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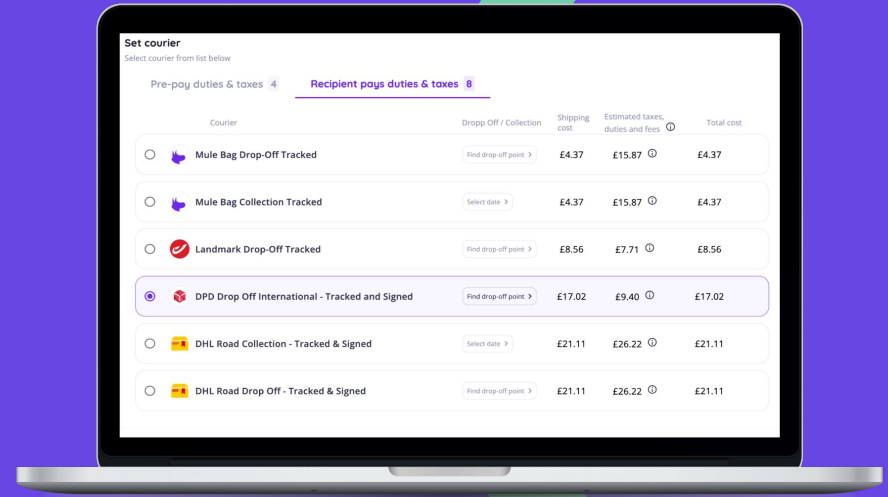# International shipping guide

1. Know what you can and can't ship

2. DDU vs DDP

3. Postal vs Courier

4. Consumer preferences

5. Customs invoices

6. International shipping terms

7. What can go wrong?

Know what you can and can't ship

Why?

Countries and couriers have restrictions on what can and can't be imported and sent. It is your responsibility as the shipper to check this with the courier service you are using.

What can go wrong?

If you send a prohibited item your parcel can be returned and even destroyed. This will be costly and may also cause you to lose a customer.

DDU vs DDP

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DDU

DDU stands for delivery duty unpaid. This means the recipient of the parcel will pay for any duties & taxes once the parcel has arrived in the destination country

Positives: responsibility is on the recipient not the merchant to handle duties & taxes

Negatives: Unpaid duties & taxes cause returns, returns fees and customs delays

DDP

DDP stands for delivery duty paid. This means that duties & taxes are calculated and paid before the parcel is sent

Positives: No returns or return fees due to unpaid duties & taxes. No unexpected surprises for your customers. No customs delays. Total cost of shipping the parcel is cheaper

Negatives: The merchant has to have a system in place to collect the duties & taxes from the customer

What is best?

If you are serious about growing your international business we would recommend using DDP shipping.

It reduces shipping costs and provides clarity to your customers on duties & taxes they have to pay before purchasing which incentives international sales.

Postal vs Courier

Postal

Postal shipping services use the national postal service of the destination country to deliver your parcel. For example, if you choose a postal service to ship your parcel to France, La Poste will deliver your parcel. In the UK Royal Mail is a postal service

Positives: Cheap which incentives international sales

Negatives: Takes longer to arrive and there is less you can do to resolve an issue if something goes wrong

Courier

A courier service is a premium, all-inclusive service which collects and delivers shipments in the shortest possible time frame. DHL Express is a courier service

Positives: Fast delivery times, easy to resolve issues with your parcel, better tracking updates and fewer size restrictions

Negatives: More expensive

What is best?

Showing both options to your customers allows you to get the best of both worlds

Customers who require fast shipping will be happy to pay a premium. Customers who prefer to pay less and wait for the parcel will be happy choosing a postal service

This allows you to maximise your international sales

What do customers prefer?

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56% of European customers will only wait a maximum of 5 days for an international shipment

47% of European customers do not purchase an item online because of the potential for customs fees

70% of European customers will add another item to their basket in order to access free shipping

56% of European customers will not purchase an item online because of expensive or limited shipping options

Case study

The story

Feather pendants started in Kush Shah's bedroom at the age of 16, in 2015. He had a passion for jewelry and thought that high quality and conceptual jewelry was difficult to find. He launched his first collection and found immediate success. His business has grown tremendously since.

