

INTERNATIONAL TRADE PROCEDURES AND DOCUMENTATION

Unit-V:

Export Documents:

What is the basic documents required in export?



With documents like a **Certificate of Origin, Commercial Invoice, Export Order, Letter of credit, Certificate of Inspection and Marine Insurance Policy** in place, the cargo can enter the port and onto the dock.

How many types of export documents are there?

Insurance Certificates, Certificates of Conformity, Pre-shipment Inspection Certificates to name just a few. Depending on payment type, you may also need Bills of Exchange (also referred to as Drafts) to facilitate payment. Export License documents may also be required as necessary.

What is the most important document for export?

The most important document of export is the **bill of lading**.

here are 11 standard shipping documents for export that you need to understand in order to be successful.

1. Proforma Invoice
2. Commercial Invoice
3. Packing List
4. Certificates of Origin
5. Certificate of Free Sale
6. Shipper's Letter of Instruction
7. Inland Bill of Lading
8. Ocean Bill of Lading
9. Air Waybill
10. Dangerous Goods Forms
11. Bank Draft

1. Proforma Invoice

In a typical export exchange, everything starts when you receive an inquiry about one or more of your products. That inquiry may include a request for a quotation.

If the inquiry came from a domestic prospect, you probably have a standard quotation form to use. However, in an international transaction, your quote would be provided as a proforma invoice. That's because your international prospect may need a proforma invoice to arrange for financing, to open a letter of credit, to apply for the proper import licenses and more.

A proforma invoice looks a lot like a commercial invoice, and if you complete it correctly, they will be very similar indeed. A proforma invoice specifies the following:

- The buyer and seller in the transaction.
- A detailed description of the goods.
- The Harmonized System classification of those goods.
- The price.
- The payment term of the sale, which would typically be expressed as one of the 11 current Incoterms.
- The delivery details, including how and where the goods will be delivered and how much that will cost.
- The currency used in the quote, whether it's U.S. dollars or some other currency.

Be sure to date your proforma invoice and include an expiration date. There can be a lot of volatility in the export process, so minimize your risk by setting a specific time frame for your quote.

2. Commercial Invoice

Once you've sent a proforma invoice to your international prospect and received their order, you need to prepare your goods for shipping, including the paperwork that must accompany the goods. Of those documents, the commercial invoice is one of the most important.

The commercial invoice includes most of the details of the entire export transaction, from start to finish.

I often get questions from people who look at this sample commercial invoice and wonder why it looks so different from the invoices their company uses for domestic orders. Keep in mind that the invoices you create from your company's accounting or ERP system are accounting invoices used to get paid, *not* export invoices.

The commercial invoice may look similar to the proforma invoice you initially sent your customer to serve as a quote, although it should include additional details you didn't know before. For example, once you have the commercial invoice, you probably have an order number, purchase order number or some other customer reference number; you may also have additional banking and payment information.

Make sure to include any relevant marine insurance information and any other details that will ensure prompt delivery of the goods and full payment from your customer.

3. Packing List

An export packing list may be more detailed than a packing list or packing slip you provide for your domestic shipments. It may be used in the following ways:

- Your freight forwarder may use the information on the packing list to create the bills of lading for the shipment.
- A bank may require that a detailed packing list be included in the set of documents you present to get paid under a letter of credit.
- Customs officials in the U.S. and the destination country may use the packing list to identify the location of certain packed items they want to examine. It's much better that they know which box to open or pallet to unwrap rather than needing to search the entire shipment.

The packing list identifies items in the shipment and includes the net and gross weight and dimensions of the packages in both U.S. imperial and metric measurements. It identifies any markings that appear on the packages, and any special instructions for ensuring safe delivery of the goods to their final destination.

If cargo is lost or damaged, a packing list is required to file an insurance claim, and it is also used if there is a disagreement between the carrier and the exporter regarding the weight or measurement of the cargo.

4. Certificates of Origin

Some countries require a certificate of origin to identify in what country the goods originated. These certificates of origin usually need to be signed by some semi-official organization, like a chamber of commerce or a country's consulate office. A certificate of origin may be required even if you've included the country of origin information on your commercial invoice.

Usually a chamber of commerce will charge you a fee to stamp and sign your certificate or require you to be a member of the chamber. You'll need to deliver a completed form to the chamber office where they will stamp and sign it for you.

More and more companies are foregoing the time-consuming process of relying on expensive courier services or taking the time to hand-deliver a certificate of origin to a chamber of commerce for certification and are relying on electronic certificates of origin (eCO) for their shipments. An eCO is often quicker to turn around, allows you the option of delivering the certificate electronically to the importer, and can be registered with the International Chamber of Commerce to provide added credibility.

