BASIC OVERVIEW OF THE INCOTERMS 2020 RULES

This guide is designed to provide a quick overview of the Incoterms® rules frequently used worldwide in international and domestic contracts. The guide illustrates responsibilities between buyers and sellers with regards to costs, risks, responsibilities for cargo insurance and regulatory compliance. “Incoterms” is a registered trademark of the International Chamber of Commerce (ICC).

Read more about Incoterms® rules from the official International Chamber of
Commerce website, where you can also order the “Incoterms® 2020” publication.
Sign up for online training on the Incoterms® 2020 rules at icc.academy

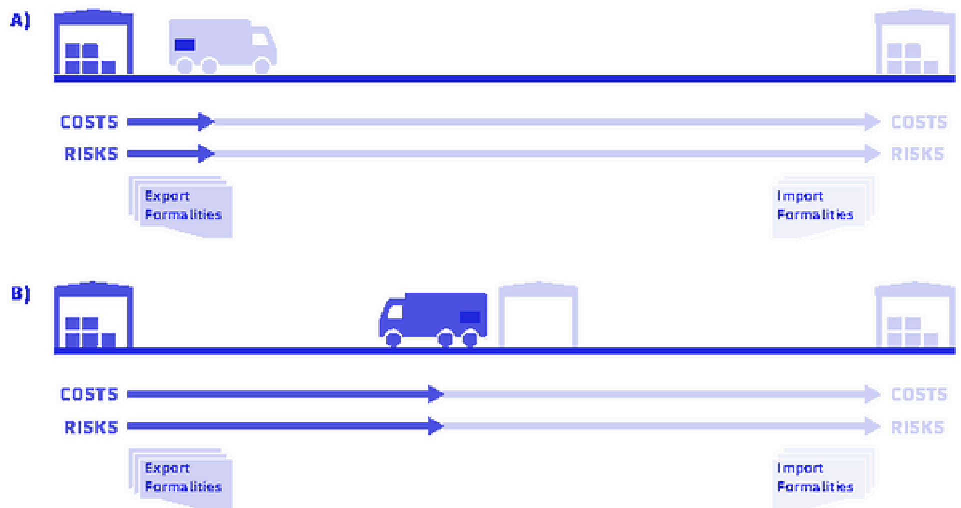
BASIC OVERVIEW OF THE INCOTERMS 2020 RULES

RULES FOR ANY MODE OR MODES OF TRANSPORT

SELLER BUYER

EXW
Ex Works
(Insert named place of delivery)*
Incoterms® 2020

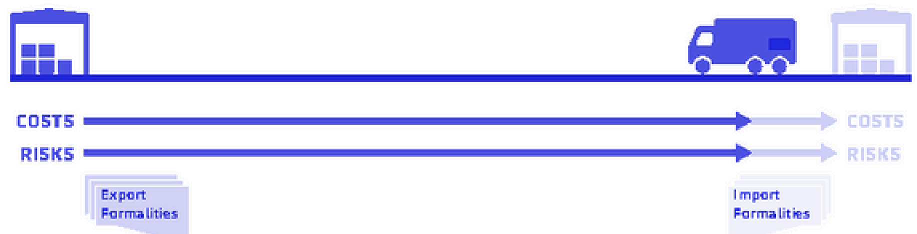
FCA
Free Carrier
(Insert named place of delivery)*
Incoterms® 2020



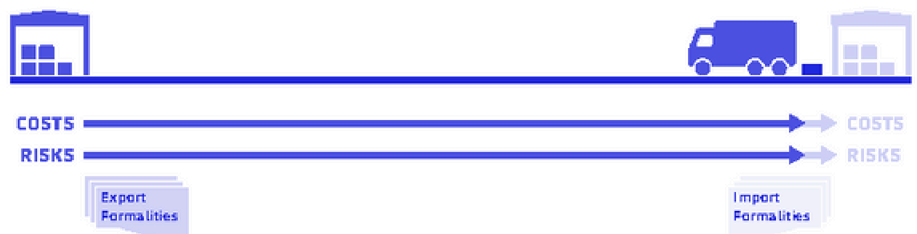
CPT
Carriage Paid To
(Insert named place of destination)*
Incoterms® 2020

CIP
Carriage and Insurance Paid To
(Insert named place of destination)*
Incoterms® 2020

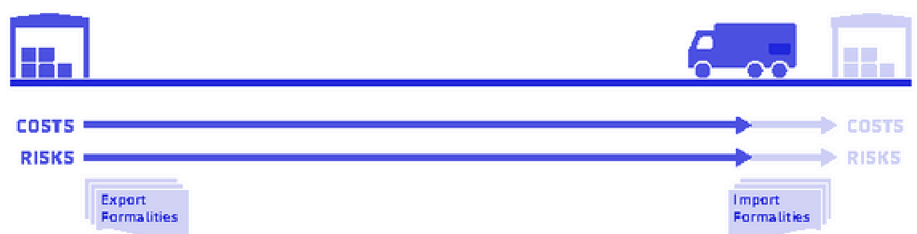
DAP
Delivered at Place
(Insert named place of destination)*
Incoterms® 2020



DPU
Delivered at Place Unloaded
(Insert named place of destination)*
Incoterms® 2020