The problem

As Feather pendants grew, Kush found that he was getting progressively more interest from overseas customers. He was shipping directly with DPD, but found customers were often abandoning their digital carts due to expensive shipping costs and he was often losing a lot of money as customers were not paying duties & taxes and he was being charged return fees as a result.

He was losing time having to deal with international shipping issues, losing money because of unpaid duties & taxes and losing customers because of high shipping prices.

The solution

Mule allowed Kush to access a range of different couriers at different price points. This meant he could automatically show multiple different shipping options at checkout and reduce his cart abandonment rate. Some of these services were DDP which meant Kush's customers paid duties & taxes upfront and he was no longer losing money on return fees. Kush also saved a lot of time as he no longer had to fill in customs forms by hand. Mule automatically generates customs forms and builds them into the label.

These changes have increased Kush's international sales by 200% since the start of 2022 and he now has more time to spend on growing his business.

FEATHER PENDANTS

Feather pendants is a conceptual and contemporary jewelry business powered by Shopify.

Using Mule for 2 years
Shipped to 50+ countries
Saved £6000+ on shipping

"Mule is a live saver! Helpful team, amazing savings to be made on international orders. Most useful app!"

Customs invoice

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A customs invoice is a document to declare the content of your package to Customs Authorities. This needs to be accessible to the customs agent when they are processing your parcel.

CN22

If you ship internationally with a postal service and the value of your parcel is less than £270 a CN22 must be attached to the parcel. If you use Royal Mail you will need to print this form and fill it out by hand and attach it to the parcel you are sending.

CN23

If you ship internationally with a postal service and the value of your parcel is more than £270 a CN23 must be attached to the parcel. If you use Royal Mail you will need to print this form and fill it out by hand and attach it to the parcel you are sending.

Commercial Invoice

If you use a courier service you should fill out a commercial invoice rather than a CN22.

CN22

CUSTOMS DECLARATION
Complete in **BLOCK CAPITALS.**

CN 22
May be opened officially
Great Britain

1

Sender`s Name

Sender`s Address & Postcode

2

Contents
Tick all that apply

- Gift
- Documents
- Sale of Goods
- Commercial Sample
- Returned Goods
- Other:

3

Description of contents	Quantity	Weight (kg)	Value (GBP)
Total			

4

Commercial items only; if known enter HS tariff no. & origin

If applicable, VAT reg number

I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations.

Sign & Date

CN22A   (Jan 20)

CN22

1 Enter your sender address details.

2 Tick the box to indicate why the parcel is being sent. This will have duties & taxes implications.

3 Provide description on contents, quantity, weight and value for each item inside your parcel. Add a new line for each item.

Enter a total for the number of items, weight and value of the parcel

4 Enter HS codes and the country of origin for the items inside your parcel. If you are registered for VAT you should supply your VAT number

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CUSTOMS DECLARATION **CN 23**

Great Britain Grande-Bretagne

From De
Name
Business
Street
Postcode | City
Country

To A
Name
Business
Street
Postcode | City
Country

Sender's Customs reference (if any) Référence en douane de l'expéditeur (si elle existe)

No. of item (barcode, if any)
DÉCLARATION EN DOUANE
Nº de l'envoi (code à barres, s'il existe)

May be opened officially
Peut être ouvert d'office

Important!
See instructions on the back

Importer's reference (if any) (tax code/VAT No./importer code) (optional)
Référence de l'importateur (si elle existe (code fiscal/Nº de TVA/code de l'importateur) (facultatif)

Importer's telephone/fax/e-mail (if known)
Nº de telephone/fax/e-mail de l'importateur (si connus)

Detailed description of contents (1) Description détaillée du contenu	Quantity (2) Quantité	Net Weight (3) Poids Net (in kg)	Value (5) Valeur	For commercial items only Pour les envois commerciaux seulement HS tariff number (7) Nº tarifaire du SH	Country of origin of goods (8) Pays d'origine des marchandises
		Total gross weight (4) Poids brut total	Total value (6) Valeur totale	Postal charges/Fees (9) Frais de port/Frais	

Category of item (10) Catégorie de l'envoi
☐ Gift Cadeau
☐ Documents

☐ Returned goods Retour de marchandise
☐ Other Autre

Commercial sample Echantillon commercial Explanation: Explication:

Office of origin/Date of posting Bureau d'origine/Date de dépôt

Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)
Observations: (p. ex. Marchandise soumise à la quarantaine/à des contrôles sanitaires, phytosanitaires ou à d'autres restrictions)

I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations

☐ Licence (12) Licence
No(s). of licence(s)

☐ Certificate (13) Certificat
No(s). of certificate(s)

☐ Invoice (14) Facture
No. of invoice

Date and sender's signature (15)

1
2
3
4

CN23

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1 Enter your sender and recipient address details. Make sure to include the Importers phone number as customs may try to contact the recipient for duties & taxes payment

2 Provide description on contents, quantity, weight, value, HS code and country of origin for each item inside your parcel. Add a new line for each item.

Enter a total for the weight and value of the parcel

Enter the shipping cost in the Postal cost/Fees section

3 Tick the box to indicate why the parcel is being sent. This will have duties & taxes implications.

4 Sometimes, products may be subject to quarantine, health/sanitation restrictions or other import regulations. It is important that you state this on the customs declaration.

Commercial invoice

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① ② ③ ④ ⑤ ⑥ ⑦

Commercial	-	Proforma	☑	
1) Invoice Number		G84Y8IBCERIQ	2) Invoice Date	2022.07.27

3) Shipper Name	Ids Erf	13) Consignee's Name	John Doe
4) Shipper Company		13) Consignee's Company	
5) Shipper Address	84 ecclestone square	15) Consignee's Address	260 Rua Mandacarú
6) Shipper Zipcode	SW1V 1PX	16) Consignee Zipcode	31370-270
7) Shipper Country	GB	17) Consignee Country	BR
8) Shipper Email	idries@mule.app	18) Consignee Email	john.doe@gmail.com
9) Shipper Phone Number	07718136371	19) Consignee Phone Number	+5511984565666
10) Shipper VAT ID	GB123456789	20) Consignee VAT ID	No VAT ID required
11) Shipper EORI Number	No EORI required	21) Consignee TAX ID	No TAX ID required
12) IOSS Number	Not Applicable	22) Consignee EORI Number	No EORI required

23) No. of Parcels	1	24) Total Weight	0.5

25) Item Quantity	26) Full Description of Items	27) Unit Value	28) Currency Code	29) Unit Net Weight	30) HS Commodity Code	31) Country of Manufacture
1	Shows	10.00	GBP	0.5	430310	GB
				32) Total Value		10.00

33) Payer of GST/VAT	The sender
34) Terms of Payment	PIA
35) Type of Export	Permanent
36) Reason for Export	Sale of Goods
37) Terms of Trade (INCO)	DDU
38) Customs Invoice Type	Proforma
39) Name of Signee	Ids Erf

40) I declare that the above information is true and correct and to the best of my knowledge. The exporter of the products covered by this document, declares that, except where otherwise clearly indicated, these products are of UK preferential origin

I declare that the products covered by this document are not subject to any export or import prohibitions & restrictions

Date: 2022.07.27
Position in company: Director

41) For and on behalf of the above name/company:

Idries Erfan

Signature...

Print name................................ IDRIES ERFAN

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Commercial invoice

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1 You should select proforma box rather than commercial. Proforma is used when the commercial invoice has been completed before goods are shipped. You should add random numbers and letters for the invoice number and you can date the invoice to the current date

2 Enter your details as the sender of the parcel.

3 If you have an EORI, VAT or IOSS number add it to this section (more on this later on in the guide). If you do not have one, or you do not need to use it for the country you are sending to you can add the text "Not Applicable" to this section.

4 Enter the recipient details of your parcel. Make sure you enter a correct email address and phone number for your recipient. The courier or customs agent may try and contact your recipient to clear the parcel.

5 Add your recipients EORI, VAT or IOSS number it this section if they have one. If they do not have one, or you not need to use it for the country you are sending to you can add the text "Not Applicable" to this section.

6 Provide the contents of your parcel. If there are multiple different items inside your parcel, add a new line underneath your first item. Make sure to use the correct HS code for each item as the customs authority will use this to classify your item

7 Payer of GST/VAT should be "The sender".

Terms Of Payment is the payment terms between a merchant and their customer, this should be "PIA" which is payment in advance.