Country-Specific Certificates

In addition to the generic certificate of origin form, there are also country-specific certificates of origin. The United States currently has signed 14 free trade agreements with 20 different countries in which U.S. goods are eligible for reduced or zero duty rates when imported into those countries. Some free trade agreements, including the United States-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), cover multiple countries, including the U.S. In our article *[When to Use a Certificate of Origin Form for Your Exports](#)*, you'll find links to country-specific certificates.

On July 1, 2020, the United States-Mexico-Canada Agreement (USMCA) replaced the NAFTA agreement between the three countries. You'll find the differences between the two free trade agreements in the article *[NAFTA vs. USMCA: The North American Free Trade Agreement and the U.S.-Mexico-Canada Agreement](#)*.

5. Certificate of Free Sale

Sometimes called a “Certificate for Export” or “Certificate to Foreign Governments,” a Certificate of Free Sale is evidence that goods—such as food items, cosmetics, biologics or medical devices—are legally sold or distributed in the open market, freely without restriction, and approved by the regulatory authorities in the country of origin (the United States).

A Certificate of Free Sale is used when you are registering a new product in a country. You're essentially informing the customs authority in that country, “This is a new thing I'm going to start importing, and here are my support documents that confirm this product(s) is legal to sell in the country of manufacture.”

If your international customer requests a Certificate of Free Sale, you can easily apply for a certificate online (there's no cost or obligation for registering).

6. Shipper's Letter of Instruction

One of the most important people you will work with in the export process is your freight forwarder, who usually arranges the transport of your goods with a carrier and helps ensure you've taken care of all the details.

Depending on your agreed-upon terms of sale—remember, that's typically the Incoterm you choose—either you hire a freight forwarder to work for you, the exporter, or, in the case of a routed export transaction, the buyer hires a freight forwarder.

Regardless of who hired the forwarder, it's important you provide a Shipper's Letter of Instruction (SLI) with all the information needed to successfully move your goods. ([Here are several good reasons why a letter of instruction is necessary.](#))

I often describe the SLI as a cover memo for your other export paperwork. Depending on whether or not the forwarder works for you, the SLI may include a limited Power of Attorney, providing authority to act on your behalf for this shipment

7. Inland Bill of Lading

An inland bill of lading is often the first transportation document required for international shipping created for your export. It can be prepared by the inland carrier or you can create it yourself. It's a contract of carriage between the exporter and the shipper of the goods that states where the goods are going; it also serves as your receipt that the goods have been picked up.

In an international shipment, the inland bill of lading is not typically consigned to the buyer. Instead, it is consigned to the carrier moving the goods internationally or, if not directly to the carrier, to a forwarder, warehouse or some other third party who will consign your goods to the carrier when ready.

8. Ocean Bill of Lading

If your goods are shipping by ocean vessel, you'll need an ocean bill of lading. An ocean bill of lading can serve as both a contract of carriage and a document of title for the cargo. There are two types:

Straight Bill of Lading

A straight bill of lading is consigned to a specific consignee and is not negotiable. The consignee takes possession of the goods by presenting a signed, original bill of lading to the carrier.

Negotiable Bill of Lading

A negotiable bill of lading is consigned "to order" or "to order of shipper" and is signed by the shipper and sent to a bank in the buyer's country. The bank holds onto the original bill of lading until the requirements of a documentary collection or a letter of credit have been satisfied.

9. Air Waybill

Goods shipped on a plane require an air waybill. It is a contract of carriage between the shipper and the carrier that is distributed by the International Air Transport Association (IATA). Unlike an ocean bill of lading, an air waybill cannot be negotiable.

The purpose of an air waybill differs from the purpose of a bill of lading:

- An air waybill is a *receipt* of goods; the carrier or agent sends it in order to show the place of delivery.

- A bill of lading is a *document of title* to goods. It is a receipt by the shipping company with an agreement to deliver the goods at the destination only to the party the bill of lading is consigned to.

10. Dangerous Goods Forms

If your products are considered dangerous goods by either the International Air Transport Association (IATA) or the International Maritime Organization (IMO), you need to include the appropriate dangerous goods form with your shipment. Shipping dangerous goods or hazardous materials can be tricky. Before you do it, the appropriate people at your company need to be trained to properly package, label and document these shipments.

The IATA form—the Shipper’s Declaration for Dangerous Goods—is required for air shipments. There is a different version of the form for ocean shipments. Again, these forms need to be completed by someone who has been trained to handle dangerous goods shipping.

11. Bank Draft

A bank draft is an important part of the international sales process for transferring control of the exported goods from the seller in exchange for funds from the buyer. It is often called a *documentary collection*, because the seller attaches various documents to a bank draft and a cover letter.

Usually the seller’s bank will send the bank draft and related documents via the freight forwarder to the buyer’s bank or a bank with which it has a relationship in the buyer’s country. When the buyer authorizes payment for the goods, the buyer’s bank releases the documents to the buyer and transfers the funds to the seller’s bank.

