

7 tips for organising your export of home decoration and home textile products to Europe

To successfully launch your home decoration and home textile products in Europe you need to gain insights into the European business environment. Your buyers are professional, well-informed customers who will often offer a contract with a set of strict conditions. These conditions include payment terms, delivery terms, packaging and insurances. You need to agree on these conditions with your buyer before signing the contract. The tips listed below give short but practical information on how to deal with those issues and become an efficient, trustworthy and successful exporter.

Contents of this page

1. [Negotiate the payment terms](#)
2. [Do not take any risks - insure your export](#)
3. [Study the European Union customs policy](#)
4. [Select the best transport and logistics options](#)
5. [Ensure safe, cost-effective and sustainable packaging](#)
6. [Make detailed contracts](#)
7. [Use assistance of support organisations when organising your export to Europe](#)

1. Negotiate the payment terms

Before doing business with your European business partner, you have to negotiate the terms and conditions, including the payment terms. The terms and conditions will be stated in a contract and signed by both parties when agreed upon. These conditions are likely to include specifications regarding delivery, quality, health and safety requirements, along with payment specifications. The contract formalises all these details and offers both parties protection in the event that things go wrong. For more details on how to make your own terms and conditions see [our study](#) on this subject.

Payment terms vary from buyer to buyer and are related to the volume and value of the order, the type of distribution partner, whether or not an agent is in between, and what delivery terms apply. The most commonly used payment terms in the Home Decoration and Home Textiles (HDHT) sector are:

- **Payment or Cash in Advance:** this is a payment that is made ahead of delivery of the product. In Europe, it is not uncommon for businesses to request for advance (partial) payment. This happens for example in case of some Fair-Trade business relations. Certain sourcing countries have regulations stipulating 100% prepayment before delivery. This can be hampering business as buyers usually shy away from such costs or will negotiate a harder price deal.
- **Payment or Cash on Delivery:** this term means that a payment is due at the time the product is delivered. If the customer does not make the payment immediately, the seller has the right to repossess the goods.
- **Open account / deferred payment:** this payment method is most common, where payment is made 30, 60 or 90 days from the date of invoice.
- **Documentary Collection or Cash against Documents:** this method guarantees a physical control of the goods before you get paid. Documents (such as invoice, shipping documents and insurance) are transferred through the banking system. The importer can access the documents only when he complies with your instructions for the collection (Documents against Payment or Documents against Acceptance). This method guarantees a physical control of the goods, but it does not guarantee that you will actually get paid in the end. In case that importer does not pay you, you can return or store the products which, obviously increases your costs.
- **Bank Guarantees:** a bank guarantee (also known as a bond) obligates the bank to pay a sum of money if the applicant fails to fulfil his/her obligations. The beneficiary may claim the guarantee by presenting copies of unpaid invoices and / or other documents relating to the transaction. There are many kinds of guarantees

including advance payment guarantees, performance bonds, or maintenance bonds.

- Letters of Credit: other than payment in advance, the letter of credit is considered the most secure method of payment for you. In this case, the bank of the importer and your bank are in charge of controlling the documents and payment. The exporter is paid for the goods shipped only upon presenting documents that have been pre-described in a Letter of Credit. Upon issuing a Letter of Credit, the importer's bank acts as guarantor for payment. Payment under a Letter of Credit depends on the documents presented at the bank and not on the quality of the goods delivered or the services rendered.

There are various types of letter of credits, a few examples are:

- a transferable and untransferable Letter of Credit
- a revocable and un-revocable Letter of Credit
- a standby Letter of Credit and
- a confirmed and unconfirmed Letter of Credit.

A transferable Letter of Credit allows a beneficiary to further transfer all or part of the payment to another supplier in the chain or any other beneficiary. This generally happens when the beneficiary is just an intermediary for the actual supplier. Such Letter of Credit allows the beneficiary to provide its own documents but transfer the money further. An un-transferable Letter of Credit on the other hand, does not allow the transfer of money to any third parties. The beneficiary is the only recipient of the money and cannot further use the letter of credit to pay anyone.

A revocable Letter of Credit can be changed by the issuing bank or the buyer at any time without any notification to the seller/beneficiary. Such types of letters are not used frequently as the beneficiary is not provided any protection. An irrevocable Letter of Credit does not allow the issuing bank to make any changes without approval of all the parties.

