Instructions

A quotation is one of the first steps in an export transaction. It is a response to an inquiry received from a potential buyer (or a U.S. representative of the foreign entity) or a proactive marketing step of a U.S. based company.

If a quotation is sent to a foreign company that is not familiar with the company or products, the description should be very specific and detailed, more so than if the buyer were domestic. Along with the description, there are other items that should be included, such as:

1. Seller’s name and address

2. Potential buyer’s name and address

3. Buyer’s reference – inquiry number if noted

4. Prices of items: per unit and extended

5. Weights and dimensions of quoted products

6. Discounts, if applicable

7. Terms of sale or Incoterms used (include geographical delivery point)

8. Terms of payment

9. Validity of quotation

10. Estimated shipping date

11. Estimated date of arrival

*(Before making the final sales arrangements, it is highly advisable to also issue a Pro-forma Invoice. This document is important because once signed by both parties it is an enforceable as a contract. A Pro-forma Invoice contains much of the same information as in a Quotation Letter, and is often used by buyers to support an application for a Letter of Credit and/or import license. It spells out the price of the goods, the shipping terms (type and costs), and the sales terms.)*

When quoting a price, it is beneficial to give a potential buyer some options of trade terms selection. Incoterms are very effective when presenting pricing options to the potential buyer. For some very large foreign companies, it is more convenient and cost-effective to negotiate their own freight rates and organize their own shipments, so they may prefer EXW or F-terms. On the other hand, there may be other buyers that would prefer the seller to organize the movement, thereby preferring the C-terms or even the D-terms.

**This template includes instructions to the buyer regarding the seller’s conditions for a letter of credit. If you will not be paid under a letter of credit, please delete these instructions from your template.**

|  |  |  |
| --- | --- | --- |
| **SELLER/EXPORT COMPANY** | Street Address  City, State Zip Code USA |  |

Quotation number:

Dated: Month Day, Year

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**FORMAL QUOTATION**

Customer Name

Address

Subject: Your request for quote for Product.

Our Reference No.:

Currency: USD

Trade Term: Subject to Incoterms® 2010

**Model No. Description Quantity Unit Price Extended Price**

Tariff Classification

Country of Origin

Export Packing/Crating:

Inland Freight:

**Total Incoterms**® **Rule City, State, Country**

**Terms and Conditions of Sale:**

Payment Terms: Payable in U.S. Dollars by wire transfer of funds prior to shipment of order or by an ***acceptable*** letter of credit. Instructions are attached for opening a letter of credit.

Terms of Sale: Buyers may choose any of the above trade terms (Incoterms® 2020) that are in bold print, then submit a purchase order with your selection. When submitting a purchase order, please state the appropriate Incoterms® Rule indicating the “named place” and followed by the words: “... *per Incoterms® 2020.”*

Transfer of Title: Occurs at \_\_\_\_\_\_\_\_\_ .

Validity of offer: (insert number) calendar days from date of quote.

Shipment Date: (insert number) weeks after receipt of payment or acceptable letter of credit.

Export Control: Please be advised, this order may be subject to an export license.

**Seller/Export Company**  Quotation number:

Dated: Month Day, Year

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**Shipping Information:**

*(Estimate only; may vary at time of shipment)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ITEM** | **PART NUMBER** | **QUANTITY**  **(PIECES)** | **INVENTORY**  **AVAILABILITY** | **GROSS WEIGHT (LBS) EACH** | **TOTAL GROSS WEIGHT (LBS)** | **CUBIC FEET**  **(PER PIECE)** | **TOTAL CUBIC FEET** |
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| **TOTALS** |  |  |  |  |  |  |  |
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**Total chargeable weight for ocean shipping:**

**Recommended mode of shipment:**

**Export Information:**

Origin of Goods:

HS No.:

The receipt of your purchase order will signify acceptance with the terms and conditions of this quotation. Please use Seller/Export Company quotation number when placing your order.

If changes to this offer are needed, please request a revised quote.

Destination Control Statement:

These commodities, technology or software will be exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited.

For Seller/Export Company:

**IMPORTANT!**

In compliance with United States federal law, the Destination Control Statement (DCS) is to be entered on the invoice, the bill of lading, air waybill, or other export control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad. The Export Administration Regulations specify when it is mandatory.

**Seller/Export Company**  Quotation number:

Date: Month Day, Year

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**LETTER OF CREDIT REQUIREMENTS**

Customer Name

Address

**Subject:** Your request for quote

Our Reference number:

If a letter of credit is issued, below are the terms and conditions acceptable to Seller/Export Company. If any of these requirements are unacceptable, please contact Ms. George with alterations so an agreement can be reached. This will eliminate unnecessary costs and delays later due to amendments on the letter of credit.

1. Please open the letter of credit by SWIFT; opening letters of credit by mail may delay the order process by 2-4 weeks.
2. The credit shall be drawn in irrevocable form and subject to “Uniform Customs and Practice for Documentary Credits” International Chamber of Commerce Publication Number 600.
3. The letter of credit is to be advised and confirmed by any U.S. owned bank, preferably at the counters of (insert bank’s name). Seller/Export Company's bank may be the advising/confirming if the customer does not already have a bank for this purpose. Banking information for letters of credit are as follows:
4. The credit shall be payable at the counters of any U.S. Bank.
5. The letter of credit shall show as The Beneficiary:

**Seller/Export Company**

**Street Address**

**City, State Zip Code USA**

|  |
| --- |
| **Seller/Export Company** Quotation number:  Date: Month, Day, Year  Page 4 of 5 |

1. The letter of credit shall be payable in U.S. Dollars at sight of draft and documents and in the amount specified in the order.
2. The following documents will be provided for this transaction. Please avoid the requirement for any other documents without prior agreement by us.
3. Commercial Invoice at value per the agreed order subject to Incoterms® 2010 (insert trade term and location). 1 original and 3 copies.
4. Packing List in 1 original and 3 copies.
5. The transport document as follows:

**For Air Freight:**

Clean Air Waybill consigned to the issuing bank designating "notify applicant".

- Air consolidator’s air waybills shall be allowed.

- Marked freight collect or prepaid, as agreed in the order.

**For Ocean Freight:**

Clean on Board Multimodal Ocean Bill of Lading consigned “to order” of shipper.

- NVOCC bills of lading shall be allowed.

- Marked freight collect or prepaid, as agreed in the order.

1. The port of export (for air or for ocean) shall be specified as “any USA port/airport”
2. The entry port at destination.
3. Trans-shipment allowed.
4. Partial shipments shall be allowed, if agreed upon in the order.
5. The expiration date on the letter of credit shall not be less than (insert number) days after the issuance of the transport document (air or ocean bill of lading).
6. The letter of credit shall not be transferable.
7. ***All*** banking charges incurred inside and outside the beneficiary’s country are for the account of the applicant (customer). **Note**: this includes all charges related to amending the letter of credit as well as confirmation fees (must be specified in writing within the credit).
8. Please describe the product as follows:
9. Letter of credit must be in English.
10. No boycott, restrictive trade practices, or discriminatory provisions will be allowed in the letter of credit.

**TIPS:**

1. Use a multi-modal Incoterms® 2010 rule associated with a location or port/airport (CPT foreign ocean port of entry).
2. Specify “transport document” rather than ocean bill of lading or air waybill, in case the method of transportation changes.