The bank draft may or may not include a transmittal letter, which includes details of the bank draft transaction, including the types of additional documents that are included and payment instructions.

Export Order:

An export order, simply stated, means that there should be an agreement in the form of a document, between the exporter and importer before the exporter actually starts producing or procuring goods for shipment. Generally an export order may take the form of proforma invoice or purchase order or letter of credit.

What is the importance of export order?

Export documentation is required for goods leaving one country for another to ensure a variety of things. Export documentation **keeps those who export within the bounds of export**

compliance. Not obtaining specific approvals or licenses for special items (guns/weapons, medications, animals, plants, etc

What are the elements in export order?

Some of the essential elements of an export contract are: **Products, standards and specifications. Units of measure in both figures and words. Total value.**

Letter of Credit:

A Letter of Credit is a contractual commitment by the foreign buyer's bank to pay once the exporter ships the goods and presents the required documentation to the exporter's bank as proof. As a trade finance tool, Letters of Credit are designed to protect both exporters and importers.

What are 4 types of letter of credit?

Types of letters of credit include **commercial letters of credit, standby letters of credit, and revocable letters of credit.** Other types of letters of credit are irrevocable letters of credit, revolving letters of credit, and red clause letters of credit.

What is LC and how it works?

Key Takeaways. A letter of credit is **a document sent from a bank or financial institute that guarantees that a seller will receive a buyer's payment on time and for the full amount.** Letters of credit are often used within the international trade industry.

What is the process of letter of credit?



Letter of Credit Process

The seller requires a letter of credit as payment assurance. **The buyer submits a request to his Bank for a letter of credit to be issued in favor of the seller.** The buyer's Bank accepts the buyer's credit risk and issues and sends the credit to the correspondent bank (advising or confirming).

Export Declaration Forms:

An export declaration is **a form that is submitted by an exporter at the port of export.** It provides information about the goods being shipped, including type, number, and value. This information is used by customs to control exports, in addition to compiling statistical information about a country's foreign trade.

What is the importance of export declaration form?

What Is the Importance of Export Declaration? **The customs must know what goods are being exported to ensure that the consignments don't contain any prohibited goods.** It also needs to ensure that the restricted goods are being exported only after obtaining the required certificates.

What is required for shipper's declaration?

Individuals completing the Shipper's Declaration for Dangerous Goods form must **provide the full name, address, and telephone number of the receiver/consignee.** The Air Waybill or air consignment note is a receipt issued by an international airline for all shipments of goods by air.

Bill of Lading:

A bill of lading is a legal document issued by a carrier to a shipper that details the type, quantity, and destination of the goods being carried. A bill of lading is a document of title, a receipt for shipped goods, and a contract between a carrier and a shipper.

Understanding Bills of Lading

The bill of lading is a legally binding document that provides the carrier and the shipper with all of the necessary details to accurately process a shipment.¹ It has three main functions:

- It is a document of title to the goods described in the bill of lading.
- It is a receipt for the shipped products.
- It represents the agreed terms and conditions for the transportation of the goods.

Types of Bills of Lading

There are several types of bills of lading. Some of the most common include:

- Inland bill of lading
- Ocean bill of lading
- Through bill of lading
- Negotiable bill of lading
- Nonnegotiable bill of lading²
- Claused bill of lading
- Clean bill of lading
- Uniform bill of lading

Why is a bill of lading important?

The importance of a bill of lading lies in the fact that it's a legally binding document that provides the carrier and the shipper with all of the necessary details to accurately process a

shipment. This implies that it can be used in litigation if the need should arise and that all parties involved will take great pains to ensure the accuracy of the document.²

Essentially, a bill of lading works as undisputed proof of shipment. Furthermore, a bill of lading allows for the segregation of duties that is a vital part of a firm's internal control structure to prevent theft.

What is the purpose of a bill of lading?

A bill of lading has three main purposes. First, it is a document of title to the goods described in the bill of lading. Second, it is a receipt for the shipped products. Finally, it represents the agreed terms and conditions for the transportation of the goods.

Airway Bill:

An airway bill or AWB is a document that accompanies goods shipped by an international courier, which allow for tracking. It serves as a receipt of goods by an airline, as well as a contract of carriage between the shipper and the carrier.

How do I get an air waybill?

How do I Find My Air Waybill Number? Your air waybill is an 11 digit number, **normally located on your carrier's shipping label, but you may also find it in any of their email communications or directly from your online account.**

Who can issue an air waybill?



The carrier of the air shipment issues an Airway Bill upon receiving goods that have cleared the customs formalities. The shipper receives it and sends it through their bank to the consignee, if the transaction is under a Letter of Credit.

