



Import Terminology Guide for New Importers

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Simplifying Global Trade · www.brandempowerer.com

Have questions?

Reach out for a **free import consultation**:

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Key Trade Terms (Incoterms®)

Understanding Incoterms is essential to clarify responsibilities, costs, and risks between you and your supplier.

Term	Key Phrase (For Sellers)	What It Means for YOU (The U.S. Importer)
EXW	Pick Up at Factory	Your responsibility starts at the supplier's door. You arrange and pay for everything — trucking in China, export paperwork, ocean freight, U.S. customs clearance, and duties. Offers lowest upfront cost but highest hidden risk/complexity.
FOB	On the Ship in China	Supplier delivers goods to the port and loads them onto the vessel. Once on board, risk and cost shift to YOU. You pay for the main ocean freight, insurance, and all U.S. side costs. The most common term for importers.
CIF	To the U.S. Port (with Insurance)	Supplier pays for the goods to arrive at your U.S. port, including insurance. However, you are the "Importer of Record" and responsible for U.S. customs clearance, duties, and onward trucking. Risk transfers to you at the origin port.
DDP	Delivered Duty Paid	The "All-In, Hands-Off" Solution. The supplier (or your freight forwarder like us) handles the entire journey to your U.S. warehouse door, pays all costs (including U.S. duties and taxes), and assumes all risks. Maximizes cost predictability and simplicity.



Other Essential Import Terms

Customs & Compliance

Customs Clearance

The process of declaring goods to U.S. Customs and Border Protection (CBP) for legal entry into the U.S.

Customs Bond

A mandatory insurance policy that guarantees payment of duties, taxes, and fees to U.S. Customs. Most importers use an annual bond.

ISF (Importer Security Filing / "10+2")

A mandatory electronic submission of 10 data elements to CBP at least **24 hours before cargo is loaded** overseas. Late or inaccurate filing can result in a **\$5,000 penalty**.

HTS Code (Harmonized Tariff Schedule Code)

A 10-digit number used to classify imported products and determine applicable duty rates. Accuracy is critical to avoid delays or fines.

→ *Our team can help you determine the correct HTS code for your products.*

Duty

A tax imposed by U.S. Customs on imported goods, calculated as a percentage of the product's value (based on its HTS code).

Shipping & Logistics

ETD – Estimated Time of Departure

What it means: The planned date and time when a vessel is scheduled to leave the port of origin.

Why it matters:

Helps exporters plan loading and documentation.

Allows importers to track the start of transit and estimate arrival.

Used for coordinating inland transportation and customs processes.

Example:

"ETD Shanghai: Oct 15, 2024" means the ship is expected to leave Shanghai on that date.



ETA – Estimated Time of Arrival

What it means: The expected date and time when a vessel is scheduled to arrive at the destination port.

Why it matters:

Helps importers prepare for customs clearance and delivery.

Allows warehouses and trucks to be scheduled in advance.

Used to manage inventory and supply chain timing.

Example:

“ETA Los Angeles: Nov 5, 2024” means the ship is expected to arrive in LA on that date.

LCL (Less than Container Load)

Your goods share container space with other shipments. Ideal for smaller volumes (typically 1-400 cartons). You pay only for the space used.

FCL (Full Container Load)

You reserve an entire 20ft or 40ft container exclusively for your cargo. More cost-effective for larger shipments.

Demurrage & Detention (D&D)

Fees charged by shipping lines and terminals for late return of containers:

- **Demurrage:** Container stays too long at the port after arrival.
- **Detention:** Container is held too long outside the port.

Brokerage Fee

The fee charged by a Customs Broker (or your freight forwarder) for preparing and filing customs entry documentation on your behalf.

Let Us Guide Your Next Import Shipment

Whether you’re unsure which Incoterm to choose, need help with customs clearance, or want a seamless DDP solution—we’re here to help.

Get Your Free Consultation

Contact Our Trade Experts

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THANKS