

INCOTERMS 2020

| International Commercial Terms of Sale

	"E" Term Origin	"F" Terms Freight Charges Not Paid			"C" Terms Freight Charges Paid				"D" Terms Destination / Arrival		
IncoTerms 2020	EXW Ex-Works (Place)	FCA Free Carrier (Place)	FAS* Free Alongside Ship (Port)	FOB* Free On Board (Port)	CFR* Cost & Freight (Port)	CIF* Cost, Insurance & Freight (Port)	CPT Carriage Paid to (Place)	CIP Carriage & Insurance Paid to (Place)	DAP Delivered At Place (Place)	DPU Delivered At Place Unloaded (Place)	DDP Delivered Duty Paid (Place)
Services	Responsibility & Charges										
Warehousing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Loading	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Port Receiving Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean/Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance**	No obligation to buyer or seller					Seller	N/O	Seller	No obligation to buyer or seller		
Destination Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Customs Duties	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Destination Delivery	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller

Risk/Responsibility, Transfers											
Risk Transfers	At Warehouse Named Place	On Truck at Named Place	At Named Port on Alongside Ship	At Port on Board Ship	On Board Vessel at Port of Shipment	On Board Vessel at Port of Shipment	On Board Vessel at Port of Shipment	On Board Vessel at Port of Shipment	On Delivery by Carrier at Named Place	On Unloading at Named Place	On Delivery by Carrier at Named Place, Duty & Tax Paid

Seller/Buyer Obligations											
Ex-Works: Means that the seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place. The Seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable. Ex-Works represents the minimum obligation for the seller.											
FAS, FOB, FCA, CFR, CIF, CPT, CIP, DAP, DPU: Requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or pay any import duty or arrange import customs formalities.											
DDP: Requires seller to clear the goods for export, where applicable and import, where applicable. The seller bears all costs and risks involved in bringing the goods therefore (named place), including VAT and or import related taxes, unless expressly agreed otherwise in the sales contract.											

Risk & Responsibility Passes When:											
Under the Incoterms rules EXW, FCA, DAP, DPU, DDP, FAS, FOB , the named place is the place where delivery takes place and where risks passes from the seller to the buyer.											
CPT, CIP, CFR or CIF are used, the seller fulfills it's obligation to deliver when it hands the goods over to the carrier and not when the goods reach the place of destination. Under these four (4) Incoterm rules, the place is the place of destination to which carriage is paid.											

This information is a synopsis only and INCOTERMS 2020 by the International Chamber of Commerce (ICC) should be referenced for full explanation of each term, its risks, costs and obligations.

* These rules apply to Sea and Inland Waterway Transport. All other terms can be used for all modes of transport.

** While insurance is not included in the Obligations for the Incoterm, it is highly recommended that insurance coverage be discussed and included in all international transactions.

5 Fun Facts About Global Supply Chain

1

The first person widely credited with using Supply Chain Management is Henry Ford, who designed and built his factories to make it as easy as possible to manage his inventory and shipping needs.

2

Malcolm McLean, the Father of Containerization was a transport engineer who first used containers to transport cargo, revolutionizing international trade in the second half of the 20th century.

3

The latest record lists 475,084 people employed in logistics and the average business in the Third-Party Logistics industry in the U.S. now employs more workers than it did five years ago, which is critical to the success of many sectors of the U.S. economy.

4

Barcodes first began to show up in supermarkets in 1974. Barcodes were originally designed as a way to keep track of railway cars as they traveled across the country.

5

A Panamax container ship consumes 63,000 gallons of fuel per day while traveling at 20 knots or 23 miles per hour.

Weight Conversion

1 pound = 16 oz.

1 kilogram = 2.20462 lbs.

1 ton = 2000 lbs.

Volume Conversion

1 cubic meter = 35.3147 cu. ft.

1 cubic meter = 61023.7 cu. in.

1 cubic meter = 1.30796 yards