A standby Letter of Credit assures the payment if the buyer does not pay. After fulfilling all the terms under a standby Letter of Credit and the seller proves that the promised payment was not made, the bank will pay to the seller. It does not facilitate a transaction, but it guarantees the payment.

In a confirmed Letter of Credit, the seller or exporter has payment guarantee from a second bank or a confirming bank. In case the first bank fails to pay then the payment will be done by the second bank. An unconfirmed Letter of Credit is only assured by the issuing bank and does not need a guarantee from the second bank.

Usually a long-term relationship is based on trust. Commonly, when making the first export shipments you will negotiate for an advanced payment or letter of credit, and gradually move through documentary collections toward the open account and deferred payment. If you do not know your buyer, you should always insist either on payment in advance or letter of credit.

The main disadvantage of the letter of credit is that it adds to the cost. To overcome this problem, you can offer the buyer to split the fees. For example, you can pay fees from your bank while the importer can pay fees to his (issuing) bank. Another challenge faced by some developing countries is that the banking sector may not offer the possibility for the use of a Letter of Credit. Some developing countries do not have correspondent banks that are recognised by European banks. Correspondent banks are necessary in this process.

Tips:

Carefully study the payment terms offered by your (potential) buyer, especially the number of days for deferred payment. European businesses normally expect payment terms of 30 days or more. If this does not suit you, try to negotiate a different term. Always include the payment term in your negotiation in relation to the price, where an advance payment can justify a lower price. On the other hand, a long credit period can justify a higher price.

Establish with your buyer how you would like to receive payment. Direct bank transfer is a common method of transferring fees abroad. Make sure your bank account can accept international currency transfers (if that is the case). Provide your buyer with all the correct bank details needed for making an international payment to your bank account. Make sure you are clear about the currency you will be paid in. If you are likely to be charged a currency conversion fee, consider including this in the price you quote your buyer.

Ask advice from your bank or Chamber of Commerce to understand the methods of payments better. You can also purchase [several guides and practical documents](#) on trade finance from the International Chamber of Commerce (ICC). Alternatively you can enrol in [ICC online training](#) on trade finance.

In case you consider the use of a letter of credit, be sure that the letter of credit is confirmed and irrevocable and check with your bank the actual costs and procedures. Select a bank which is recognised in Europe and with daily experience in dealing with letter of credits. Ideally your bank and the bank of your buyer should be part of the subsidiary network of the same bank.

2. Do not take any risks - insure your export

Doing international business is a risk, which is why insurance is important for you, as an exporter. Therefore, it is recommended to ensure the payment and goods especially if the contract involves larger volumes and values. The most important one is credit insurance. Other insurances often used in the sector are transport insurance and product liability insurance.

Credit insurance

For the export of HDHT products, export credit insurance is among the most common insurances. One particular advantage of export credit insurance is that it does not only secure payment of your export but can also increase your competitiveness. As many European buyers ask for deferred payment you can agree on that term while ensuring payment with the export insurance services.

There are many export credit insurance agencies with an international network of offices which are privately owned, but agencies can also be government owned. You should search for one in your country.

If your contract includes deferred payment, you can ask selected export credit agencies for support in the following way:

- You submit the request for credit insurance with the necessary documents to the insurer.
- The insurer sends an indicative offer.
- If you agree with the indicative offer, the insurer will request for a credit report of the buyer.
- The responsible department analyses the buyers' creditworthiness and sets the credit limits.
- The insurer delivers the final offer to you, after which, if you accept, the insurance policy is signed.

The processing of an export credit insurance will take four to six weeks on average. Added value of this procedure is that you also learn a lot about your buyers and get insights into their solvency and creditworthiness. This will not give you payment guarantees but you will have a clearer picture of the company you want to make a deal with.

Shipment insurance

Aside from ensuring the payment you can also insure your products. A shipment insurance is used to protect your shipment of products throughout the entire journey to a customer. As a goods exporter, whether the mode of transport is over sea, air, land or rail, transport insurance is another important insurance you should consider.

Depending on the agreed incoterms, either you as the exporter or your buyer is responsible for insurance of the goods. By agreeing on incoterms, you can achieve a precise understanding with your buyer of what each party is obliged to do, and where responsibility lies with regards to the insurance and transportation costs.