Type of Export: Write "Permanent" You are sending their parcels without the expectation that the item will be sent back to them so the export is permanent.

Reason for Export: Either "Gift", "Sale of goods" or "Sample". Items you send can either be a Gift, a Sale, or a Sample. This indicates to the customs agent the reason for sending the parcel and sometimes has tax & duties implications

Terms of Trade (INCO): Write "DDU" or "DDP".

Customs Invoice Type: Write "Proforma"

How can I optimise customs invoices?

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As you have seen filling out customs invoices is very time-consuming.

Mule automatically generates customs invoices for you and builds them into the label, so you do not need to do anything apart from stick your label on your parcel!

IOSS Number

What is it?

Some businesses decide to collect VAT at checkout when an EU customer purchases from them. The IOSS number informs EU customs officials that they do not need to charge the recipient any VAT when the parcel arrives in the destination country

How do I get one?

A business either registers for their own IOSS number (costs £1.5k+ per annum for IOSS tax filing) or uses the IOSS number of the marketplace they are selling on e.g. eBay or Etsy. You can then add your IOSS number to your shipment when fulfilling your e-commerce order

How does it work?

e.g. A customer in France buys a £100 jumper from UK:

Without an IOSS number: sender ships parcel worth £100 and shipping £20. Parcel arrives in France and recipient is emailed/texted asking for £20 VAT + £8 customs handling fee.

With an IOSS number: sender ships parcel worth £100 and shipping £20, sender collects £20 VAT on their checkout page and sends to EU via accountant. As parcel is marked with IOSS number, there are no customs delays

OSS Number

What is it?

Businesses in Northern Ireland will have an OSS number which is the same as their VAT number

How does it work?

This should be passed on to your shipping provider to inform customs officials the parcel is coming from Northern Ireland. Customs officials need to know this because shipments with NI origin will not qualify for VAT payments

HS Code

What is it?

The 'harmonised system' is an internationally standardized system of names and numbers to classify traded products. For example, if you sell T-shirts, the HS code for a T-shirt is *6109100010*

How do I find my HS code?

You can use this link to find the HS code of your item. Some shipping providers can automatically find the HS code of your items based on the description you give it on your e-commerce platform.

How do I use this?

When you are fulfilling your international orders your shipping provider will request the HS codes of the items inside your order so they can pass this over to customs in the destination country.

De minimis value

What is it?

A minimum value defined by a country required to apply customs duty and tax rates on imported goods.

Not every shipment is taxed on import. Many countries have a de minimis threshold, under which shipments are cleared without incurring customs duties or taxes.

e.g. US de minimis value is $800. So, if someone sends a parcel to the US worth $500, there will be no duties or taxes to pay by either the sender or recipient

How do I find out the de minimis value for a given country?

You can use this link.

EORI Number

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What is it?

A unique number to your business used if you undertake the import or export of goods into or out of the EU. EORI is only relevant for imports into UK and UK outbound shipments to the EU above £900.

How do I get an EORI number?

You can use this link.

Cash on Delivery (COD)

What is it?

Cash on Delivery is used in certain countries and by some couriers to collect unpaid duties and taxes from customs on delivery. The consignee may be asked to pay by cash when collecting the parcel or when this is delivered.

What can go wrong?

Unpaid duties & taxes

If duties & taxes are not paid the parcel will be returned to sender. There will also be return fees which are often as expensive as the original label cost

Returns timeframe

If an international parcel is marked for return it can sometimes take quite a while for the parcel to be returned to you. This can be frustrating as a small business. Postal services have longer returns timeframes compared to courier services.

Recipient not home at delivery

Couriers will often attempt to deliver again if your recipient is not there to receive the parcel, however depending on the service you are using, this can cause a parcel to be returned back to you. Some couriers offer the option to reschedule a delivery or choose a safe place to deliver the parcel

Address can not be located

Sometimes the delivery address of your recipient can not be found. This can also cause parcel returns. Some couriers offer the option to amend the delivery address and attempt redelivery

We can help you ship internationally

Get quote