

# Incoterms 2020 (new) with infographic

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# 1. Quick overview

category	term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
all types of transport	EXW	costs										• costs and risks until provision of goods	• costs and risks from provision of goods • export, transit, import
		risks											
		documents											
	FCA	costs										• costs and risks up to the 1st carrier • export	• Costs and risks from the 1st carrier • transit, import
		risks											
		documents											
	CPT	costs											• risks up to the 1st carrier • cost to the point of destination • export and transit
	risks												
	documents												
CIP	costs											• risks up to the 1st carrier • cost to the point of destination • export and transit • transport insurance from 1st carrier to destination	• risks from the 1st carrier • cost from the point of destination • import
	risks												
	documents												
DAP	costs											• costs and risks until goods reach their destination on a truck is ready for unloading • export and transit	• costs and risks from goods are ready ready for unloading on truck at destination • import
	risks												
	documents												
DAT / DPU	costs											• costs and risks until goods arrive at the terminal or at the named place • export and transit	• costs and risks from goods are at the terminal • import
	risks												
	documents												
DDP	costs											• costs and risks to destination, not unloaded • import, transit, export	• costs and risks from ready for unloading at destination
	risks												
	documents												
sea & inland shipping traffic	FAS	costs										• costs and risk up to long side ship in port • export	• costs and risk from the long side of the ship in port • transit, import
		risks											
		documents											
	FOB	costs										• costs and risk up to on board the ship in port • export	• cost and risk from on board the ship in port • transit, import
	risks												
	documents												
CFR	costs											• costs to port of destination • risks up to on board the ship • export	• costs from port of destination • risks from on board the ship • transit, import
	risks												
	documents												
CIF	costs											• costs to port of destination • risks up to on board the ship • export • marine insurance	• costs from port of destination • risks from on board the ship • transit, import
	risks												
	documents												



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Individual agreements regarding the place of destination are possible, therefore the place of destination can be between  
-on board of the ship at the port of destination, and  
-on the truck, ready to unload at point of destination.

## 2. What are Incoterms?

In order to avoid misunderstandings between buyer and seller, the contractual rights and obligations of each contracting party should be determined as precisely as possible when concluding a sales contract. Otherwise, misunderstandings, disputes or even judicial conflicts between the parties will occur more frequently, especially when cross-border deliveries of goods are involved.

The International Chamber of Commerce (ICC) dealt with these circumstances back in 1936 and formulated **International Commercial Terms (Incoterms)**. The Incoterms are recognised worldwide and regulate the rights and obligations of buyers and sellers in international trade, thereby standardising global purchase transactions. The Incoterms have been repeatedly revised since they were first published in 1936. In order to avoid any misunderstandings between the contracting parties, it makes sense to specify which version of the Incoterms will be referred to in the sales contract. On 01.01.2011 the seventh revision of the Incoterms was published. The *Incoterms 2010* are valid until **31.12.2019** and will be replaced by a newer version. The *Incoterms 2020* were published on 10.09.2019 and are valid from 01 January 2020.

If buyer and seller agree on the use of the Incoterms, many important contractual conditions have already been defined. Specifically, aspects such as import, transit and export, the conclusion of insurance and transport contracts, the delivery action and place of delivery, the transfer of risk as well as information obligations are defined.

## 3. Validity of Incoterms

The Incoterms are only valid, if they are expressly included in a contract. They are not legal regulations, which is why the contractual partners are free to make individual adjustments to the proposed clauses. At this point it should be added that the Incoterms cannot replace a classic sales contract. They do not contain detailed information on, for example, terms of payment or at time of the transfer of ownership, nor do they take into account product liability, the handling of defects and the legal consequences of breach of contract. The parties must therefore make additional agreements despite the agreement on the Incoterms. By determining, for example, the place of delivery or the place of performance, the Incoterms have influence precisely when agreements are missing in the sales contract.

