

What Is a Commercial Invoice in Export?

A Commercial Invoice is one of the most essential documents in international trade. It serves as a formal request for payment from the exporter (seller) to the importer (buyer) and outlines the sale of goods, including details necessary for customs clearance and financial processing.

What Information Does It Include?

A complete commercial invoice generally contains the following details:

- 1-Exporter and Importer Information: Name, address, and contact details of both parties.
- 2-Invoice Number and Date: For tracking and reference.
- 3-Buyer Reference or Purchase Order Number (if applicable).
- 4-Description of Goods: Clear, detailed description including quantity, weight, grade, HS code, and packaging type.
- 5-Unit Price & Total Value: Price per unit, total value, and currency.
- 6-Incoterms (e.g., FOB, CIF, EXW): Define delivery terms and responsibilities.
- 7-Country of Origin: Where the goods were produced.
- 8-Payment Terms: e.g., 30% advance, 70% on BL copy.
- 9-Signature of Exporter/Authorized Person.

Why It Matters: Key Functions

- 1-Customs Clearance Tool: Customs authorities use it to assess import duties and taxes. Incorrect or missing data can cause delays or penalties.
- 2-Proof of Sale: It legally documents the transfer of ownership from exporter to importer.
- 3-Facilitates Payment: Banks and financial institutions often require it for letter of credit processing or remittance of funds.
- 4-Auditable Record: It forms part of the financial and compliance trail for both buyer and seller.
- 5-Avoids Misunderstandings: Clearly states goods, pricing, and responsibilities to avoid disputes.