When Free on Board (FOB) incoterms are agreed for example, the exporter clears the goods for export and ensures they are delivered to and loaded onto the vessel for transport at the named port of departure. The buyer takes over risk and costs, including import clearance and duties, as soon as the goods are loaded onto the transport vessel at the port of departure.

Risk covered for transport insurance typically include issues such as theft, damage due to heavy weather and damage due to problems with a vessel. Depending on the agreed delivery terms either you as the exporter or your buyer is responsible to insure the goods. In case it is your responsibility, you should request a policy that covers the goods from the time it leaves your premises until your customer has taken possession of it.

Hiring a professional carrier does not automatically mean that their insurance is covering your goods. Common carriers do not always include transport insurance and if they do, the cover is usually limited. You also need to check whether the insurer is capable of handling a claim globally, otherwise having a claim paid could become an issue.

Product liability insurance

Another type of insurance used in export is product liability insurance. An international product liability insurance product is similar to a domestic one and involves covering the risks arising from a lawsuit or the cost of recall should the product you sell prove faulty or fail to comply with appropriate regulations. International insurance companies such as [HDI](#) offer global coverage and work with many countries worldwide.

As an exporter you need to ensure that you make every effort to comply with any laws associated with selling your product in the destination market, as insurance will not cover uninformed exporters. Compensation is therefore conditional on proving that you unintentionally sold a product that was later deemed faulty or dangerous.

Tips:

Find reliable export credit insurers, who are part of a larger international network. One of the best places is to search the [list of members](#) of the Berne Union.

Check Chamber of Commerce business registrations or business directories like [Kompass](#) to see if basic data such as annual turnover and basic balance sheets of your targeted buyers are available free of charge. By having more insights, you may decide to work with some clients without credit insurance.

Be clear with your buyer who takes responsibility for insurance of the goods during transportation. If this is you, you can search for a reliable shipment insurer via the [International Union of Marine Insurers and its member associations](#).

3. Study the European Union customs policy

Importers, agents or customs brokers are responsible for taking your goods through European customs. Although you, as the exporter, are not directly involved in this process at the European Union borders, it is extremely important to be in touch with the transporter and importer and provide all necessary documents and further support. Generally, the customs procedures involve the following 3 steps:

- Customs pre-alert: HDHT products must be “pre-alerted”. This pre-alert is usually electronically submitted by the carrier or freight forwarder carrying the goods. It is usually done between 2 to 24 hours before the arrival of the goods.
- Inspection and control: this step involves a documentation check and the physical examination of goods.
- Customs decide about the further actions: they accept the goods for free trade within the European Union, allow movement into free zone, allow re-export outside the European Union or refuse or destruct the goods when these are not compliant with EU regulations.

When your goods arrive into the European Union they are inspected and checked by customs authorities. Apart from the export documents, examination can involve taking samples for analysis in customs laboratory. In case of non-compliance with the European Union safety rules, products will be rejected, and in some cases, customs authorities may require physical destruction of the goods. Rejection of the goods may mean a great profit loss for the developing country exporter. Therefore, it is extremely important to properly check if your goods comply to European regulations before exporting. You can check these requirements in our study [Buyer Requirements](#).

Another important aspect related to customs is the proof of origin of goods. Based on the rule of origin, products in the HDHT sector imported from developing countries have lower customs duty or are duty free.

The following documents are required for customs clearance in Europe:

- Commercial invoice: the commercial invoice is a record or evidence of the transaction between you as the exporter and the importer. Once the goods are available, you will issue a commercial invoice to the importer in order to charge him for the goods.
- Packing list: the packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents. It provides information on the imported items and the packaging details of each shipment (such as weight, dimensions and handling issues).
- Customs Value Declaration: the Customs Value Declaration is a document, which must be presented to the customs authorities where the value of the imported goods exceed EUR 20,000.
- Freight documents (transport documents): Freight documents often include the Bill of Lading (for sea freight), Airwaybill (for airfreight) or Roadway Bill or CMR document (for road transport).
- Freight insurance: the insurance is an agreement by which the insured is indemnified in the event of damages caused by a risk covered in the policy. Insurance is all-important in the transport of goods because of their exposure to more common risks during handling, storing, loading or transporting cargo, but also to other rare risks, such as riots, strikes or terrorism.
- Customs Import Declaration (SAD): All goods imported into the European Union must be declared to the customs authorities of the respective Member State using the Single Administrative Document (SAD), which is the common import declaration form for all the Member States.

