



Regulatory News Alerts & Updates

Regulatory Alert: Global Commercial Invoice Basics

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Overview

The commercial invoice is a critically important document in the customs clearance process that requires accurate and clear details. Customs organizations globally utilize the commercial invoice to make determinations such as the customs duties owed on importations and whether any specific import or export requirements may apply. In order to provide information to customs authorities, customs brokers will refer to the details provided on the commercial invoice to submit customs entries.

Contents of a Commercial Invoice

While each country's customs organization may have unique requirements related to specific products or scenarios, generally, the below details are important to include on the commercial invoice so that smooth and timely customs clearance may be facilitated.

1. Name, address, and contact details (including phone number and email address) for both the shipper and consignee
 - a. include the tax ID number where applicable
2. Name, address, and contact details for the importer, if different from the consignee
3. Clear description of the merchandise (itemized when multiple products are included in a shipment)
4. Value of the merchandise (broken out by unit price, the total value of the line item and total invoice value)
 - a. The currency must be identified
5. Country of origin
6. Quantity (broken out per unit and total quantity)
7. Weight (broken out per unit and total weight)
8. Harmonized Tariff Schedule classification of the merchandise (where applicable)
9. Reason for shipping (sale/ repair/ return etc.)
10. Terms of payment (method and date of payment, discounts, etc.) (where applicable)
11. INCOTERMS (where applicable)
12. Invoice number and date

Content Intended for FedEx customers only

13. Signature (where applicable)
14. Freight and insurance details (where applicable)
15. Means of transport (where applicable)

The commercial invoice may be prepared in any language, however, a translation into English is recommended and even mandatory in some countries.

As mentioned, certain products may have additional data elements, licenses, permits or specific forms required for clearance in a given country. Because of this, it is best practice to know your products and research whether any special import or export requirements may apply. FedEx provides tools such as Global Trade Manager and International Shipping Assist (not available in all locations) to aid its customers when shipping internationally. More information can be found at the Customs Documents landing page of [fedex.com](https://www.fedex.com) linked in the References section below.

Things to Remember

Precise Descriptions

Descriptions such as “gifts”, “parts”, or “accessories” do not provide the required clarity for customs brokers to submit a customs entry or for the customs agencies to review. These types of descriptions will result in unnecessary delays while clarifying details are requested. Vague or incomplete descriptions on the commercial invoice are a leading cause of international shipment delays across the globe. For example, the final link in the References section below is a list U.S. Customs and Border Protection provides of over 100 comparisons of poor descriptions and strong descriptions.

Strong descriptions accurately describe what the goods are made of and their intended use. Examples include “children’s toys made of plastic” and “women’s dresses made of 60% cotton 40% polyester”.

Proper Valuation

Valuation is the process of determining the value of imported goods for customs purposes. Undervaluation is the act of declaring a value less than the actual customs value of the goods; often to illegitimately receive a perceived benefit such as lower duties and taxes or a simplified entry process. Undervaluation is a direct violation of the FedEx Terms and Conditions, and customs agencies globally enforce proper valuation through customs regulations and laws.

FedEx customers are reminded of the importance of declaring the accurate customs value of their shipments in accordance with the customs regulations in the associated countries and regions.

FedEx Electronic Trade Documents and Electronics with Originals

Electronic Trade Documents (ETD) is a free solution that allows FedEx customers to upload shipment documentation electronically. This process allows the documents to be easily accessible for customs clearance and provides the documents earlier in the shipment process than paper documentation would. For FedEx customers shipping to or from countries where there are original, physical document requirements for import or export clearance, Electronics

with Originals (EWO) allows for the benefits of uploading electronic documents while also meeting the clearance requirements for original documents.

By choosing to enable ETD for international shipments, the system will automatically determine which solution is appropriate based upon the origin and destination country pair, simplifying the process for the user and allowing for the benefits of electronic shipment documentation.

For legacy TNT customers shipping between certain countries in the European Union, the equivalent solutions are Electronic Document Receipt (EDR) and Electronic Document with Originals (EDO). Just like with ETD, by choosing to enable EDR for international shipments, the system will automatically determine which solution is appropriate based upon the origin and destination country pair, simplifying the process for the user and allowing for the benefits of electronic shipment documentation.

Frequently Asked Questions

Q1 - What if the goods I am shipping are not sold? Is a commercial invoice still an acceptable document?

A1- Yes. The fields provided such as shipper and consignee information, description of the goods, weight, and quantity are still required for customs clearance, regardless of whether the goods are sold, thus a commercial invoice is an acceptable document to provide that information. While the unsold goods may not have an agreed-upon sale price, some customs agencies will require that the price that would be payable for the goods if they were sold be provided as the customs value, depending on the scenario. In some countries an additional declaration such as “the goods are being sent free of cost and have no commercial value” will be required.

Q2 - What if I am shipping multiple items at once? Can I simply provide a summary of the items?

A2 - No. Each separate product must be identified and broken out onto its own line that distinguishes that product’s value, quantity and weight to provide customs agencies with required visibility to the transaction and products being shipped.

Q3 - Can a commercial invoice be created by a third party such as a consolidator or an Authorized Service Partner (ASP) using their name and address rather than the actual shipper information?

A3 - Many countries do not accept invoices generated by consolidators or ASPs using their name and address in place of the actual shipper’s information. Therefore, in order to avoid clearance delays, it is advised to check the respective country’s regulations prior to creating the shipment documents.

References

FedEx Customs Documents Landing Page:

<https://www.fedex.com/en-us/shipping/international/create-documents.html#additional>

FedEx Electronic Trade Documents Landing Page:

<https://www.fedex.com/en-us/electronic-trade-documents.html>

U.S. Customs and Border Protection (CBP) Strong Description Examples:
<https://www.cbp.gov/trade/basic-import-export/e-commerce>