



Incoterms 2020

Stages of Shipping

Obligation of Buyer and Seller for Terms

	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DPU	DAP	DDP
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Formalities / Customs	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading at Point of Origin	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Inland Freight	Buyer	Seller/Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Port Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder Fees	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean / Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Destination Port Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller/Buyer	Seller	Seller	Seller	Seller
Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Import Duties and Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery to Final Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller/Buyer	Buyer	Seller	Seller	Seller



EXW – Ex Works (named place of delivery)

The seller makes the goods available at his/her premises. The buyer is responsible for uploading. This term places the maximum obligation on the buyer and minimum obligations on the seller. The Ex Works term is often used when making an initial quotation for the sale of goods without any costs included. EXW means that a seller has the goods ready for collection at his premises (works, factory, warehouse, plant) on the date agreed upon. The buyer pays all transportation costs and also bears the risks for bringing the goods to their final destination. The seller does not load the goods on collecting vehicles and doesn't clear them for export. If the seller does load the goods, he does so at buyer's risk and cost. If parties wish seller to be responsible for the loading of the goods on departure and to bear the risk and all costs of such loading, this must be made clear by adding explicit wording to this effect in the contract of sale.

FCA – Free Carrier (named place of delivery)

The seller delivers goods, cleared for export, to the buyer-designated carrier at a named and defined location. This is used for any mode of transport. The seller must load goods onto the buyer's carrier. The key document signifying transfer of responsibility is receipt by carrier to exporter.

FAS – Free Alongside Ship (named port of shipment) [Maritime transport only]

The seller must place the goods alongside the ship at the named port. The seller must clear the goods for export. Suitable only for maritime transport but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). This term is typically used for heavy-lift or bulk cargo.

FOB – Free on Board (named port of shipment) [Maritime transport only]

The seller must load the goods on board a vessel designated by the buyer. Cost and risk are divided when the goods are actually on board of the vessel. The seller must clear the goods for export. The term is applicable for maritime and inland waterway transport only but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). The buyer must instruct the seller the details of the vessel and the port where the goods are to be loaded, and there is no reference to, or provision for, the use of a carrier or forwarder. This term has been greatly misused over the last three decades ever since Incoterms 1980 explained that FCA should be used for container shipments. It means the seller pays for transportation of goods to the port of shipment, loading cost. The buyer pays cost of marine freight transportation, insurance, uploading and transportation cost from the arrival port to destination. The passing of risk occurs when the goods pass the ship's rail at port of shipments.

CPT – Carriage Paid To (named place of destination)

The seller pays for carriage. Risk transfers to buyer upon handling goods over to the first carrier at place of shipment in the country of export. This term is used for all kind of shipments.

CFR – Cost and Freight (named port of destination) [Maritime transport only]

The seller must pay the costs and freight to bring the goods to the port of destination. However, risk is transferred to the buyer once the goods are loaded on the vessel. Insurance for the goods is NOT included. This term is formerly known as CNF (C&F, or C+F). Maritime transport only.

CIF – Cost, Insurance and Freight (named port of destination) [Maritime transport only]

Exactly the same as CFR except that the seller must in addition procure and pay for the insurance.

CIP – Carriage and Insurance Paid to (named place of destination)

The containerized transport/multimodal equivalent of CIF. Seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier.

DPU – Delivered at Place of Unload (named terminal at port or place of destination)

DPU replaces the former Incoterm® DAT (Delivered At Terminal). The seller delivers when the goods, once unloaded are placed at the disposal of the buyer at a named place of destination.

The seller bears all risks involved in bringing the goods to, and unloading them at the named place of destination.

DAP – Delivered at Place (named place of destination)

Seller pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer. Import clearance = import duty and VAT and not the Import Customs Clearance.

DDP – Delivered Duty Paid (named place of destination)

Seller is responsible for delivering the goods to the named place in the country of the buyer and pays all costs in bringing the goods to the destination including import duties and taxes. The seller is not responsible for unloading. This term is often used in place of the non-Incoterm "Free in Store (FIS)".

This term places the maximum obligations on the seller and minimum obligations on the buy.