Tips:

Read the Guidance Document on [Customs Formalities on Entry and Import](#) into the European Union to become familiar with the [Union Customs Code](#).

Use [Market Access Map](#) to analyse competitive advantage based on applied tariffs for your country and other countries. You can learn how to use “compare” and other functions from [instructional MacMap videos](#).

Get specific information about procedures and rules for obtaining a certificate of origin (either Form A or EUR 1 certificate) in your country. According to the type of trade agreement between your country and the European Union specific rules apply.

Consult your freight forwarder or customs agent about export documents and customs procedures issues. You can search for the agent on the website of the [European Freight Forwarders Association](#) or the [International Forwarding Association](#). Also you can search for the national associations through the website of the [European Association for Forwarding, Transport, Logistics and Customs Services](#). Alternatively, you can search for the relevant association in your country through the website of

4. Select the best transport and logistics options

There are different ways of transporting goods to Europe, the means of transport that provides the best option for you will depend on your home country and product. In general, you can choose from (a combination of):

- Truck: highly flexible, bulk and finished goods;
- Rail: limited flexibility, bulk and finished goods;
- Air: faster, expensive, high value finished goods;
- Marine: slow, large volumes, bulk and finished goods.

Transport by sea is the most common mode of transport for HDHT products and the most important one for exporters from developing countries.

In the movement of goods from the exporter (shipper) to the buyer (consignee), there are five physical steps and two documentation steps, which must all take place for every single shipment. With each step there are costs involved which must be settled by either the exporter or the buyer. If you want to avoid cost surprises and unnecessary delays in your supply chain, make sure you and your buyer have agreed in the contract who exactly pays for each of these seven steps, also known as the delivery terms and internationally recognized as Incoterms. Incoterms clarify the tasks, costs and risks to be borne by buyers and sellers in export transactions.

Since transportation by sea is the most common use of transportation in the sector, we will discuss the seven steps based on ocean freight. The steps are: Export Haulage, Origin Handling, Export Customs Clearance, Ocean Freight, Import Customs Clearance, Destination Handling and Import Haulage.

Export haulage

The first part of the transportation is export haulage. Export haulage is the movement of the goods from the shipper's to the freight forwarder's premises. The forwarder's premise in the case of less than container load (LCL) shipments is always a warehouse in the origin country, where the forwarder either has its own people or nominated agents. The goods will typically move on road (by truck), rail or a combination.

If it is agreed that the exporter is responsible for this part of the transportation, it will mostly be arranged through a local transportation company. If, however, the buyer is responsible, it often makes most sense to use a freight forwarder who can offer export haulage as part of the international transportation. Handling of the cargo (loading the goods onto a truck) at the exporter's premises is not considered part of export haulage.

Export customs clearance

For every shipment leaving a country, customs formalities must take place to meet regulatory requirements. Customs clearance is a transaction whereby a declaration is developed and required documents are submitted to authorities.

Export customs clearance can either be performed by a freight forwarder with a valid license or an agent appointed by the freight forwarder. Alternatively, it can be performed by a customs house broker appointed directly by the shipper, who does not necessarily take any other part in the shipping process. The export customs clearance step must be completed before the cargo can leave the country of origin and, if not

performed by the freight forwarder, it is often required to be completed before the cargo enters the forwarder's origin warehouse.

Origin handling

Origin handling covers all physical handling and inspection of the goods from receiving it at the origin warehouse until it is loaded on a ship in a container. There are many steps carried out under origin handling and in most cases, this is the responsibility of the freight forwarder, or an agent appointed by the freight forwarder. In short, when the cargo is received, it is inspected, planned for loading, consolidated with other cargo, stuffed into a container and moved to the port where it is loaded onto a ship.

Ocean freight

The freight forwarder decides on a shipping line to perform the ocean freight from origin to destination in order to meet the required timeline for the shipments. The freight forwarder and the shipping line have a contract of carriage for the container, both you and your customer will not have any direct interaction with the shipping line.

