



INCOTERMS 2020 Guide

BREAKDOWN DIVIDING RESPONSIBILITY FOR RISK AND COSTS BETWEEN SELLER (EXPORTER) AND BUYER (IMPORTER)											
	RULES FOR ANY MODE OF TRANSPORT							RULES FOR SEA AND INLAND WATERWAY TRANSPORT			
INCOTERM	EXW	FCA	CPT	CIP	DAP	DPU	DDP	FAS	FOB	CFR	CIF
DESCRIPTION	EX Works ... named place of origin	Free Carrier ... named place of origin	Carriage Paid To ...named place of destination	Carriage and Insurance Paid to ...named place of destination	Delivered At Place ...named place of destination	Delivered at Place Unloaded ...named place of destination	Delivered Duty Paid ...named place of destination	Free Alongside Ship ...vessel at named port of shipment	Free On Board ...vessel at named port of shipment	Cost and Freight ...named port of destination	Cost, Insurance and Freight ...named port of destination
NOMINATE CARRIER OR FREIGHT FORWARDER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER	SELLER
STORAGE, LABOR, AND EXPORT PACKING CHARGES AT ORIGIN	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
EXPORT CLEARANCE	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
LOADING AT ORIGIN	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
INLAND FREIGHT	BUYER	DEPENDS ON NAMED PLACE!	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
PORT RECEIVING CHARGES (THC)	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
FREIGHT FORWARDER'S FEES****	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER*	SELLER*	SELLER	SELLER
LOADING ON OCEAN CARRIER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER
OCEAN / AIR FREIGHT CHARGES	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER	SELLER
<u>TRANSFER OF RISK FROM SELLER TO BUYER</u>	AT NAMED POINT OF ORIGIN	AT NAMED POINT OF ORIGIN	WHEN GOODS ARE DELIVERED TO THE CARRIER	WHEN GOODS ARE DELIVERED TO THE CARRIER	WHEN GOODS ARE MADE AVAILABLE TO THE BUYER AT THE NAMED PLACE	WHEN GOODS ARE UNLOADED FROM ARRIVING MEANS OF TRANSPORT AT NAMED PLACE	WHEN GOODS ARE CLEARED AND MADE AVAILABLE AT THE NAMED PLACE	WHEN GOODS ARE PLACE ALONGSIDE VESSEL AT NAMED PORT	WHEN GOODS ARE LOADED ON BOARD THE VESSEL	WHEN GOODS ARE LOADED ON BOARD THE VESSEL	WHEN GOODS ARE LOADED ON BOARD THE VESSEL
CARGO INSURANCE	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	SELLER***	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	SELLER****
CHARGES IN FOREIGN PORT / AIRPORT	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER
DUTIES, VAT, AND TAXES AT DESTINATION	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER	BUYER
CUSTOMS CLEARANCE CHARGES - DESTINATION	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER	BUYER
DELIVERY CHARGES TO FINAL 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

See page 2 for footnotes *, **, ***, ****



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* Note: Under the terms of the EXW Incoterm, there is no obligation on the part of the seller to organize export clearance, HOWEVER according to the U.S. Export Administration Regulations, this is still the legal responsibility of the seller, UNLESS the seller has obtained in writing from the buyer (Foreign Principal Party in Interest) a specific agreement to accept the responsibility for export license determination in writing. This is referred to as a 'routed export transaction'. The seller must provide the buyer with sufficient technical information to determine export licensing requirements.

** When there is no **obligation** to obtain insurance, each party is required to provide the other with the information needed to obtain insurance to cover their portion of the risk.

*** The CIP Incoterm requires the seller to obtain extensive insurance coverage complying with Institute Cargo Clauses (A); however it is still open to the buyer and seller to agree to a lower level of coverage.

**** The CIF Incoterm requires the seller to obtain limited insurance coverage complying with Institute Cargo Clauses (C); however it is still open to the buyer and seller to agree to a higher level of coverage.

Notes:

It is important to clearly specify the named place or port, i.e.; "FOB Port of Los Angeles", "CPT London Heathrow Airport", "DAP 123 Main Street, Anytown USA", "DDP Room 307, 123 Main St. Anytown USA"
INCOTERMS may be modified by agreement between Buyer and Seller, For Example; "DDP-VAT UNPAID"

RISK Includes responsibility for loss and damage and the cost of cargo insurance.

NOTE: This is only a guide, please refer to ICC Publication No. 723E for detailed description of INCOTERMS.

"Ocean Only" Incoterms are generally not suitable for containerized shipments, because containers are usually delivered to the carrier at a terminal, rather than directly to the pier or vessel.