e van wijk FORWARDING

WHITEPAPER

INCOTERMS 2020

Incoterms 2020

Did you close a good deal with an international supplier? Then you do not want any inclarities over who is responsible for paying and handling transport. Therefore, you should make use of Incoterms 2020 of the International Chamber of Commerce (ICC) .

What are incoterms?

Incoterms stands for **In**ternational **Co**mmercial **Terms**. They are standard international agreements about all costs and risks related to transport of goods. Incoterms specify the responsibilities of exporters and importers in managing shipments and transferring liabilities at various stages of the transaction in question.

What do you regulate with incoterms?

With an incoterm, you answer the following questions:

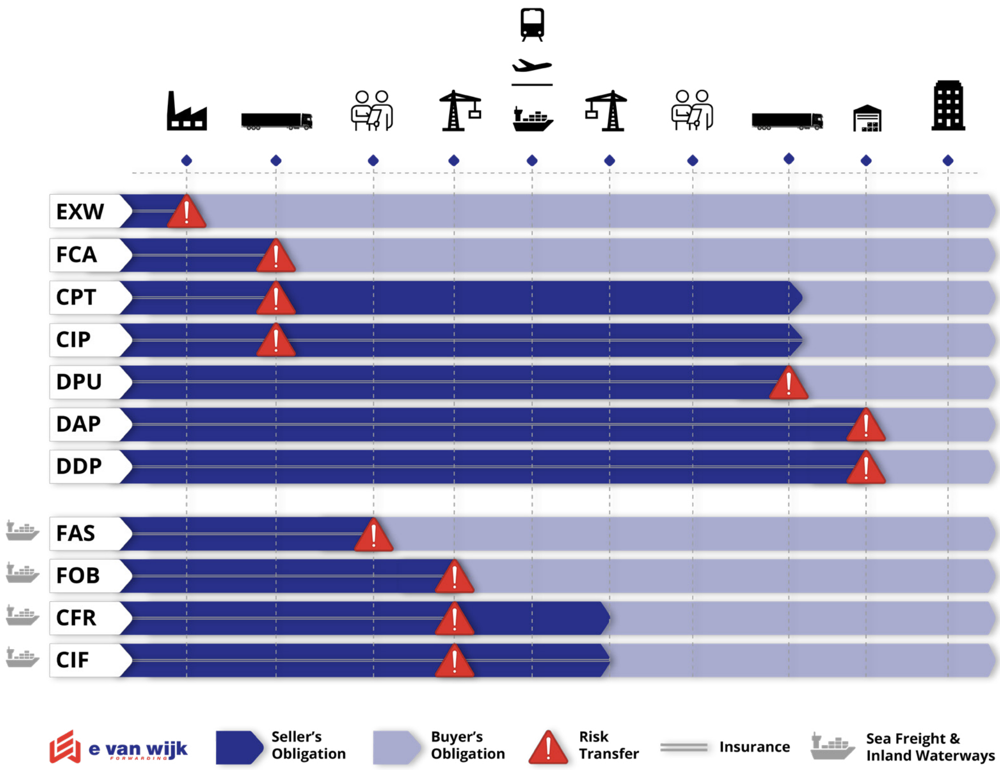
- Who provides transport and to where?
- Who takes care of transport insurance?
- When are risks and costs of delivery transferred from seller to buyer?
- Who takes care of permits, authorizations, documents and other formalities?

Note: Incoterms do not regulate payment conditions, guarantees and handling in case of default. They are also not part of the general terms and conditions. Additionally, incoterms do not regulate the transfer of ownership of goods.

Overview of Incoterms 2020

Incoterms 2020 consist of eleven incoterms. Four out of those incoterms are specifically made for waterborne transport. The other seven cover all types of transport (multimodal transport).