Import customs clearance

Import customs clearance can already begin before the cargo arrives at the destination country. It is a regulation where a declaration is developed and submitted together with relevant documents enabling authorities to register and levy any customs duty on the shipment. Import customs clearance is performed by the freight forwarder or an agent of the freight forwarder, or by a customs house broker appointed by the consignee.

Destination handling

As for the origin, cargo handling is also required in the destination before it can be released to your buyer. Destination handling includes transfer of the container from the ship to shore and from the port to the forwarder's destination warehouse. It also includes un-stuffing of the container and preparing the cargo for the consignee to collect.

Import haulage

The last leg of the transportation is the actual delivery of the goods to the buyer. It can either be performed by the freight forwarder or a local transportation company appointed by the consignee. The import haulage typically covers transportation to a specific address, but not unloading from the truck, which is the responsibility of the consignee.

There are several international freight forwarders and logistics agents for you to use. Some include all documentation needed for international trade in their services, others only arrange transportation. You can discuss the different options with your buyer.

Common delivery terms

The delivery terms also known as the incoterms depend on the type of shipment partner and respective preferences as to physical distribution. Importers will prefer Free on Board (FOB) or Free Carrier (FCA) arrangements. FOB is restricted to goods transported by sea or inland waterway. It means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination.

FCA can be used for any transportation mode. It means that the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point.

Retail multiples can ask for Cost Insurance Freight (CIF). That means that they will ask you to include the

shipping and insurance charges in your quotation. Small retailers may go a step further and ask you to arrange that the goods will be delivered to their doorstep. The delivery terms Delivered Duty Paid (DDP) may then be negotiated. For importers who are consolidating orders in your country, Ex Works (EXW) terms are often best.

Tips:

Go to the websites of the [Transport Information Service](#) and [Container Handbook](#) for information on safe storage and transport of your products. You can also find a specific advice on [how to secure cargo for road transport](#) in the European best practice guidelines.

Check the website of the [European Logistics Association](#) (ELA) to network with the many different operators within Europe. From ELA you can also receive a training on different topics such as logistics, transportation or warehousing. You can also participate in ELA [events](#).

Do not hurry when selecting a logistics company. Send your request for proposal to many operators and be as specific as possible with questions. After you make a short list make your selection and sign a detailed contract. Your contract needs to involve points such as responsibilities, how damaged goods are dealt with, price changes and compensation.

Find the [list of quality certified ship agents and brokers](#) on the website of FONASBA.

Study the rights and obligations of buyers and sellers for the different [Incoterms](#) and make it part of your negotiation. The delivery terms are part of the service and solutions you offer.

5. Ensure safe, cost-effective and sustainable packaging

Your buyer will usually instruct you how to pack the goods. They have their own specific requirements which they will generally include in the order specifications. These will likely include:

- the use of packaging materials
- weight and dimensions
- filling boxes
- palletisation
- stowing containers
- marking on the packaging

First of all, the packaging should minimise the risk of damage caused by shocks. When your goods are inside a cardboard box, you should make sure the items cannot damage each other. Bubble wrap or paper is generally used for this. The packaging should also prevent damage to the boxes when they are stacked inside the container.

Cardboard boxes are usually palletised for air or sea transport and exporters are requested to maximise pallet space. For some products in the HDHT sector, reducing transport and transportation emissions by flat-packing or efficiently stocking the items in the container is key. Such considerations need to be part of this product group's design phase.

Second, packaging must be easy-to-handle in terms of dimensions and weight. Standards are often related to labour regulations at the point of destination. The buyer must specify them.

Third, packing should be optimised to reduce transportation costs. You have to avoid using excess materials or shipping 'air'. Waste removal is a cost to buyers. You can reduce the amount and diversity of packing materials by:

- partitioning inside the cartons, using folded cardboard
- matching inner boxes and outer cartons by using standard sizes
- maximise pallet space
- considering packing and logistical requirements when designing your products
- asking the buyer for alternatives

A constant concern for transportation of products in the HDHT sector is moisture, because condensation may develop in the hold of a ship even if it is equipped with air conditioning and a dehumidifier. Another aspect of this problem is that cargo may also be unloaded in bad weather conditions, or the destination port may not have covered storage facilities. Theft during shipment is another added risk. To reduce these risks, make sure:

- Your products are packed in strong containers, adequately sealed and filled when possible.
- You provide proper bracing in the container, regardless of size, make sure the weight is evenly distributed.
- Your goods are palletized and when possible containerized.
- Your packages and packing filler is made of moisture-resistant material.
- To avoid theft, avoid writing contents or brand names on packages. Other safeguards include using straps, seals, and shrink wrapping.
- Observe any product-specific hazardous materials packing requirements.

