

Transfer of risk and costs with the Incoterms® 2020 for all types of transport

These seven clauses should be applied if the delivery of the goods from the seller to the buyer is not made on board or alongside a ship in a sea or inland port.

Clauses	Transfer of risk and costs
EXW	ex works (... named place of delivery) - The goods are deemed to have been delivered when the seller has made the goods available to the buyer at a named place of delivery (e.g. factory or warehouse) without loading onto the collecting means of transport and without export clearance. - The risks are from the seller to the buyer from this point in time. The buyer shall bear the loading risks, even if the seller carries out the loading on his premises. - The seller is not obliged to conclude a contract of carriage or an insurance contract.
FCA	free carrier (... named place of delivery) The seller delivers to the buyer in one of two ways: A. If the named place is on the seller's premises: The goods are deemed to be delivered as soon as the seller has loaded the goods onto the means of transport organized by the buyer. The buyer and seller may agree that the buyer shall instruct his carrier to issue a Bill of Lading with on-board-notation at the time of delivery, i.e. before loading. B. If the named place is at a different location: The goods shall be deemed to have been delivered when they have reached the named other place on the seller's transport vehicle and ready for unloading. The seller is not obliged to conclude a contract of carriage or an insurance contract.
CPT	carriage paid to (... named place of destination) - The goods shall be deemed to have been delivered when they have handed over by the seller to the carrier commissioned by the seller. - The risks are transferred to the buyer from this point in time. - The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination. However, he is not obliged to conclude an insurance contract.
CIP	carriage and insurance paid to (... named place of destination) - The goods shall be deemed to have been delivered when the goods have been handed over by the seller to the carrier commissioned by the seller. - The risks are transferred to the buyer from this point in time. - The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination. The seller is obliged to conclude a contract for comprehensive "all-risk" insurance cover in accordance with Institute Cargo Clause A for transportation from the place of delivery to at least the place of destination. This means that increased cover applies compared to the Incoterms® 2010.
DAP	delivered at place (... named place of destination) - The goods shall be deemed to have been delivered as soon as the goods have been made available to the Buyer on the Seller's arriving means of transport ready for unloading at the place of destination. - The seller shall bear all risks in connection with the transportation of the goods to the place of destination. - The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination. However, he is not obliged to conclude an insurance contract.
DPU	delivered at place unloaded (... named place of destination) This clause replaces the "DAT" clause of Incoterms® 2010 and allows the place of transfer of risk to the buyer to be any place where the goods can be unloaded, not just a terminal. - The goods shall be deemed to have been delivered after they have been unloaded from the arriving means of transport and made available to the buyer at the place of destination. - The seller bears all risks in connection with the transportation of the goods to the place of destination and the unloading at the place of destination. The seller should therefore ensure that he is in a position to organize the unloading at the place of destination. - The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination. However, he is not obliged to conclude an insurance contract.
DDP	delivered duty paid (... named place of destination) - The goods shall be deemed to have been delivered after the seller has made the goods cleared for import available to the buyer on the arriving means of transport ready for unloading at the place of destination. - The seller shall bear all risks in connection with the transportation of the goods to their destination. - The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination and is responsible for the payment of import duties and other taxes of the place of destination. He however, is not obliged to conclude an insurance contract.

Transfer of risk and costs with the Incoterms® 2020 for maritime and inland shipping

The four "maritime clauses" should be applied when the seller unloads the goods on board or alongside a ship in a sea or inland port. Under these clauses, the buyer bears the risk of loss of or damage to the goods from that port.

Clauses	Transfer of risk and costs
FAS	free alongside ship (... named port of shipment) • The goods are deemed to have been delivered when the seller has made the goods available alongside a ship at the port of shipment. • The risks are transferred from the seller to the buyer when the goods alongside the ship. • The seller is not obliged to issue a transport order or an insurance contract.
FOB	free on board (... named port of shipment) • The goods are deemed to have been delivered when the seller has made the goods available on board the ship at the port of shipment. • The risks are transferred from the seller to the buyer when the goods are on board the ship. • The seller is not obliged to issue a transport order or an insurance contract.
CFR	cost and freight (... named port of destination) • The goods are deemed to have been delivered when the seller has made the goods available on board the ship at the port of shipment. • The risks are transferred from the seller to the buyer when the goods are on board the ship. • The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the place of destination. However, he is not obliged to conclude an insurance contract.
CIF	cost, insurance and freight (... named port of destination) • The goods are deemed to have been delivered when the seller has made the goods available on board the ship at the port of shipment. • The risks are transferred from the seller to the buyer when the goods are on board the ship. • The seller is obliged to conclude a contract for the transportation of the goods from the place of delivery to the port of destination. • The seller is obliged to conclude a contract for minimum insurance cover in accordance with Institute Cargo Clause C for transportation from the port of shipment to at least the port of destination.



INCOTERMS 2020



	SEA FREIGHT											
	Risk	Cost	Insurance	Transfer of risk to the buyer	Cost responsibility of the buyer							
EXW (Ex Works)	■	■		■	■							
FCA (Free Carrier)	■	■		■	■							
FAS (Free Alongside Ship)	■	■	■	■	■							
FOB (Free On Board)	■	■	■	■	■							
CFR (Cost and Freight)	■	■	■	■	■							
CIF (Cost, Insurance and Freight)	■	■	■	■	■							
CPT (Carriage Paid To)	■	■		■	■							
CIP (Carriage and Insurance Paid to)	■	■	■	■	■							
DAP (Delivered At Place)	■	■		■	■							
DPU (Delivered Place Unloaded)	■	■		■	■							
DDP (Delivered Duty Paid)	■	■		■	■							

■ Risk
■ Cost
■ Insurance
■ Transfer of risk to the buyer
■ Cost responsibility of the buyer

All information without guarantee. For details see Incoterms® 2020, the wording of which applies in principle.