All types of transport		Transport over water
EXW (Ex Works) FCA (Free Carrier) CPT (Carriage Paid to) CIP (Carriage and Insurance Paid to)	DPU (Delivered at Place Unloaded) DAP (Delivered At Place) DDP (Delivered Duty Paid)	FAS (Free Alongside Ship) FOB (Free On Board) CFR (Cost and Freight) CIF (Cost, Insurance and Freight)


EXW
FCA
CPT
CIP
DPU
DAP
DDP
FAS
FOB
CFR
CIF
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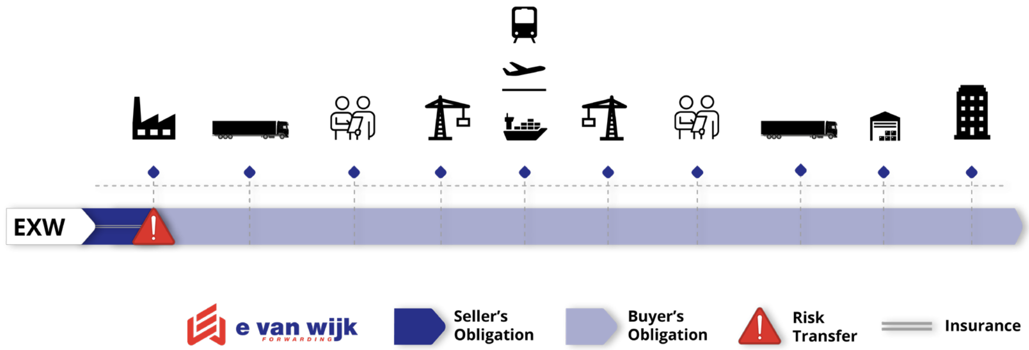
Seller's Obligation
Buyer's Obligation
Risk Transfer
Insurance
Sea Freight & Inland Waterways

Overview of Incoterms 2020

You can read a short description of all incoterms here.

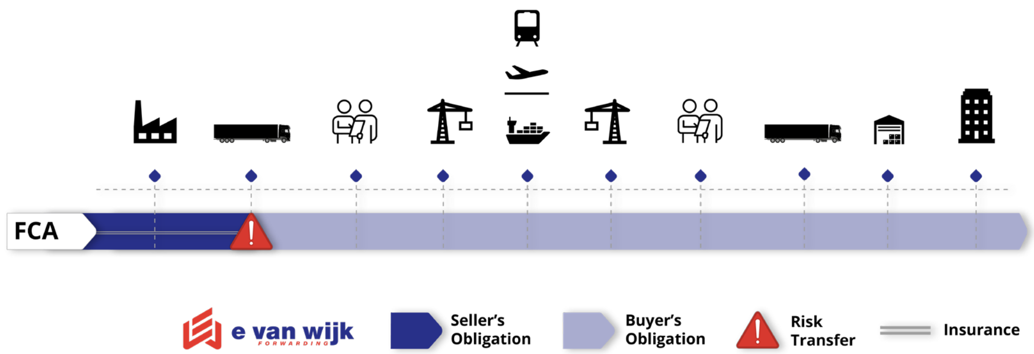
EXW - Ex Works

The seller makes sure that the goods (readily packed for export) are ready for shipping. The buyer is responsible for loading the goods and bears all risks and costs.