What is the purpose of a waybill?

A Waybill is a document, commonly used in consolidated consignment transport. A Waybill **lists the individual items but also informs the person receiving the document what type of charges he needs to collect from the recipients.** Waybills are often forwarded using remote data transmission.

Requirements for an Air Waybill

The International Air Transport Association (IATA) designs and distributes air waybills. There are two types of AWBs—an airline-specific one and a neutral one. Each airline AWB must include the carrier's name, head office address, logo, and air waybill number. Neutral air waybills have the same layout and format as airline AWBs; they just aren't prepopulated.

An air waybill has 11 numbers and came with eight copies of varying colors. With the Multilateral Electronic Air Waybill Resolution 672, paper air waybills are no longer required.¹ Dubbed the e-AWB, it's been in use since 2010 and became the default contract for all air cargo shipments on enabled trade lines as of 2019.

Bill of Exchange:

A bill of exchange is a binding agreement by one party to pay a fixed amount of cash to another party as of a predetermined date or on demand. Bills of exchange are primarily used in international trade. Their use has declined as other forms of payment have become more popular.

What is bills of exchange in simple words?

A bill of exchange is **a written order used primarily in international trade that binds one party to pay a fixed sum of money to another party on demand or at a predetermined date.**

What is bill of exchange with example?

Meaning of Bill of Exchange

A bill of exchange is **of real use if it is accepted by the person directed to pay the amount.** For example, X orders Y to pay ₹ 50,000 for 90 days after date and Y accepts this order by signing his name, then it will be a bill of exchange.

Bill of exchange, also called **draft** or **draught**, short-term negotiable financial instrument consisting of an order in writing addressed by one person (the seller of goods) to another (the buyer) requiring the latter to pay on demand (a sight draft) or at a fixed or determinable future time (a time draft) a certain sum of money to a specified person or to the bearer of the bill.

The bill of exchange originated as a method of settling accounts in international trade. Arab merchants used a similar instrument as early as the 8th century ad, and the bill in its present form attained wide use during the 13th century among the Lombards of northern Italy, who carried on considerable foreign commerce. Because merchants (the buyers) usually retained their assets in banks in a number of trading cities, a shipper of goods (the seller) could obtain immediate payment from a banker by presenting a bill of exchange signed by the buyer (who, in so doing, had accepted liability for payment when due). The banker would purchase the bill at a discount from its full amount because payment was due at a future date; the purchasing merchant's account would be debited when the bill became due. Bills could also be drawn directly on the banks themselves. After the seller received his payment, the bill of exchange continued to function as a credit instrument until its maturity, independent of the original transaction.

Bills of exchange are sometimes called drafts, but that term usually applies to domestic transactions only. The term *bill of exchange* may also be applied more broadly to other instruments of foreign exchange, including cable and mail transfers, traveler's checks, letters of credit, postal money orders, and express orders.

What is a Bill of Exchange?

A bill of exchange is a binding agreement by one party to pay a fixed amount of cash to another party as of a predetermined date or on demand. Bills of exchange are primarily used in international trade. Their use has declined as other forms of payment have become more popular. There are three entities that may be involved with a bill of exchange transaction. They are as follows:

- *Drawee*. This party pays the amount stated on the bill of exchange to the payee.
- *Drawer*. This party requires the drawee to pay a third party (or the drawer can be paid by the drawee).
- *Payee*. This party is paid the amount specified on the bill of exchange by the drawee.

Information Included in a Bill of Exchange

A bill of exchange normally includes the following information:

- *Title*. The term "bill of exchange" is noted on the face of the document.
- *Amount*. The amount to be paid, expressed both numerically and written in text.
- *As of*. The date on which the amount is to be paid. Can be stated as a certain number of days after an event, such as a shipment or receipt of a delivery.
- *Payee*. States the name (and possibly the address) of the party to be paid.
- *Identification number*. The bill should contain a unique identifying number.
- *Signature*. The bill is signed by a person authorized to commit the drawee to pay the designated amount of funds.

Shipping Bill:

What is a shipping bill?

An exporter, while sending goods from one country to another has to go through various formalities including submitting various applications, acquiring licenses, paying duties and so on. To acquire a clearance for export, from the Customs, an exporter will have to submit an application called the 'shipping bill'. One cannot load the goods unless the exporter files the shipping bill. The export may be by air, vehicle, or vessel. The goods can only be taken on board if the goods are accompanied by certain documents as described below:

At seaport/ airport	Shipping bill
At land customs station	Bill of export
For goods transshipment	Bill of transshipment.

