

Incoterms 2020.

Incoterms 2020 rules describe 11 standard delivery bases. Seven of them are applicable to any transport:

EXW. The contract specifies the place where the goods will be handed over to the seller (or a carrier hired by him). At the time of transfer, the supplier is deemed to have fulfilled his delivery obligations. Further loading, transportation, export and import is carried out by the buyer.

FCA. The supplier ships the goods to the seller's carrier at its premises or delivers the goods to the place specified in the contract.

CPT. Delivery is made to the place specified by the contract, after which the responsibility of the supplier ceases, and all risks are borne by the buyer. Further, the cargo is delivered by a carrier hired by him.

C.I.P. It assumes that the seller pays for insurance, organizes delivery to the point specified in the contract. After delivery, at the moment when the goods are handed over to the buyer's carrier, the supplier is no longer responsible for the goods.

DAP. The seller pays for delivery to the destination, which can be any point specified in the contract. When the goods are at the disposal of the buyer, the responsibility for the transportation and safety of the party also passes to him.

DPU. The supplier provides transportation of cargo to the specified point, as well as unloading. At the moment when the goods are unloaded and handed over to the buyer, the delivery is considered completed.

DDP. The transfer of cargo, risks, liability occurs after customs clearance and transportation of the consignment to the address specified in the contract. The seller organizes transportation, provides customs clearance and delivery of goods with their preparation for unloading.

Four more bases are specialized and apply only to water or sea transport:

FOB. The contract specifies the port where the buyer must charter the vessel. The terms of delivery assume that the seller delivers the goods and unloads them on board. From the moment it is placed on board, the responsibility passes from the supplier to the buyer.

FAS. The goods are delivered to the chartered ship, unloaded next to it and transferred to the buyer. At this point, the responsibility of the supplier ceases. Loading on board the buyer provides on their own.

C.F.R. The seller charters the vessel to the port of destination agreed upon in the contract, delivers, loads the consignment on board. The delivery is made when the vessel with the cargo arrives at the port. The supplier is not obliged to insure it, and it is better for the buyer to arrange insurance himself.

CIF. The seller provides freight, delivery, loading on board and insurance. The obligations are fulfilled upon the arrival of the cargo on the ship at the port of destination.