FROM PROFORMA INVOICE TO COMMERCIAL INVOICE

A one-page guide for exporters: what each invoice is for, what changes between them and how to move from one to the other.

	Proforma invoice	**Commercial invoice**
Purpose	A preliminary offer that shows what the sale would look like	The final bill for goods that have shipped
When you issue it	Before the order is confirmed or before shipment	At or after shipment, once quantities and values are final
Binding	Usually not a final sale document; validity period stated	Yes, it is the sales invoice and a customs document
Buyer uses it for	Approving the order, arranging payment, a letter of credit or an import licence	Customs clearance, import duty and tax, and payment
Must show	Parties, goods, HS codes, quantities, unit prices, currency, Incoterms rule, payment terms, validity	All of that, plus invoice number and date, final quantities, weights, country of origin and shipping details
Numbering	Own proforma number	A unique invoice number in your accounts

STEPS

1. Send the proforma invoice with your quotation. State validity, Incoterms rule and named place, currency and payment terms.

2. The buyer confirms the order or asks for changes. Update the proforma if terms change.

3. Use the agreed proforma for the buyer's payment, letter of credit application or import licence, if needed.

4. Produce, pack and book the shipment. Record final quantities, packages and weights.

5. Issue the commercial invoice from the proforma: copy the agreed details, then update to the final quantities and add the invoice number, date, origin and shipping details.

6. Check that the commercial invoice, packing list, transport document and any letter of credit agree on every name, description, quantity and value.

7. Send the documents to the buyer or the bank, keep copies and record the payment date.

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