A shipping bill is to be submitted electronically. However, the Principal Commissioner or the Commissioner may grant an exemption and accept a physical application, where an electronic submission is not feasible. A shipping bill has various forms which are differentiated by colour. The colour schemes denote the following:

Sr. No.	Form Name	Colour
1.	Dutiable Goods	Yellow
2.	Duty-free goods	White

3.	Goods with drawback claims	Green
4.	Goods allowed to be exported as duty-free ex-bond	Pink
5.	Export goods under DEPB Scheme	Blue

How does the shipping bill process work?

A shipping bill can be filed after the particular vessel/ship, etc., is granted with entry outwards that allows it to move out of the country. Once the bill is submitted, it is physically verified and the value of the goods intended for export are assessed by the customs authorities. The customs authorities verify these bills and endorse the copy with 'LET EXPORT ORDER' and 'LET SHIP ORDER.'

Procedure for generation of shipping bill

- The exporter gets registered with the Customs with their IEC Code No. or Customs House Agents (CHA) license No. and Authorised Dealer Code No. of the bank through which the export proceeds will be realised.
- A declaration in a specific format signed by the exporter or his authorised CHA is to be submitted at the service centre along with a copy of the invoice and the packing list.
- After the data entry is completed, a checklist will be generated and the same is handed over to the exporter.

- The exporter verifies the data and intimates the service centre.
- Once the data is verified and corrected, it automatically gets processed.
- It will be assessed by the Assistant Commissioner (export) when the value of such goods is more than Rs.10 lakhs, or it contains free samples worth more than Rs.20,000 or if the drawback amount exceeds 1 lakh.
- After the processing is done, the exporter can check the status of the bill with the service centre.
- Sometimes, queries might be raised to an exporter, who will have to file his reply through the service centres.
- At the docks, all the original documents such as invoice, packing list etc. are to be submitted by the exporter/CHA along with a checklist.
- If everything is in order, 'Let Export Order' will be issued by the proper officer.
- Once the 'Let Export Order' is issued, the print out of the shipping bill gets generated.
-

Format of shipping bill

The format of shipping bill is as follows: The form above should be accompanied with the documents enlisted below: a. Invoice b. Packing list c. Export license d. Indent e. Acceptance of Contract f. Letter of Credit g. QC Certificate h. Port Trust Document i. Any other (as specified)

Certificate of Origin:

A Certificate of Origin (CO) confirms the 'nationality' of a product and serves as a declaration to satisfy customs or trade requirements. COs are mostly required for customs clearance procedures to determine duties or legitimacy of imports.

Who gives Certificate of Origin?

A Certificate of Origin is issued by **both the Indian Chamber of Commerce as well as Trade Promotion Council of India**. This certificate issued by these two bodies is essential for exporters in India to prove that the commodities being exported are of Indian origin.

What are rules of origin certificates?

A proof of origin is an international trade document which **certifies that goods included in a consignment originate from a particular country or territory**. Certificates of origin shall accompany the Customs Import Declaration (or Single Administrative Document, SAD) when provided to the EU Customs Authority.

Types of Certificates of Origin

There is no standardized certificate of origin (CO) form for global trade, but a CO, normally prepared by the exporter of goods, has at least the basic details about the product being shipped, a tariff code, the exporter and importer, and the country of origin. The exporter, with knowledge of the specific requirements of border control at the importing country, will document these details, get the CO notarized by a chamber of commerce, and submit the form with the shipment. Detail requirements depend on the type of goods being exported and where they are going.

The main two types of COs are non-preferential and preferential.

Non-Preferential COs

Non-preferential COs, also known as "ordinary COs," indicates that the goods do not qualify for reduced tariffs or tariff-free treatment under trade arrangements between countries.

If an exporting country does not have in place a treaty or trade agreement with the importing country, an ordinary CO will be needed. Or, if a particular product being shipped has been excluded from tariff relief it must also be declared using an ordinary CO.

Preferential COs

Preferential COs indicate the presence of a free trade agreement or reduced tariffs between countries. For example, exports between the United States, Mexico, and Canada are exempt under the USMCA free trade agreement and would receive a preferential CO. In these and similar cases, instead, a commercial invoice or bill of lading is used.

In the U.S., the Generalized System of Preferences (GSP) enacted by Congress in 1974 to promote economic development of poor nations, eliminates duties on thousands of products imported from over one hundred countries accorded preferential status.

Countries like Bolivia, Cambodia, Haiti, Namibia, and Pakistan are presently on the list, as are numerous other third-world or developing countries. The European Union (EU) and countries around the world have their own versions of a GSP, mainly geared to fostering economic growth through trade with friendly nations.

Steps for Obtaining a Paper Certificate of Origin

Exporter in need of issuing a CO should follow the following steps, per their local chamber of commerce:

1. Complete and notarize an appropriate affidavit.
2. Provide either a manufacturer's invoice or commercial invoice that shows where your goods are manufactured.
3. Fill out the certificate of origin document.
4. Submit a notarized affidavit, certificate of origin document, and corresponding invoices to your chamber of commerce.
5. Indicate which documents you would like to be stamped.