DDP
Delivered Duty Paid
(Insert named place of destination)*
Incoterms® 2020

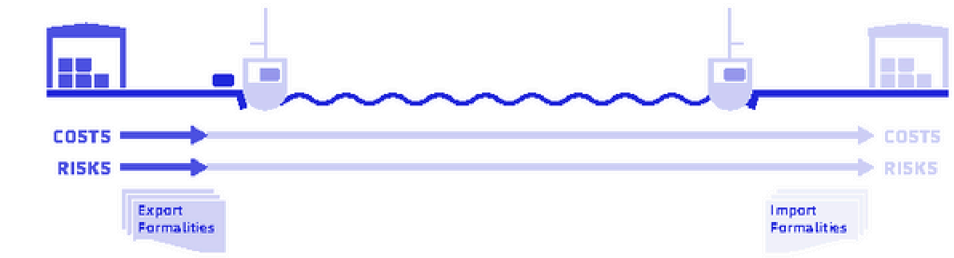


*As per the Incoterms® rulebook: If parties want the Incoterms® 2020 rules to apply to their contract, the safest way to ensure this is to make that intention clear in their contract, through words such as: «[the chosen Incoterms® rule] [named port, place or point] Incoterms® 2020»

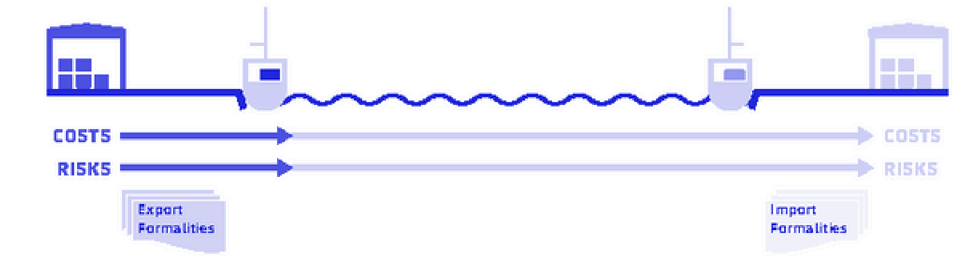
RULES FOR SEA AND INLAND WATERWAY TRANSPORT

SELLER BUYER

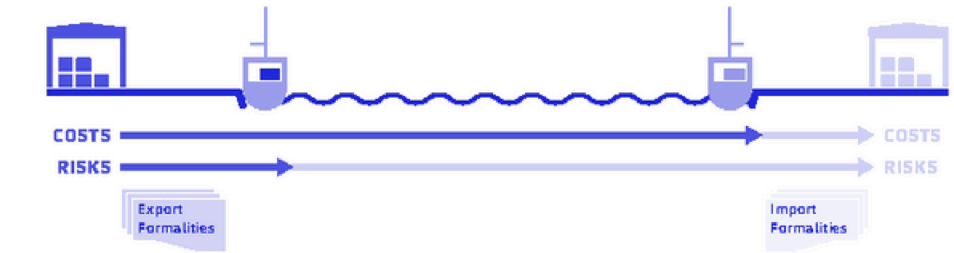
FAS
Free Alongside Ship
(Insert named port of shipment)*
Incoterms® 2020



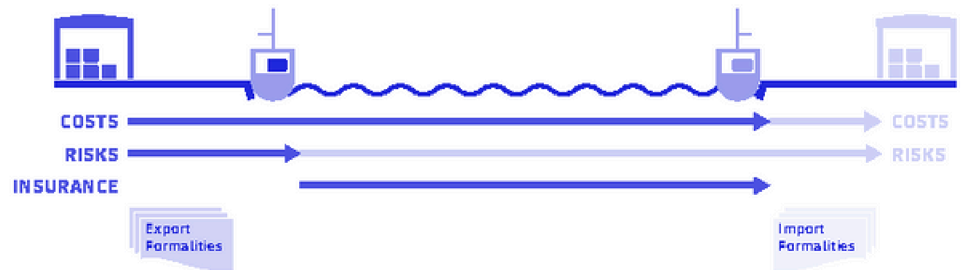
FOB
Free on Board
(Insert named port of shipment)*
Incoterms® 2020



CFR
Cost and Freight
(Insert named port of destination)*
Incoterms® 2020



CIF
Cost, Insurance and Freight
(Insert named port of destination)*
Incoterms® 2020



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This chart is not intended to be used alone, but always in conjunction with the Incoterms® 2020 rule book.

TRANSPORT OBLIGATIONS, COSTS AND RISKS

indicates seller's
indicates buyer's
indicates mixed or shared

THERE ARE TWO KEY CHANGES IN INCOTERMS® 2020 COMPARED TO THE 2010 EDITION:

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

OTHER CHANGES INCLUDE:

- CIF (Cost, Insurance and Freight) and CIP (Carriage and Insurance Paid To) set out new standard insurance arrangements, but the level of insurance continues to be negotiable between buyer and seller.
- Where listed, cost allocation between buyer and seller is stated more precisely – one article lists all costs the seller and the buyer are responsible for.
- FCA (Free Carrier), DAP (Delivered at Place), DPU (Delivered at Place Unloaded) and DDP (Delivered Duty Paid) now take account of buyer and seller arranging their own transport rather than using a third party.
- Security-related obligations are now more prominent.
- "Explanatory Notes for Users" for each Incoterm® have replaced the 2010 edition's Guidance Notes, and are designed to be easier for users.
- CIP now requires as default insurance coverage ICC A or equivalent. It was ICC C under Incoterms® 2010. Required insurance coverage under CIF remains.