



Incoterms® 2020

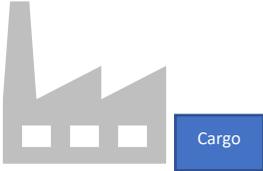
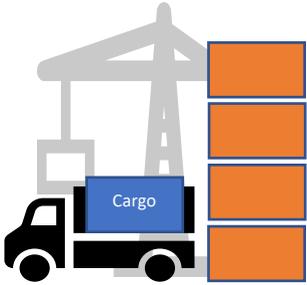
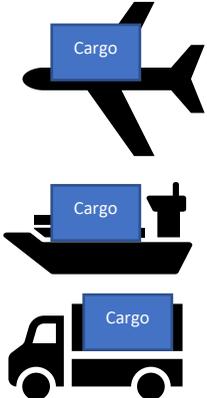
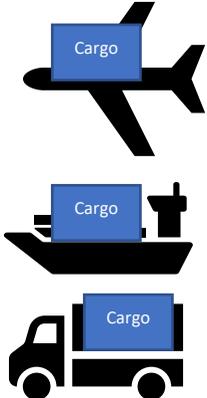
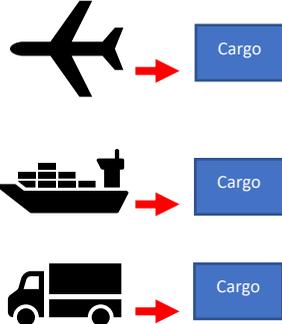
		Seller's delivery obligation is complete when the goods are . . . (This is also the point when Seller is no longer responsible for loss/damage to cargo)	Use with Documentary Letter of Credit?	Packaging for International Transport	Export Clearance	Contract with International Carrier	Import Clearance	Cargo Insurance
All transport methods	EXW (named place at origin, usually Seller's premises)	. . . at Buyer's disposal at the named place, not yet loaded on any collecting vehicle.	Risky	Seller	Buyer	Buyer	Buyer	N/A
	FCA (Seller's premises)	. . . loaded on Buyer's transport at Seller's premises.	Risky	Seller	Seller	Buyer	Buyer	N/A
	FCA (other named place at origin, usually CY* or CFS*)	. . . ready for unloading from Seller's transport and at the disposal of Buyer's contracted carrier.	Risky	Seller	Seller	Buyer	Buyer	N/A
Only non-containerized water transport	FAS (named origin port)	. . . alongside Buyer's contracted ship at the named origin port.	Risky	Seller	Seller	Buyer	Buyer	N/A
	FOB (named origin port)	. . . on board Buyer's contracted ship at the named origin port.	Risky	Seller	Seller	Buyer	Buyer	N/A
	CFR (named destination port)	. . . on board Seller's contracted ship, bound for the destination.	Yes	Seller	Seller	Seller	Buyer	N/A
	CIF (named destination port)	. . . on board Seller's contracted ship, bound for the destination.	Yes	Seller	Seller	Seller	Buyer	Seller (Named Perils)
All transport methods	CPT (named destination place)	. . . in possession of Seller's contracted carrier.	Yes	Seller	Seller	Seller	Buyer	N/A
	CIP (named destination place)	. . . in possession of Seller's contracted carrier.	Yes	Seller	Seller	Seller	Buyer	Seller (All Risks)
	DAP (named destination place)	. . . ready for unloading at the named place and at Buyer's disposal.	Needs Extra Precautions	Seller	Seller	Seller	Buyer	N/A
	DPU (named destination place)	. . . unloaded at the named place and at Buyer's disposal.	Needs Extra Precautions	Seller	Seller	Seller	Buyer	N/A
		. . . cleared through customs, ready for unloading from Seller's transport at the named destination, at Buyer's disposal.	Needs Extra Precautions	Seller	Seller	Seller	Seller	N/A

