

# Incoterms® 2020

RULES FOR ANY MODE(S) OF TRANSPORT			TERMS										Import Formalities & Duties	Buyer Location Unloaded
			Seller Location	Export Formalities	Pre-Carriage Not Unloaded	Delivery at Named Place Port/Terminal	Loading Alongside Vessel	Onboard Ship/Aircraft	Main Carriage	Discharge at Port of Destination	Delivery at Named Place Port/Terminal	Onward Carriage Not Unloaded		
<b>EXW</b>	EX Works	Cost	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>FAS</b>	Free Alongside Ship	Cost	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>FCA</b>	Free Carrier	Cost	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>FOB</b>	Free on Board	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>CFR</b>	Cost & Freight	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>CIF</b>	Cost, Insurance & Freight	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>CIP</b>	Carriage and Insurance Paid To	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>CPT</b>	Carriage Paid To	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
<b>DAP</b>	Delivered at Place	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
<b>DDP</b>	Delivered Duty Paid	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer
<b>DPU</b>	Delivered at Place Unloaded	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer

**Remark:**

Seller is responsible for loading charges, if the terms state FCA at seller's facility. Where applicable, the seller must provide the buyer, at the buyer's request, risk and expense, assistance in obtaining any export licence, or other official authorization necessary for security clearance of the goods. Origin terminal charge until ships hook. Incoterms® 2020 does not obligate the buyer nor the seller to insure the goods, therefore this issue should be addressed elsewhere in the sales contract. Good and service (GST) and Value Added Tax (VAT) are excluded.

The Incoterms® Rules are protected by copyright owned by ICC. Further information on the Incoterm® Rules may be obtained from the ICC website at <https://iccwbo.org/resources-for-business/incoterms-rules/>. Incoterms® and the Incoterms® 2020 logo are trademarks of ICC. Use of these trademarks does not imply association with, approval of or sponsorship by ICC unless specifically stated above. Full details of Incoterms® 2020 can be read through the International Chamber of Commerce at ICC website. Incoterms® 2020 reflected the guidance of responsibility between seller & buyer, all charges shall be referred to sales contract.

The Incoterms® rules are important trade terms published by the International Chamber of Commerce (ICC) for the sale of goods — they're used in purchase orders, on shipment documentation and more.

The ICC has updated the rules for 2020, its first update in a decade. Two key Incoterms changes:

- DAT (Delivered at Terminal): renamed Delivered at Place Unloaded (DPU)
- FCA (Free Carrier): now allows for Bills of Lading to be issued after loading

For your convenience, FedEx Trade Networks Transport & Brokerage, Inc., (a subsidiary of FedEx Logistics, Inc.) has compiled the new rules in this document so you can review them and keep them handy.

## Incoterms® and definitions

RULES	DEFINITIONS
<p><b>EXW (EX Works)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• when it places the goods at the disposal of the buyer at a named place (like a factory or warehouse), and</li> <li>• that named place may or may not be the seller's premises.</li> </ul> <p>For delivery to occur, 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.</p>
<p><b>FAS (Free Alongside Ship)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Port</b></li> <li>• <b>Ocean Only</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• when the goods are placed alongside the ship (e.g., on a quay or a barge)</li> <li>• nominated by the buyer</li> <li>• at the named port of shipment</li> <li>• or when the seller procures goods already so delivered.</li> </ul> <p>The risk of loss of or damage to the goods transfers when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.</p>
<p><b>FCA (Free Carrier)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods to the buyer in one or other of two ways</b></p> <ul style="list-style-type: none"> <li>• First, when the named place is the seller's premises, the goods are delivered               <ul style="list-style-type: none"> <li>– when they are loaded on the means of transport arranged by the buyer.</li> </ul> </li> <li>• Second, when the named place is another place, the goods are delivered               <ul style="list-style-type: none"> <li>– when, having been loaded on the seller's means of transport,</li> <li>– they reach the named other place and</li> <li>– are ready for unloading from that seller's means of transport and</li> <li>– at the disposal of the carrier or of another person nominated by the buyer.</li> </ul> </li> </ul> <p>Whichever of the two is chosen as the place of delivery, that place identifies where risk transfers to the buyer and the time from which costs are for the buyer's account.</p>
<p><b>FOB (Free On Board)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place of Destination</b></li> <li>• <b>Ocean Only</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• on board the vessel</li> <li>• nominated by the buyer</li> <li>• at the named port of shipment</li> <li>• or procures the goods already so delivered.</li> </ul> <p>The risk of loss of or damage to the goods transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.</p>

The Incoterms® Rules are protected by copyright owned by ICC. Further information on the Incoterm® Rules may be obtained from the ICC website at <https://iccwbo.org/resources-for-business/incoterms-rules/>.