## 4. Important changes from Incoterms 2010 to Incoterms 2020

- The transport of goods can now also be carried out using own vehicles
- DAT was renamed to DPU and can now be unloaded at any agreed location
- Insurance for CIP has been extended to clause ICC A (Institute Cargo Clauses)
- FCA can include the forwarding of bills of lading to the seller by arrangement
- Costs and safety requirements have been specified more precisely for each clause

# 5. Important changes from Incoterms 2000 to Incoterms 2010

- DAF, DES, DEQ and DDU were replaced with DAT (Delivered At Terminal) and DAP (Delivered At Place)
- Enhancement of Risk Transfer for FOB, CFR and CIF
- Additional explanations in the form of application notes for the individual clauses
- Communication in electronic form is equivalent to communication in written form
- Also applicable to domestic supplies

# 6. List of Incoterms 2020 and Incoterms 2010

Below you can see the official list of the Incoterms 2020 and Incoterms 2010 by the ICC. The first part concerns all modes of transport, while the second part is only relevant for maritime and inland waterway transport. **DAT** exists only in Incoterms 2010 and will be replaced by **DPU** in Incoterms 2020.

## 6.1. EXW - Ex Works

term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
EXW	costs risks documents										costs and risks from provision of goods	costs and risks from provision of goods * export, transit, import

Incoterms 2020 + Incoterms 2010: EXW - Ex Works

EXW stipulates that the place of delivery is the seller's. Costs and risks are thus transferred to the buyer as soon as the goods have been made available to the seller at the agreed time or at another agreed place (e.g. factory, warehouse, etc.). The seller has thus fulfilled his contractual obligation as soon as he has packed the goods and marked them accordingly. The transport costs, the procurement of the necessary documents and the associated risks are the sole responsibility of the buyer.

## 6.2. FCA - Free Carrier

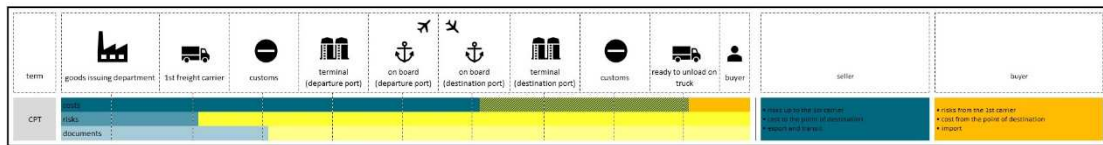
term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
FCA	costs risks documents										costs and risks from the 1st carrier * export, import	costs and risks from the 1st carrier * transit, import

Incoterms 2020 + Incoterms 2010: FCA - Free Carrier

FCA's costs and risks are transferred to the buyer when the goods are handed over from the seller to the responsible carrier of the main transport. Depending on the agreement, the seller must also load the goods. The seller has fulfilled his contractual obligation as soon as he has made the goods ready for export and brought them to the agreed carrier or place. The buyer is responsible for the transit and import, the costs of the main transport and the associated risks.

The FCA clause in **Incoterms 2020** includes the possibility for the buyer and seller to make an agreement so that the buyer instructs the carrier to send the bill of lading to the seller.

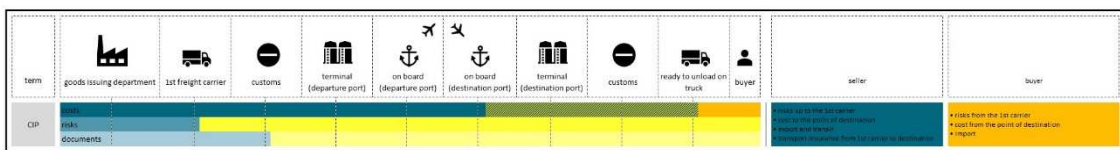
### 6.3. CPT - Carriage Paid To



Incoterms 2020 + Incoterms 2010: CPT - Carriage Paid To

CPT stipulates that the risks of the consignment remain with the seller until he has taken the goods to the carrier designated by him. The costs are not transferred until the goods have arrived at their destination. The seller must therefore have concluded a contract of carriage to the agreed place of destination and bear its costs. In addition, the seller is responsible for export and transit. The buyer is responsible for the import.