There is usually a fee for stamping certificates of origin—however, if you're a member, that fee may be reduced. This is an incentive for becoming a member.

What's Included on a Certificate of Origin?

Certificates of origin will typically contain the following information;

- The name and contact information of the producer of the product, including the country of origin
- The name and contact information of the exporting agent
- The name and contact information of the receiver/importing agent
- A description of the good(s), including the appropriate product codes (known as HS codes)
- The item's quantity, size, and weight
- A [waybill](#) or [bill of lading](#) number
- The item's means of transportation and route information
- A dated commercial invoice of payment
- Any additional notes or remarks

How Do You Get a Certificate of Origin?

Certificates of origin (COs) are issued and filled out by the exporter of a good. The CO may then be approved by a chamber of commerce prior to shipment.

Can I Produce My Own Certificate of Origin?

Only exporters can issue a certificate of origin. Contact your local chamber of commerce (or similar authority) to get help with the process and understand what is needed for their approval.

Invoice:

An invoice is a time-stamped commercial document that itemizes and records a transaction between a buyer and a seller. If goods or services were purchased on credit, the invoice usually specifies the terms of the deal and provides information on the available methods of payment.

The Basics of an Invoice

An invoice must state it is an invoice on the face of the bill. It typically has a unique identifier called the invoice number that is useful for internal and external reference. An invoice typically contains contact information for the seller or service provider in case there is an error relating to the billing.

Payment terms may be outlined on the invoice, as well as the information relating to any discounts, early payment details or finance charges assessed for late payments. It also presents the unit cost of an item, total units purchased, freight, handling, shipping, and associated tax charges, and it outlines the total amount owed. ¹

Companies may opt to simply send a month-end statement as the invoice for all outstanding transactions. If this is the case, the statement must indicate that no subsequent invoices will be sent.² Historically, invoices have been recorded on paper, often with multiple copies generated so that the buyer and seller each have a record of the transaction for their own records. Currently, computer-generated invoices are quite common. They can be printed to paper on demand or sent by email to the parties of a transaction. Electronic records also allow for easier searching and sorting of particular transactions or specific dates.

A [pro forma invoice](#) is a preliminary [bill of sale](#) sent to buyers in advance of a shipment or delivery of goods. The invoice will typically describe the purchased items and other important information such as the shipping weight and transport charges. [Pro forma](#) invoices often come into play with international transactions, especially for customs purposes on imports.

The Importance of Invoice Date

The invoice date represents the time-stamped time and date on which the goods have been billed and the transaction officially recorded. Therefore, the invoice date has essential information regarding payment, as it dictates the credit duration and due date of the bill. This is especially crucial for entities offering credit, such as net 30. The actual due date of the invoice is usually 30 days after the invoice date. Likewise, companies offer customers the option to return items typically have a deadline based on a certain number of days since proof of purchase, as indicated on the invoice.⁴

E-Invoicing

Since the advent of the [computer era](#), people and businesses have found it easier to rely on [electronic invoicing](#) as an alternative to paper documents. Electronic invoicing, or e-

invoicing, is a form of electronic billing to generate, store and monitor transaction-related documents between parties and ensure the terms of their agreements are fulfilled.

These e-documents may include invoices and receipts, purchase orders, debit and credit notes, payment terms and instructions, and remittance slips.⁵ Digital invoices are normally sent via email, web page or app. Advantages include the following:⁶

- Permanence and resistance to physical damage
- Ease of searching and sorting for specific names, terms, or dates
- Increased auditability
- The ability to print or reproduce on demand
- The ability for data collection and business intelligence
- Reduction of paper use

E-invoicing includes several technologies and entry options and is used as a general term to describe any method by which an invoice is electronically presented to a customer for payment. Several e-invoicing standards, such as EDIFACT and UBL, have been developed around the world to facilitate adoption and efficiency.

Packing list:

A packing list is a document used in international trade. It provides the exporter, international freight forwarder, and ultimate consignee with information about the shipment, including how it's packed, the dimensions and weight of each package, and the marks and numbers that are noted on the outside of the boxes.

How do you write a packaging list?

How to fill out a shipping packing list

1. Date.
2. Shipper/exporter contact information.
3. Consignee contact information.
4. Address at origin country of the cargo.
5. Address at destination country of the cargo.
6. Total amount of packages.
7. Detailed description of each package.
8. Volume and weight of each package.

Why is packing list important?



A Packing List **helps the transport and logistics partner to have all the required details of the shipment being carried by them.** This is a mandatory document and must accompany every export shipment from India.

What are some other names for a packing list?