Sustainability concerns

When it comes to packaging material, importers are increasingly banning wooden crating and packaging. This is due to the high cost of the material and concerns regarding sustainability and disposal. Economical and sustainable packaging materials are more popular. Using biodegradable packing materials can be a market opportunity. For some buyers, it can even be a requirement.

Europe has specific [packaging and packaging waste legislation](#). This EU Directive 2015/720, was adopted to harmonize measures concerning the management of packaging and packaging waste and to prevent or reduce its impact on the environment at European level. Buyers may therefore request you to minimize the use of packaging materials (paper, carton, plastic) or to use different kind of (recycled) material.

Europe also has [requirements for wood packaging materials](#) (WPM) used for transport, such as:

- packing cases
- boxes
- crates
- drums
- pallets
- box pallets
- dunnage

All wood packaging material and dunnage from non-European Union countries must be:

- either heat treated or fumigated in line with ISPM15 procedures;
- officially marked with the ISPM15 stamp consisting of 3 codes (country, producer and measure applied) and the IPPC logo;
- debarked.

These requirements do not apply to:

- wood 6mm thick or less;
- wood packaging material made entirely from processed wood produced using glue, heat and pressure e.g. plywood, oriented strand board and veneer;
- wood packaging material used in trade within the European Union.

The objective of this Directive is to prevent organisms that are harmful to plants or plant products from being introduced into and spreading within the European Union. It also regulates imports from third countries in line

with international plant health standards. Keep this in mind when you decide on the packaging of your products.

Labelling

Information on the outer packaging of your products should correspond to the packing list sent to the importer. It should include producer name, consignee name, materials used and quantity, size, volume and caution signs. Your buyer will also specify what information they need in terms of product labels or on the item itself (logos, 'made in...'). This forms part of the order specifications.

On completion on packing and labelling you must prepare a packing list. A packing list is an essential document since it is needed for customs procedures. It will be used by carriers, cargo handlers, warehouses and customers. A packing list is prepared with the following particulars for each package: marks, numbers, gross weight in kg, net weight in kg, dimensions in cm, volumes and content description. This list also gives the total number of packages and the total gross weight and volume. Depending on the product, certain internationally accepted marks are put outside of the packaging.

Dimensions

Bear in mind that packed goods must be within the limits of size and weight established by the carrier. The majority of the European traders prefer to use pallets with 1,200 x 800 mm dimensions (Euro Pallets). In order to avoid pallets overturning you must ensure that cargo is well stabilised. The maximum recommended height of a cargo unit is about 1.7 m. Also, pay attention to the types of forklifts you are using. Electric forklifts are recommended when dealing with food in order to avoid contamination which may be caused by forklifts powered by fuels.

Aside from the protective role, size and weight also influence the cost of transport. Packing and handling costs are reflected into the final cost of the product. The savings in packaging costs are significant if the container is fully utilised. It is important to emphasise that the time of loading and unloading of the containerised goods from a vessel can be reduced by 20-25% if the port has appropriate facilities.

Tips

Make sure that your packaging is adequate for protecting your products, while minimising the cost and environmental footprint (the effect you have on the environment). Smart packaging and optimising pallet and container space can save considerable money.

Make use of biodegradable packaging where you can. It can enhance your position in the market.

Always consult with your importer for specific packaging requirements.

Check computer programmes that allow to calculate and design packaging as well as plan the best arrangement of the goods inside containers and tracks. Those include: [ShipHawk](#), [packVol](#) and [TOPS Pro](#).

Check specific packaging requirements for the variety of products on our [product fact sheets for HDHT products](#).

