

INCOTERMS® 2020 QUICK REFERENCE GUIDE

“The Incoterms® (**I**nternational **C**ommercial **T**erms) rules are a globally-recognized set of standards, used worldwide in international and domestic contracts for the delivery of goods. The Incoterms® rules provide specific guidance to individuals participating in the import and export of global trade on a daily basis.”

The rules have become the standard in international business rules setting. Our guide illustrates responsibilities

between buyers and sellers with regards to costs, risks, responsibilities for cargo insurance, and regulatory compliance. Read more about Incoterms® rules from the official International Chamber of Commerce [website](#), where you can also order the “Incoterms® 2020” publication.

This chart is designed to provide a basic level of understanding of Incoterms® 2020 published by the International Chamber of Commerce (ICC)



	RULES FOR ANY MODE OR MODES OF TRANSPORT							RULES FOR SEA & INLAND WATERWAY TRANSPORT			
	<u>EXW</u>	<u>FCA</u>	<u>CPT</u>	<u>CIP</u>	<u>DAP</u>	<u>DPU</u>	<u>DDP</u>	<u>FAS</u>	<u>FOB</u>	<u>CFR</u>	<u>CIF</u>
	ex works	free carrier	carriage paid to	carriage & insurance paid to	delivered at place	delivered at place unloaded	delivered duty paid	free alongside ship	free on board	cost & freight	cost, insurance & freight
Transfer of Risk	at buyer's disposal	on buyer's transport	at carrier	at carrier	at named place	at named place unloaded	at named place	alongside ship	on board vessel	on board vessel	on board vessel
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port / Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Seller	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Seller
Destination Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Buyer	Buyer	Buyer

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Rules For Any Mode Or Modes Of Transport

EXW Ex Works

The seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works, factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

FCA Free Carrier

The seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

CPT Carriage Paid To

The seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties). The seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

CIP Carriage And Insurance Paid To

The seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.

DPU Delivery at Place Unloaded

The seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. "Terminal" includes a place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

DAP Delivered At Place

The seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

DDP Delivered Duty Paid

The seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

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Rules For Sea And Inland Waterway Transport

FAS Free Alongside Ship

The seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment. The risk of loss of or damage to the goods passes when the goods are alongside the ship. The buyer bears all costs from that moment onwards.

FOB Free On Board

The seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The buyer bears all costs from that moment onwards.

CFR Cost and Freight

The seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

CIF Cost, Insurance and Freight

The seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.