Other names used to describe a packing list are bill of the parcel, unpacking note, packing slip, delivery docket, delivery list, manifest, shipping list, and customer receipt.

Is a packing list a legal necessity?

While not technically a required document for Customs, a packing list is helpful to include in your shipment as it makes the import/export process easier for both shippers and Customs.

Why is a packing list important when exporting goods from a given country?

- It provides a count of the product that is being shipped
- It serves as proof of the inland [Bill of Lading](#)
- It indicated the information required for the [Certificate of Origin](#)
- It provides much of the detail needed by the Electronic Export Information section in the Automated Export System.
- It serves as proof of a Material Safety Data Sheet, in the case that goods are deemed hazardous or dangerous.
- It is used to create a booking with the international carrier, as well as obtaining an international Bill of Lading.
- It helps the Customs broker when entering the listed goods in their country's import database, as it contains important information.
- It serves as a guide for the receiver/buyer when counting the product that they received.
- It serves as a supporting document for reimbursement under a letter of credit.

How do I make an export packing list?

Your export packing list needs to include information about the number of units, boxes, and any other available packaging information, and all of those details should match the [Commercial Invoice](#) and reflect the same parties involved in the transaction.

Packing lists should also indicate if solid wood was used to pack the shipment and provide the necessary fumigation or heat treatment certificate if applicable.

When creating a packing list, make sure to include as much detail as possible about the shipment.

Some important details to include are:

- Date
- Shipper and exporter contact information
- Consignee contact information
- The origin address of cargo
- The destination address of cargo
- Total number of packages within this shipment
- A detailed description of each package
- The volume and weight of each package
- The volume and weight of the entire shipment
- Commercial invoice number for this shipment

GSP Certificate:

What is GSP certificate?

Introduction. 1 The Generalised System of Preferences (GSP) is **a non-contractual instrument by which industrially developed countries extend tariff concession to goods originating in developing countries.**

What is GSP (Generalised system of preferences)?

Generalised System of Preference (GSP) was implemented to support developing countries by giving them preferences in trade tariffs from developed countries. It is also defined as the non-contractual instrument by which developed countries extend tariff concession to goods originating in developing countries and an example of a Unilateral Trade Agreement.

The objective of GSP

1. To increase the export earnings of developing countries.
2. In promoting their industrialization.
3. Accelerating their rates of economic growth.

What is GSP Certificate of origin?

Certificate of Origin is the certificate that declares that goods in the export shipment are manufactured or produced in a particular country, basically, it tells about the nationality of the export goods. There are two types of Certificate of Origin - Preferential Certificate of Origin & Non-Preferential Certificate of Origin (NP CoO) issued in India.

Certificate of origin issued under GSP system comes under preferential type certificate of origin and known as GSP Certificate of Origin or Form a certificate of origin.

Exporters having a Certificate of origin under GSP can get the tariff concession on their export goods exported in developed countries.

The Government of India has nominated various agencies to issue the certificate of origin through a Common Digital platform CoO Portal launched by DGFT.

List of the GSP Countries

The following countries are there who are giving tariff preferences to exporters of the developing countries having the certificate of Origin under GSP trade agreement:-

Australia	Belgium	United Kingdom
Japan	Denmark	Czech Republic
New Zealand	Finland	Estonia
Norway	France	Cyprus
Switzerland	Germany	Latvia
United States of America	Greece	Lithuania
Republic of Belarus	Ireland	Hungary
Republic of Bulgaria	Italy	Malta
Russian Federation	Luxembourg	Poland
Turkey	Netherlands	Slovenia
European Union	Portugal	Slovakia
Spain	Sweden	

Customs of the above countries require Form A certificate of origin by exporters of beneficiary countries and certified by the authorized agencies.

Who issues GSP Certificate of Origin in India?

The Government of India has launched various agencies to issue Certificate of Origin. To issue CoO under GSP following agencies have been nominated and available to accept the application online on the common portal to issue the Certificate.

- Export inspection council
- Textiles Committee
- Marine Products Export Development Authority
- Directorate General of Foreign Trade
- Tobacco Board
- Noida Special Economic Zone
- Kandla Special Economic Zone etc.

Legalization of documents:

Legalisation shows that: the document was issued by an official authority. the signature, seal and/or stamp on the document are genuine. the document's format is correct.

What is the process of legalization of documents?

This is generally done by providing a stamp and signature from the concerned departments. Legalization is of different forms and is interpreted differently in different areas. Legalization of documents is also called as attestation. Another common form is apostille which is required for international matters.

What is the difference between legalization and attestation?

In international law, legalization is the process of authenticating or certifying a legal document so a foreign country's legal system will recognize it as valid. **Attestation and Legalization refer to the same concept of validating a document as authentic and are used interchangeably.**

What is the meaning of legalization?