6. Make detailed contracts

Well-defined agreements in contracts will protect your business and give your buyers a sense of reliability and professionalism. Some buyers may be satisfied with only email exchange; however, even if your buyer does not want a contract, it is in yours interest to have one. Contracts or framework agreements act as a reminder and a record of what needs to be done. They also form the basis of legal proceedings, should either the supplier or

buyer breach the agreements.

There are many details that can be part of the contracts, but the main details are the following:

- Name and addresses of the parties.
- Product specification (following internationally accepted standards).
- Quantity (units of measure in both figures and words).
- Total value (specify the currency, it is possible to state the price per unit and the total). It is possible to agree to a price escalation clause, which ties the price to a certain exchange rate. In addition to this, it is possible to enter into a so-called SWAP transaction with banks for the purpose of a currency hedge.
- Terms of payment such as advance payment or payment deadline.
- Terms of delivery: State the delivery terms, based on one of the [Incoterms 2020](#).
- Taxes, duties and charges: Clarify responsibility for all taxes. The prices quoted by the seller may include taxes, duties, and charges. Levies in the country of importation (if any) may be the buyer's responsibility.
- Delivery: Specify the place of dispatch and delivery. Also state whether the period of delivery will run from the date of the contract, from the date of notification of the issue of an irrevocable letter of credit, or from the date of receipt of the notice of issuance of the import license by the seller.
- Packaging, labelling, and marking: Note all packaging, labelling and marking requirements in the contract.
- Insurance related to protect the goods against loss, damage, or destruction during transportation. Specify the type of risk covered and the extent of coverage.
- Documentary requirements such as the bill of exchange; commercial invoice and other invoices; bill of lading or airway bill; insurance policy; and letter of credit.
- Force majeure or excuse for non-performance of contract: Include provisions in the contract defining the circumstances that would relieve partners of their liability for non-performance of the contract.
- Remedial action: As defaults in contractual obligations by any of the parties can occur, it is always advisable to include in the sale or purchase contract certain specific remedial actions. These remedial actions should reflect the mandatory provisions of the law applicable to the contract.
- Governing law: Since trade with foreign partners mostly involves two laws, it is possible to select one of them as the governing law.
- Place of jurisdiction: Foreign trade contracts usually include a provision on the place of jurisdiction. The place of jurisdiction defines which court is competent for a possible dispute between the parties.
- Arbitration: As an alternative to legal proceedings before a general jurisdiction court, it is also possible to settle disputes between contracting parties before an arbitration court.
- Inclusion of general terms and conditions. You may agree not to have them.
- Legal signature of the parties.

Tips:

For the first contracts ask the help of a lawyer who is experienced in international trade issues.

When claiming specific characteristics of the product indicate international recognised testing methods such as those of the [International Standards Organisation](#).

For more details on how to make your own terms and conditions see [our study](#) on this subject.

7. Use assistance of support organisations when organising your export to Europe

There are a number of relevant government bodies and private sector organisations in your target markets in Europe that may be able to offer you support with regards to organising your export.

- European HDHT products associations can offer support regarding your export to Europe. Examples of these

associations are [International Housewares Association \(IHA\)](#) and [European Floral & Lifestyle Suppliers Association \(EFSA\)](#).

- [The German Federal Ministry for Economic Affairs and Energy](#) promotes foreign trade and investment and offers information that may be of help. In the UK, [the British government](#) and The Institute of Export and International Trade, provide information and advice for imports of products and services from non-European countries.
- The [European Union's import and export page](#) and [EU Trade Helpdesk](#) provide extensive information on import regulations and taxes in the European Union.
- The [International Trade Centre \(ITC\)](#) provides publications such as [How to Access Trade Finance](#), [Model Contracts for Small Firms](#) and ITC's [SME Trade Academy](#) provides online courses (some are free of charge), including international transport and logistics.
- The [International Chamber of Commerce \(ICC\)](#) has worldwide offices and offers arbitration, export learning tools and information about incoterms.
- Your own Chamber of Commerce and Industry can provide you advice and information. Usually chambers of commerce and industry have staff specialised to deal with certain issues such as certificate of origin, transport, trade agreements and legal issues.


Read our [Tips for Finding Buyers](#) and [Tips for Doing Business](#), these can help you further understand how to enter the European market and provide insights of how European buyers think.


This study has been carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration Remco Kemper (MDD).

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