><li>1.2. Identify the relevant contract and export invoice</li><li>1.3. Consider definitions and <i>differences in definitions of FOB value</i> in determining FOB value of goods being exported from Australia</li><li>1.4. Identify the International Commercial Terms INCOTERMS relevant to the contract</li><li>1.5. Identify the party to the sales contract responsible for <i>Australian export formalities</i> from INCOTERMS</li></ul>
2. Interpret invoice terms and currency	<ul style="list-style-type: none"><li>2.1. Identify the components that constitute the price, in Australian or foreign currency, paid or payable and appearing on the invoice</li><li>2.2. Identify INCOTERMS relevant to the invoice</li><li>2.3. Identify currency used</li></ul>
3. Adjust invoice price	<ul style="list-style-type: none"><li>3.1. Identify <i>adjustments</i></li><li>3.2. Make additions and subtractions to the price</li></ul>
4. Calculate export FOB value, applying currency conversion principles	<ul style="list-style-type: none"><li>4.1. Apportion costs against exported goods using <i>organisational requirements/policies/procedures</i></li><li>4.2. Apply appropriate rate of exchange</li></ul>
5. Finalise business advice on export FOB value	<ul style="list-style-type: none"><li>5.1. Complete advice on FOB value field on export entry or declaration</li><li>5.2. Check calculations for accuracy and verify as required</li><li>5.3. Retain and file completed documentation with relevant personnel in the enterprise</li><li>5.4. Pass relevant business advice on to the client</li></ul>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- numeracy skills to calculate FOB value
- learning skills to maintain relevant knowledge of client products and services to be exported.

#### Required knowledge

- identification and overview knowledge of key provisions of relevant legislation from all levels of government that affects business operations, codes of practice and national standards, such as:
  - Customs Act
  - Australian Harmonized Export Commodity Classification (AHECC) - introduction and explanatory notes
  - INCOTERMS
  - trade modernisation legislation: Customs Legislation Amendment and Repeal Act, Import Processing Charges Act, Customs Depot Licensing Charges Amendment Act
  - Trade Practices Act
  - contract law
  - World Trade Organisation determinations
- organisational policies and procedures relating to business operations in import/export/customs brokerage/freight forwarding contexts
- penalties and the infringement notice scheme as it applies to goods where the export FOB value is incorrect

## Evidence Guide

### EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

#### Overview of assessment

#### Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- interpreting a range of export documentation to determine export FOB value as required for goods exported from Australia
- documenting export FOB calculation as required by client
- knowledge of legislation, codes of practice and national standards relevant to work role.

#### Context of and specific resources for assessment

Assessment must ensure:

- access to an actual workplace or simulated environment
- access to office equipment and resources
- access to relevant workplace documents.

#### Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of advice completed on FOB value field on export entry or declaration
- oral or written questioning to assess knowledge of penalties and the infringement notice scheme as it applies to goods where the export FOB value is incorrect
- assessment of business advice passed on to the client.

#### Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- BSBINT408B Prepare business advice on the taxes and duties for international trade transactions.

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<b><i>Differences in definition of FOB value</i></b> may include:	<ul style="list-style-type: none"> <li>• INCOTERMS definition of FOB, which states in part: 'This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the FCA term should be used'</li> <li>• customs definition: 'The total free on board (FOB) value of the goods, including all costs incidental to the sale and delivery of the goods on to the exporting vessels/aircraft'</li> </ul>
<b><i>Australian export formalities</i></b> may include:	<ul style="list-style-type: none"> <li>• A2 or B2 Licences, authorisations and formalities</li> <li>• Australian Harmonized Export Commodity Codes</li> </ul>
<b><i>Adjustments</i></b> may include:	<ul style="list-style-type: none"> <li>• all costs that exclude international freight and insurance from the price including in the price all costs to bring the goods to the ship or aircraft side when exporting from Australia</li> </ul>
<b><i>Organisational requirements/policies/ procedures</i></b> refer to:	<ul style="list-style-type: none"> <li>• factorisation where costs are proportioned over a line value (each line of the invoice for which there is a separate classification)</li> <li>• other relevant requirements outlined in policies and procedures for calculating FOB</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	
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## Competency field

Competency field	Business Development - International Business
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## Co-requisite units

Co-requisite units		