Legalization is the process of removing a legal prohibition against something which is currently not legal. Legalization is a process often applied to what are regarded, by those working towards legalization, as victimless crimes, of which one example is the consumption of illegal drugs (see drug legalization).

What steps are involved?

The steps you must take to have a document legalised vary by country. It depends on the agreements made between the country where you want to use the document and the country that issued it.

Attention:

Sometimes you must also have your document translated by a sworn translator. Ask the authorities in question if this is necessary and, if so, where you can have this done.

Legalisation with an apostille

In many countries, you can have your document legalised with an apostille. This is a simplified form of legalisation. An authority in country A legalises the document with a type of stamp or sticker, known as an 'apostille'. After this, no more steps are necessary. You can use the document in all the countries that are party to the Apostille Convention.

Legalisation without an apostille

If one or both of the countries involved in your legalisation is not a party to the Apostille Convention, then legalisation often involves two steps:

Step 1

Step 2

Sometimes legalisation is not necessary

Legalisation is not necessary if Country A has an agreement with Country B exempting your type of document. If so, you can use your document in Country B without having it legalised. Several countries also have reciprocal agreements. Under the EU Regulation on Public

Documents, for instance, public documents issued in one EU member state do not need to be legalised for use in another.

Sometimes legalisation is not possible

Sometimes, legalisation is not possible in a given country. For instance, because of war or conflict in Country A. Or because there are no authorities that can check the document. If so, the authorities in Country B will check and assess the document.

Who may legalise a document?

You are not required to personally have the document legalised. Someone else may do it for you. It is not necessary to authorise that person to do so.

Bank Certificate of Export:

BRC is Bank Realisation Certificate, which is issued by the bank to exporters against shipping bills of export. FIRC stands for Foreign Inward Remittance Certificate and is issued against any receipt of amount from foreign countries by a bank to their customers.

What is a bank Realisation certificate?

A Bank Realisation Certificate or BRC is **a certificate issued by Banks as a confirmation that the exporter has received payment against export of goods from his buyer.**

What is the time limit for bank Realisation certificate?

Time limit for realisation is **15 months** in cases of goods sent to Indian owned warehouses abroad set up with the approval of RBI.

An e-BRC (Electronic Bank Realisation Certificate) is an important digital certificate for those involved in an export business. It is issued by a bank as confirmation that the exporter has received payment from the importer against the export of goods. Exporters are required to declare the value of the goods to be exported. Once all the payments against a shipping bill are received, an exporter can request their bank to close the entry into Export Data Processing and Monitoring System (EDPMS) and obtain an e-BRC. Any business applying for benefits under Foreign Trade Policy is required to furnish a valid BRC as proof of realization of payment against exports made.

What is the purpose of an e-BRC in exports?

An exporter needs an e-BRC to avail various export incentives (duty exemptions, subsidies, low-cost loans, etc.) that are offered by the government as a part of the Foreign Trade Policy. In India, the FTP and many of the export incentives are implemented by the [Director General of Foreign Trade \(DGFT\)](#). Earlier, an offline process, the DGFT has now made the entire process online and paperless. It allows banks to upload documents to the DGFT server and foreign-

exchange information related to exports. This information is transmitted through the digital certificate called e-BRC.

How does the process of e-BRC work?

e-BRC is an important step in the payment reconciliation process. Here is how the process of e-BRC works:

- Once the exporter receives payments in the bank account and the full value of the shipping bill within 9 months of the date of the shipping bill, export documents and the Electronic Foreign Inward Remittance Certificate (eFIRCs) are submitted to their respective banks.
- Exporter's bank settles the bill in EDPMS and generates e-BRC on the DGFT website.
- Banks upload INR equivalent of the realised foreign exchange, based on the exchange rate that is defined by the Central Board of Excise and Customs (CBEC).
- Exporter can then collect e-BRC from their bank or DGFT.

How to claim incentives for exports using e-BRC?

- In India, a shipping bill is generated electronically on [ICEGATE – the Indian Customs Electric Data Interchange Platform](#). The information on a shipping bill is automatically and electronically shared by ICEGATE with the DGFT. An exporter must link relevant shipping bills with e-BRC to claim export incentives.
- When an exporter claims an export incentive under a DGFT scheme, DGFT decides the value on which incentive is to be provided. For that, DGFT matches the Free on Board (FOB) value of the goods exported as contained in the shipping bill and the total realised value against export as mentioned in the e-BRC.
- While applying for an export incentive, exporter must ensure that the e-BRC value is reported by the bank and it shows the total realised value. If the e-BRC value is less, the bank should correct it.

To make exporting from India easy and simple, Amazon Global Selling provides assistance at multiple stages of exports and also credits earnings to the seller's Indian bank account. It also provides support to obtain e-BRC and other payment-related documents.