## INCOTERMS 2020 Guide

### Breakdown: Dividing Responsibility for Risk and Costs Between Seller (Exporter) and Buyer (Importer)

<table>
<thead>
<tr>
<th>INCOTERM</th>
<th>EXW</th>
<th>FCA</th>
<th>CPT</th>
<th>CIP</th>
<th>DAP</th>
<th>DPU</th>
<th>DDP</th>
<th>FAS</th>
<th>FOB</th>
<th>CFR</th>
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<tbody>
<tr>
<td><strong>DESCRIPTION</strong></td>
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<td>Free Carrier</td>
<td>Free Carrier</td>
<td>Carriage Paid To</td>
<td>Carriage and Insurance Paid to</td>
<td>Delivered At Place</td>
<td>Delivered at Place Unloaded</td>
<td>Delivered Duty Paid</td>
<td>Free Alongside Ship</td>
<td>Free On Board</td>
<td>Cost and Freight</td>
<td>Cost, Insurance and Freight</td>
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<td>…named place of origin</td>
<td>…named place of destination</td>
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<td>…named place of destination</td>
<td>…named place of destination</td>
<td>…named place of destination</td>
<td>…vessel at named port of shipment</td>
<td>…vessel at named port of shipment</td>
<td>…named port of destination</td>
<td>…named port of destination</td>
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</tbody>
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### Rules for Any Mode of Transport

- **Nominate Carrier or Freight Forwarder**: Buyer, Buyer, Seller, Seller, Seller, Seller, Buyer, Buyer, Seller, Seller, Seller, Seller.

### Special Cases

- **Inland Freight**: Buyer, Depends on named place!
- **Loading on Ocean Carrier**: Buyer, Buyer, Seller, Seller, Seller, Seller, Seller, Seller, Buyer, Seller, Seller, Seller.

### Transfer of Risk from Seller to Buyer


### Charges in Foreign Port / Airport

- **Duties, VAT, and Taxes at Destination**: Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer.
- **Customs Clearance Charges - Destination**: Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer.
- **Delivery Charges to Final Destination**: Buyer, Buyer, Buyer, Buyer, Seller, Seller, Seller, Buyer, Buyer, Buyer, Buyer, Buyer.

### Unloading at Destination

- **Unloading at Destination**: Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer, Buyer.

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

QUESTIONS? Call American Cargoservice, Inc. (800) 508-4888
* 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.