### 6.4. CIP - Carriage And Insurance Paid To\*

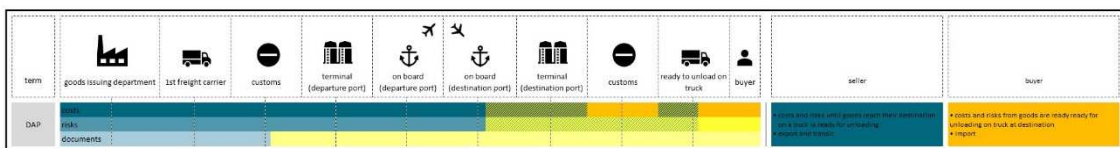


Incoterms 2020 + Incoterms 2010: CIP - Carriage And Insurance Paid To

CIP corresponds to CPT, but the seller must also take over transport insurance for the transport from the time of acceptance by the first carrier to the place of destination and bear its costs.

In the Incoterms 2020 the necessary insurance for deliveries has increased **from clause ICC C to ICC A**. Further information on the clauses can be found [here](#).

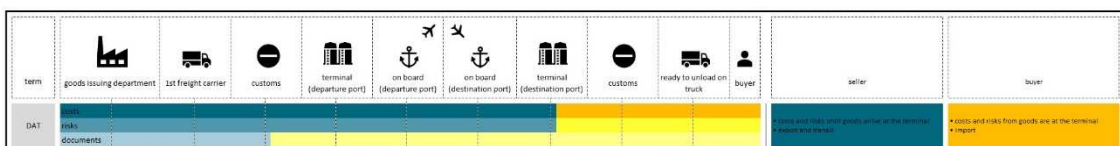
### 6.1.DAP - Delivered At Place



Incoterms 2020 + Incoterms 2010: DAP - Delivered At Place

With DAP, the seller has already fulfilled his obligation to perform, if he has cleared the goods for export and transit and makes them available on the arriving means of transport without having to unload the goods himself. If the goods are available on the means of transport ready for unloading, costs and risks are already with the buyer. The buyer is responsible for the import.

### 6.5. DAT - Delivered At Terminal



Incoterms 2010: DAT - Delivered At Terminal

If the DAT clause is agreed, the seller undertakes to deliver the goods to a specific terminal (including a port quay, warehouse, container depot, etc.). The seller has therefore fulfilled his contractual obligation when he has prepared the goods for export and transit and unloaded them from the arriving means of transport at the agreed destination. As soon as the seller has made the goods available to the buyer for collection, the costs and risks are transferred to the buyer. The buyer is responsible for the import.

This clause is **only valid within Incoterms 2010** and will be replaced by the DPU clause in Incoterms 2020.

## 6.6. DPU - Delivered Named Place Unloaded

term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
DPU	risks										<ul style="list-style-type: none"> <li>costs and risks until goods arrive at the named place</li> <li>export and transit</li> </ul>	<ul style="list-style-type: none"> <li>costs and risks from goods are at the named place</li> <li>import</li> </ul>
documents												

Incoterms 2020: DPU - Delivered Named Place Unloaded

The DAT clause from Incoterms 2010 will be replaced by the DPU clause within Incoterms 2020. In contrast to the DAT clause, it is possible within the DPU clause to agree on any place and not just a specific terminal. The DAT and DPU clauses are otherwise identical in content.

## 6.7. DDP - Delivered Duty Paid

term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
DDP	risks										<ul style="list-style-type: none"> <li>costs and risks until goods arrive at the named place</li> <li>export, transit, import</li> </ul>	<ul style="list-style-type: none"> <li>costs and risks from ready for unloading at destination</li> </ul>
documents												

Incoterms 2020 + Incoterms 2010: DDP - Delivered Duty Paid

According to DDP, the seller clears the goods for export, transit and import and makes them available to the buyer on the arriving means of transport ready for unloading at the place of destination. He bears the costs and risks until the goods are ready for unloading.