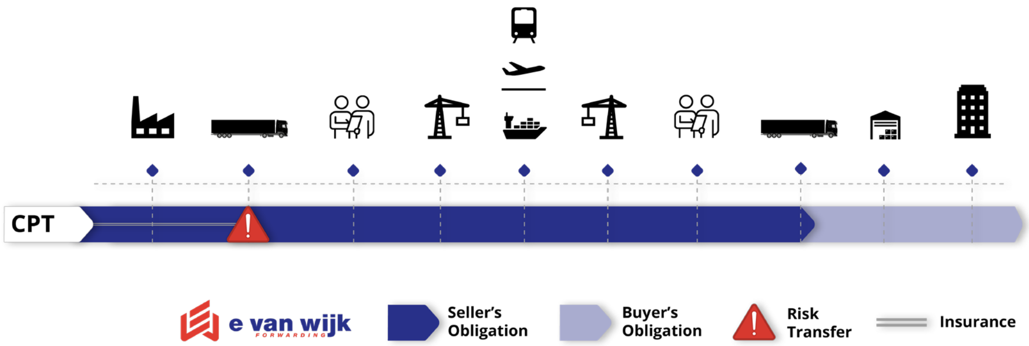
FCA - Free Carrier

Seller obligations end as soon as the goods are handed over to the first carrier. As of this point, the buyer bears all costs and risks.



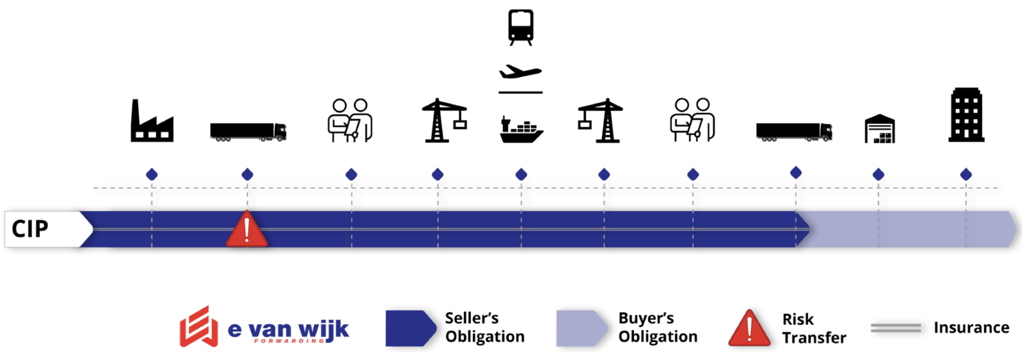
CPT - Carriage Paid to

The freight is arranged and paid by the seller up to the place of delivery. However, risks are already transferred to the buyer when the goods are handed over to the first carrier.



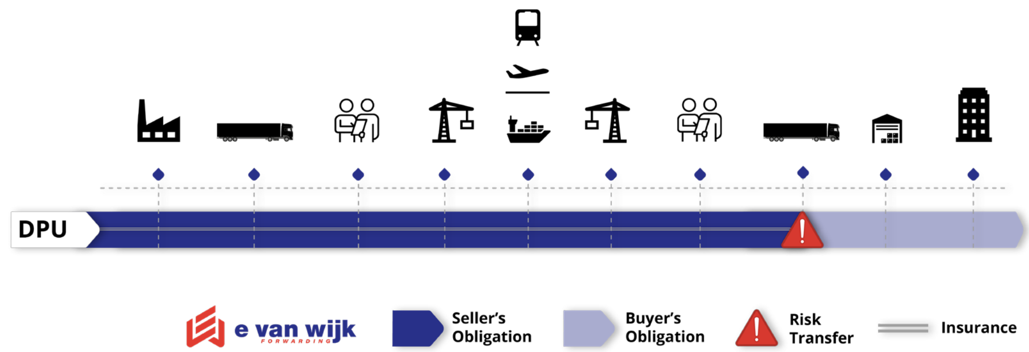
CIP - Carriage and Insurance Paid to

The freight is arranged and paid by the seller up to the place of delivery. However, risks are already transferred to the buyer when the goods are handed over to the first carrier.The seller is reponsible for the transport insurance.