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- **Passage of Title is not defined under Incoterms®.** Under UCC Art. 2 (law in all US states except Louisiana), title passes when Seller's contractual delivery duties are complete (or earlier if defined in the contract), and Seller cannot retain title after that point; Seller can only retain a security interest covering the goods.
- **Time for payment is not defined under Incoterms®.** Merchants often mistakenly believe the Incoterm® sets when payment is due. Incoterms® don't discuss payment details.
- **Containerized cargoes should not be shipped under FAS, FOB, CFR, or CIF.** These Incoterms® are frequently misused for containerized cargoes and for non-water-born transport methods.
- **FCA has two options.** When delivery is at a named place other than Seller's premises, and the cargo is containerized, it's usual to name a container yard ("CY") or container freight station ("CFS").
- **Documentary Letters of Credit.** Under an L/C, Seller usually needs to receive original negotiable ocean bills of lading, which Seller will exchange for payment among other docs (Under E and F terms, Buyer controls the bills of lading). D terms can be used in circumstances when Buyer requires inspection at destination before taking delivery. Under D terms, Seller is smart to have agents in the destination country to control the cargo and mitigate risk.
- **Insurance requirements are different under CIF and CIP.** CIF requires Seller to procure a bare minimum "named-perils" policy which excludes a lot of common risks (ICC Clauses (C)), while CIP requires Seller to procure an "all-risks" policy (ICC Clauses (A)). This is because CIF assumes you are trading non-containerized commodities, which are usually less expensive. Nevertheless, you can amend either Incoterm®

Points at which Seller's delivery obligation is complete, and risk of loss transfers to Buyer

(INCOTERMS® used with all modes of carriage)

<p>EXW (named place at origin, usually Seller's premises)</p> 	<p>FCA (Seller's premises)</p>  <p>Buyer's transport</p>	<p>FCA (other named place at origin, usually CY or CFS)</p>  <p>Seller's transport</p>	<p>CPT (named destination place)</p>  <p>Seller's carrier</p>	<p>CIP (named destination place)</p>  <p>Seller's carrier</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">International Border</p>	<p>DAP (named destination place)</p>  <p>Seller's carrier</p>	<p>DDP (named destination place)</p>  <p>Seller's carrier</p>	<p>DPU (named destination place)</p>  <p>Seller's carrier</p>
<p>At Buyer's disposal at the named place, not yet loaded on any collecting vehicle.</p>	<p>Loaded on Buyer's transport at Seller's premises.</p>	<p>Ready for unloading from Seller's transport and at the disposal of Buyer's contracted carrier.</p>	<p>In possession of Seller's contracted carrier.</p>	<p>In possession of Seller's contracted carrier.</p>		<p>Ready for unloading at the named place and at Buyer's disposal.</p>	<p>Cleared through customs, ready for unloading from Seller's transport at the named destination, at Buyer's disposal.</p>	<p>Unloaded at the named place and at Buyer's disposal.</p>

Points at which Seller's delivery obligation is complete, and risk of loss transfers to Buyer

(INCOTERMS® used with non-containerized water-born transport)

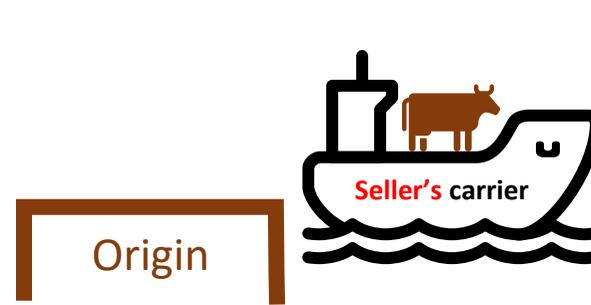
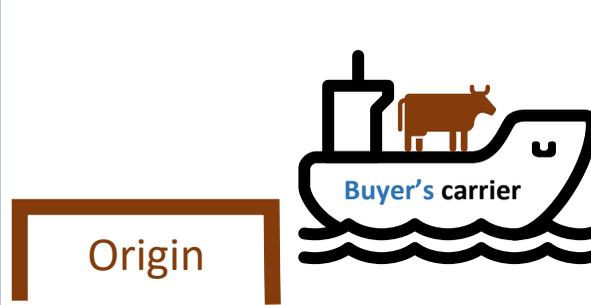
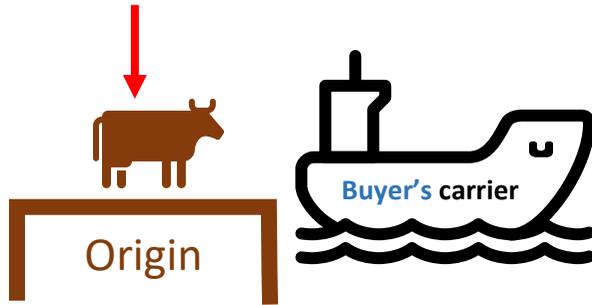
FAS (named origin port)

FOB (named origin port)

CFR (named destination port)

CIF (named destination port)

Non-containerized
Cargo



Alongside Buyer's contracted ship at the named origin port.

On board Buyer's contracted ship at the named origin port.

On board Seller's contracted ship at the named origin port.

On board Seller's contracted ship at the named origin port.