Main documents in international trade
<table>
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<td>✓ INVOICE</td>
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<td>✓ VIES</td>
<td>✓ SINGLE ADMINISTRATIVE DOCUMENT (SAD)</td>
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Invoice

• Main document issued by suppliers and sent to buyers to inform them of the amount they have to pay and to allow them to check the goods they have received;

• It states:
  – the type of goods, the quantity, the weight, the price per item and the total price, the terms of payment and the mode of dispatch of the goods supplied;

• It indicates:
  – Any taxation applicable to the transaction, e.g. VAT, and the discounts granted (if any) to the customer;

• It is always issued in duplicate or, especially in foreign trade, in a set of copies.
Electronic invoices

• The same as the traditional paper invoice.
• Advantages
  – Timesaving;
  – More accurate;
  – Easier to store and get back;
• To send and receive them you need:
  – An email account;
  – Software to make them read-only documents.
• An electronic signature may be added at the end.
Pro-forma invoice

• It is similar to an ordinary invoice but bears the words “pro-forma”.

• It is often sent:
  – before the official order is placed so that the buyer and the Customs authorities have all the information they need;
  – when the supplier wants pre-payment for the goods.

• It is used:
  • as an official quotation stating the terms of sale: unit price, quantity, delivery date and the various charges.
  • with goods sent on approval;
  • when goods are exported and their value must be stated for Customs;
Documents for customs clearance

- **within the EU**

- **VIES** (Vat information Exchange System / Sistema elettronico di scambio dati sull'IVA):
  - introduced to stop traders being fraudulent (i.e. selling goods to a ‘consumer’ in another EU country without charging VAT)...
  - used by authorities to check that the correct amount of VAT has been paid.
  - a form to be filled in periodically (every three months) by companies exporting to other member states;
Documents for customs clearance

• within the EU

• **INTRASTAT** (International Trade Statistics) – periodical declaration made by exporters about the amount of trade they have done over a period of time within the EU (generally every month);

• used to collect statistics of trade within the EU.
Documents for customs clearance

• Outside Europe

• **Single Administrative Document (SAD);**

• Main customs declaration form used in international trade;

• used by companies:

• to declare imports and exports;

• to enter goods to, and remove them from, customs procedures: i.e. it is the official form for declaring goods which need to go through a customs procedure.
• **CERTIFICATE OF ORIGIN (CO)**

- Document proving that goods to be exported were obtained, produced, manufactured or processed in the country of origin.
- **Purpose**
  - to calculate the import duties to impose on the goods;
  - to decide whether the goods can be imported or not from a certain country (i.e. the goods might be considered dangerous or there might be an embargo in place).
- It may be required:
  - when payment is made by L/C;
  - by foreign customs;
  - because the buyer requests it.
- It is generally issued by local Chambers of Commerce.
Goods on approval

- Arrangement under which items of durable nature (such as appliances, books, equipment) are provided to a prospective customer for a pre-purchase trial. These items are returnable after a specified period in re-saleable condition if not accepted for purchase.