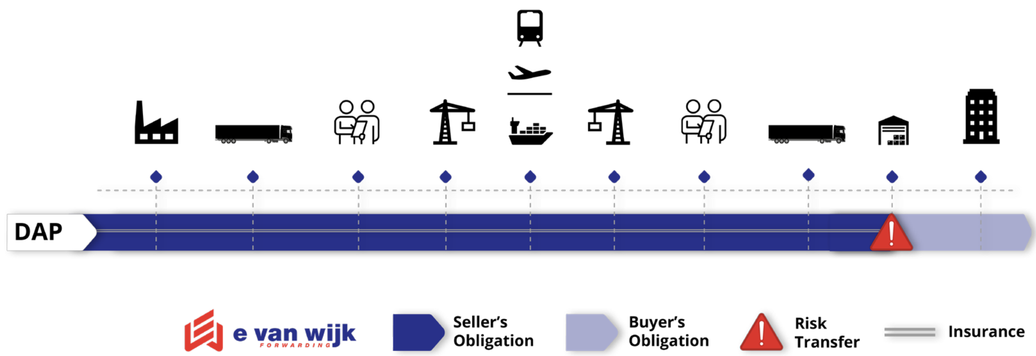
DPU - Delivered at Place Unloaded

Costs and risks are transferred from the seller to the buyer after the goods, not cleared but unloaded, are made available to the buyer at the agreed place of delivery, terminal or warehouse.



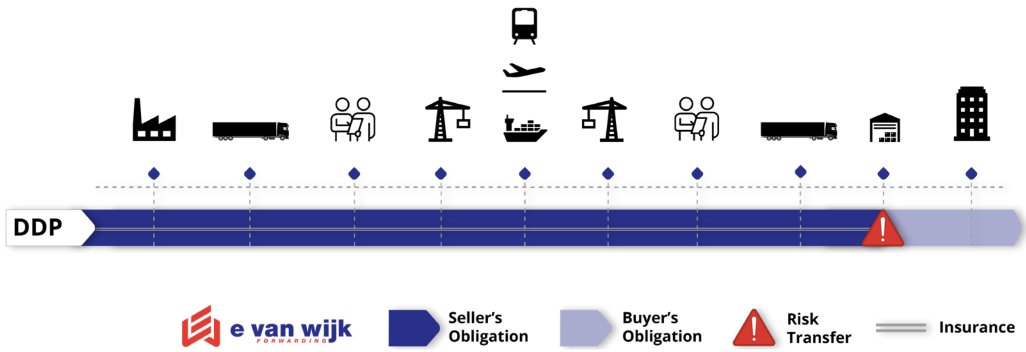
DAP - Delivery At Place

Costs and risks are transferred after the goods, not cleared nor unloaded, are made available to the buyer at the agreed place of delivery.



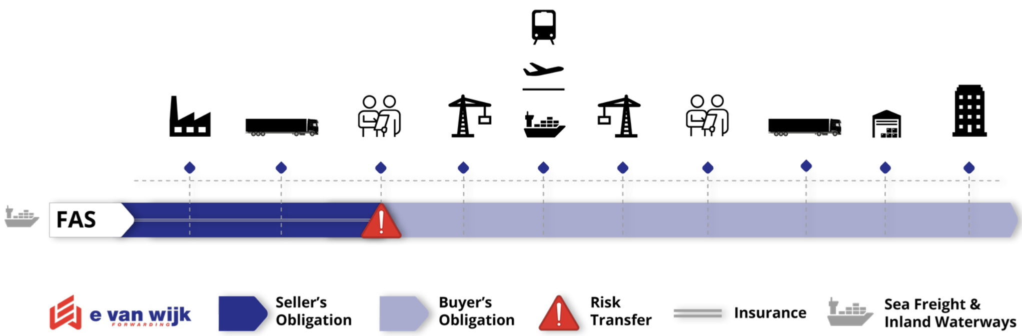
DDP - Delivered Duty Paid

Costs and risks are transferred when the goods, cleared with duties paid but not unloaded, are made available to the buyer. The buyer only needs to unload the goods.