## 6.8. FAS - Free Alongside Ship\*\*

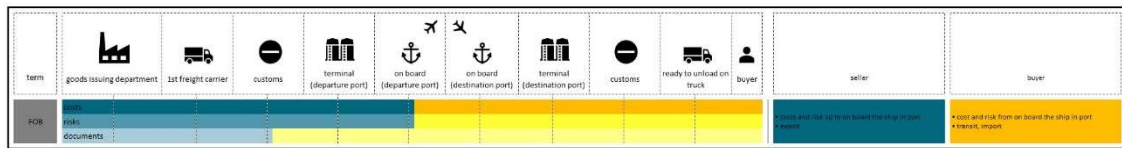
term	goods issuing department	1st freight carrier	customs	terminal (departure port)	on board (departure port)	on board (destination port)	terminal (destination port)	customs	ready to unload on truck	buyer	seller	buyer
FAS	risks										<ul style="list-style-type: none"> <li>costs and risks up to long side of the ship</li> <li>export</li> </ul>	<ul style="list-style-type: none"> <li>costs and risk from the long side of the ship to port</li> <li>transit, import</li> </ul>
documents												

Incoterms 2020 + Incoterms 2010: FAS - Free Alongside Ship

With FAS, the seller takes over the export and transport of the goods to the long side of the transport ship at the agreed port of shipment. The main transport costs and the transit and import are the responsibility of the buyer. If the goods are on the long side of the ship, both costs and risks are transferred to the buyer.



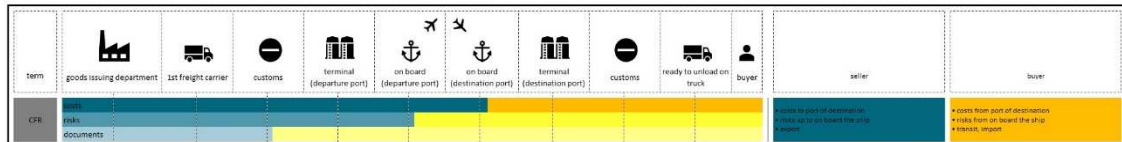
## 6.9. FOB - Free On Board\*\*



Incoterms 2020 + Incoterms 2010: FOB - Free On Board

FOB extends FAS by the transport of goods on board the ship.

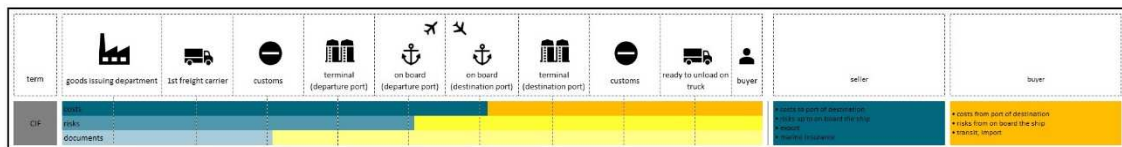
## 6.10. CFR - Cost And Freight\*\*



Incoterms 2020 + Incoterms 2010: CFR - Cost And Freight

CFR corresponds to FOB, with the difference that with FOB the buyer pays for the ship transport and with CFR the seller. The risks are therefore transferred to the buyer after the goods have been loaded on board the ship, but the costs are not transferred until the seller has had the goods transported to the port of destination.

## 6.11. CIF - Cost, Insurance And Freight\*/\*\*



Incoterms 2020 + Incoterms 2010: CIF - Cost, Insurance And Freight

CIF corresponds to CFR, but the seller must also take over sea transport insurance for carriage by sea.

If you would like more detailed information about the Incoterms clauses, you can purchase the [Incoterms 2020](#) or the [Incoterms 2010](#).

**Note:** We generally recommend that you determine the location within the agreed place of delivery/destination as precisely as possible, as the risks are transferred to the buyer at this point.

*\*With CIP and CIF, the seller must take out transport insurance at his own expense. According to the Institute Cargo Clauses, the transport insurance must be concluded with the scope of the minimum coverage. This amounts to 110% of the purchase price (purchase price of the goods + 10% = 110%). In addition the transport insurance must be locked in the currency of the purchase contract.*

*\*\*Relevant only for sea and inland waterway transport*