Incoterms® and the Incoterms® 2020 logo are trademarks of ICC. Use of these trademarks does not imply association with, approval of or sponsorship by ICC unless specifically stated above.

## Incoterms® and definitions

RULES	DEFINITIONS
<p><b>CFR (Cost and Freight)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Place/Port</b></li> <li>• <b>Ocean Only</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• on board the vessel</li> <li>• or procures the goods already so delivered.</li> </ul> <p>The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all. In CFR, the seller owes no obligation to the buyer to purchase insurance cover: the buyer would be well-advised therefore to purchase some cover for itself.</p>
<p><b>CIF (Cost, Insurance and Freight)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Place/Port</b></li> <li>• <b>Ocean Only</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• on board the vessel</li> <li>• or procures the goods already so delivered.</li> </ul> <p>The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all.</p>
<p><b>CIP (Carriage and Insurance Paid To)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place of Destination</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods — and transfers the risk — to the buyer</b></p> <ul style="list-style-type: none"> <li>• by handing them over to the carrier</li> <li>• contracted by the seller</li> <li>• or by procuring the goods so delivered.</li> <li>• The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used.</li> </ul> <p>Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are handed over to a carrier in Las Vegas (which is not a port) for carriage to Southampton (a port) or to Winchester (which is not a port). In either case, delivery transferring risk to the buyer happens in Las Vegas, and the seller must make a contract of carriage to either Southampton or Winchester.</p>
<p><b>CPT (Carriage Paid To)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place of Destination</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods — and transfers the risk — to the buyer</b></p> <ul style="list-style-type: none"> <li>• by handing them over to the carrier</li> <li>• contracted by the seller</li> <li>• or by procuring the goods so delivered.</li> <li>• The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used.</li> </ul> <p>Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are handed over to a carrier in Las Vegas (which is not a port) for carriage to Southampton (a port) or to Winchester (which is not a port). In either case, delivery transferring risk to the buyer happens in Las Vegas, and the seller must make a contract of carriage to either Southampton or Winchester.</p>

## Incoterms® and definitions

RULES	DEFINITIONS
<p><b>DAP (Delivery at Place)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Place/Port</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods — and transfers risk — to the buyer</b></p> <ul style="list-style-type: none"> <li>• when the goods are placed at the disposal of the buyer</li> <li>• on the arriving means of transport ready for unloading</li> <li>• at the named place of destination or</li> <li>• at the agreed point within that place, if any such point is agreed.</li> </ul> <p>The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms® rule, therefore, delivery and arrival at the destination are the same.</p>
<p><b>DDP (Delivery Duty Paid)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place of Destination</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods to the buyer</b></p> <ul style="list-style-type: none"> <li>• when the goods are placed at the disposal of the buyer,</li> <li>• clear for import,</li> <li>• on the arriving means of transport,</li> <li>• ready for unloading,</li> <li>• at the named place of destination or at the agreed point within that place, if any such point is agreed.</li> </ul> <p>The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms® rule, therefore, delivery and arrival at destination are the same.</p>
<p><b>DPU (Delivered at Place Unloaded)</b></p> <ul style="list-style-type: none"> <li>• <b>Additional: Named Place of Destination</b></li> <li>• <b>All Modes</b></li> </ul>	<p><b>The seller delivers the goods — and transfers risk — to the buyer</b></p> <ul style="list-style-type: none"> <li>• when the goods,</li> <li>• once unloaded from the arriving means of transport,</li> <li>• are placed at the disposal of the buyer</li> <li>• at a named place of destination or</li> <li>• at the agreed point within that place, if any such point is agreed.</li> </ul> <p>The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination. In this Incoterms® rule, therefore, the delivery and arrival at destination are the same. DPU is the only Incoterms® rule that requires the seller to unload goods at destination. The seller should therefore ensure that it is in a position to organise unloading at the named place. Should the parties intend the seller not to bear the risk and cost of unloading, the DPU rule should be avoided and DAP should be used instead.</p>