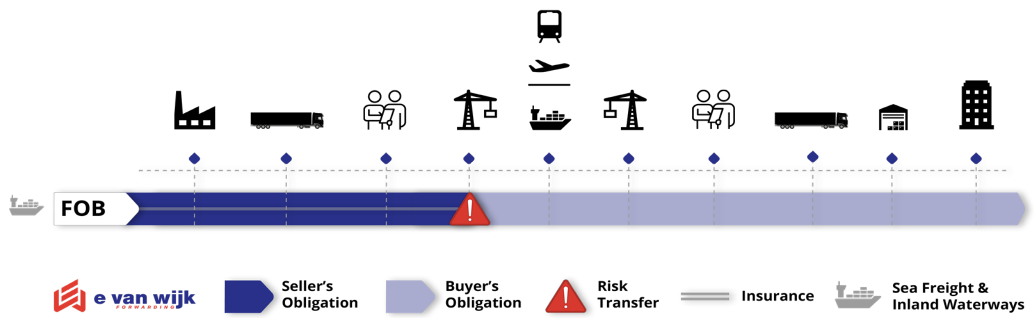
FAS - Free Alongside Ship

Costs and risks are transferred the moment the goods are placed by the seller next to the vessel (for example by barge or on the quay).



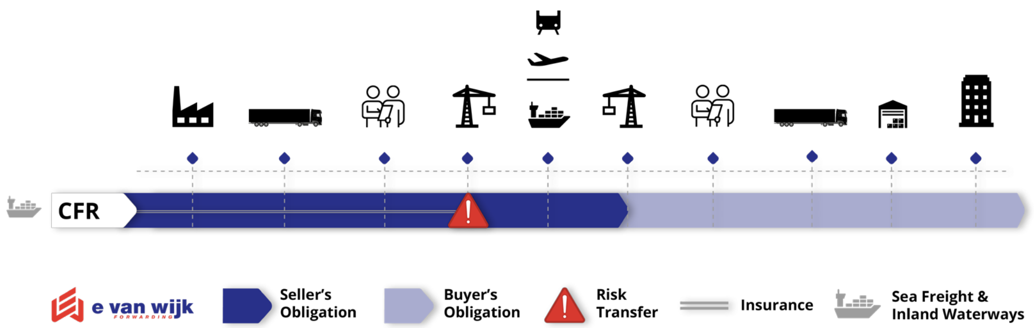
FOB - Free on Board

The transfer of costs and risks takes place after the goods are loaded aboard the ship at the agreed port of shipment. After loading, the costs and risks are born by the buyer.



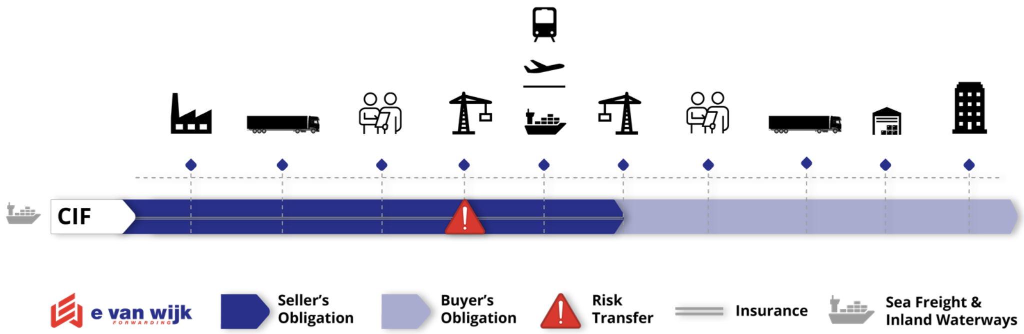
CFR - Cost and Freight

Transfer of risk occurs after the goods are loaded aboard the ship at the port of shipment. Costs of sea freight up to the destination port are for the seller.



CIF - Cost, Insurance and Freight

Transfer of risk occurs after the goods are loaded on board of the ship in the port of shipment. Costs of sea freight to the port of destination are for the seller. The seller also takes care of the transport insurance.



More information about Incoterms 2020

Check out our website for all the news and information about Incoterms 2020.

Click here

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