

# Incoterms 2020



## International Chamber of Commerce (ICC) Incoterms® Explained

Incoterms® (International Commercial Terms) are standardized trade terms published by the ICC that define the responsibilities of buyers and sellers in international shipments. They clarify who handles transportation, insurance, customs, and costs at each stage of the process.

### Why Use Incoterms®?

Incoterms® simplify global trade by:

- ✓ **Defining responsibilities** (who pays, who arranges transport, who handles customs).
- ✓ **Reducing misunderstandings** with standardized terms.
- ✓ **Overcoming language barriers** with universally recognized codes.

By selecting the right Incoterm®, buyers and sellers can avoid disputes and ensure smooth transactions. **Need help choosing the best Incoterm® for your shipment?** Contact us today! [info@us.dewell.com](mailto:info@us.dewell.com)

## Incoterms® for All Shipping Methods

### 1. EXW (Ex Works)

- **Seller's Responsibility:** Makes goods available at their premises (factory/warehouse).
- **Buyer's Responsibility:** Handles all transportation, export/import clearance, and costs from pickup to final destination.

### 2. FCA (Free Carrier)

- **Seller's Responsibility:** Delivers goods to a carrier or terminal within their country.
- **Buyer's Responsibility:** Takes over from the carrier, arranges main transport, and handles import.

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## 3. CPT (Carriage Paid To)

- **Seller's Responsibility:** Pays for transport to a named destination but does not cover insurance.
- **Buyer's Responsibility:** Handles customs clearance and final delivery.

## 4. CIP (Carriage and Insurance Paid To)

- **Seller's Responsibility:** Pays for transport and insurance to the named destination.
- **Buyer's Responsibility:** Handles customs and final delivery.
- **Note:** Seller must purchase freight insurance, with the minimum cover of the Institute Cargo Clause (A), all risk subject to itemized exclusions.

## 5. DAP (Delivered at Place)

- **Seller's Responsibility:** Delivers goods to the buyer's specified location (unloading not included).
- **Buyer's Responsibility:** Unloads goods and handles import duties/taxes.

## 6. DPU (Delivered at Place Unloaded)

- **Seller's Responsibility:** Delivers and unloads goods at the buyer's location.
- **Buyer's Responsibility:** Handles customs and import duties after unloading.

## 7. DDP (Delivered Duty Paid)

- **Seller's Responsibility:** Covers all costs (transport, insurance, customs, duties) until final delivery.
- **Buyer's Responsibility:** Only unloads the shipment

## Incoterms® for Sea & Inland Waterway Transport

### 8. FAS (Free Alongside Ship)

- **Seller's Responsibility:** Delivers goods alongside the vessel (e.g., dockside).
- **Buyer's Responsibility:** Loads goods onto the ship and handles all further transport.

