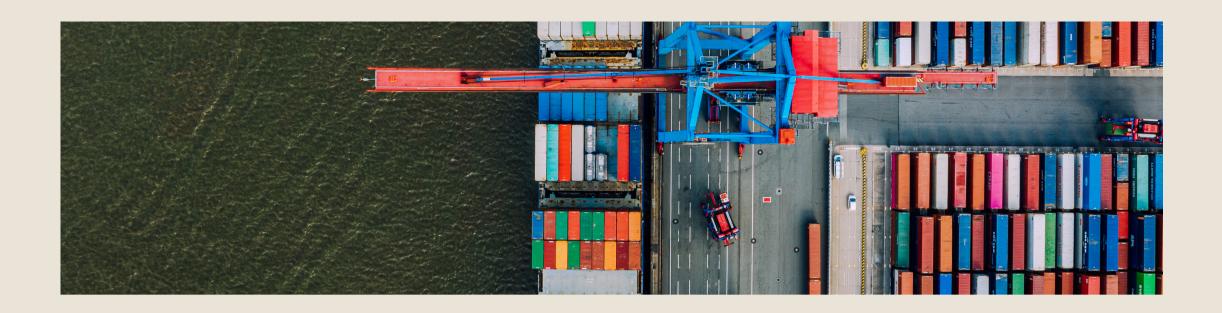
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INCOTERNS

Presented by Frontier Supply Chain Solutions, Inc.

INCOTERMS

Topics of Discussion



TOPIC'S OF DISCUSSION

- TRANSPORT
- TRANSPORT



• INCOTERMS[®] 2020 CHEAT SHEET

• TERMS THAT APPLY TO WATERWAY

• TERMS THAT APPLY TO ANY MODE OF

The Terms Covered

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TERMS THAT APPLY TO ANY MODE OF TRANSPORT

- EXW| EX WORKS
- FCA | FREE CARRIER
- CPT | CARRIAGE PAID TO
- CIP | CARRIAGE AND INSURANCE PAID TO
- DAP | DELIVERED AT PLACE
- DPU | DELIVERED AT PLACE UNLOADED
- DDP | DELIVERED DUTY PAID



EXW | Ex Works





EXW | EX WORKS

If you choose EXW, Delivery happens when the seller puts the goods at the named place. In most cases, the place is the seller's factory/warehouse. The seller DOES NOT need to load the goods on the vehicle. After putting down the goods, all the risks, costs, and export/import procedures are on the buyers.

NOTES TO THE BUYER

- this rule whenever possible.
- when loading them is much higher.
- This rule DOES NOT require the seller to do the export clearance. The buyer will have to pay for the export clearance and do all the procedures.

• If you choose this rule, the seller will have the least responsibilities. Avoid

• The seller DOES NOT need to load the goods to the truck. However, the seller usually has the equipment and techniques that are required to safely load the goods. If you do this by yourself, the risk of damaging the goods



FCA | Free Carrier





FCA | FREE CARRIER

There are two variants of delivery under this rule. 1. If the named place is the seller's factory/warehouse: The buyer arranges and pays for the carrier to the seller load the goods on the truck. 2. If the named place is somewhere else in the seller's country, the seller must pay for the carrier from their place to the named place. They also need to prepare the goods ready for unloading. The buyer has to unload the goods by themselves and pay for transport costs afterward.

Either way, the seller has to do the export clearance. If the carrier breaks or loses the goods on the way, the seller DO NOT have to pay for the loss.



CPT | Carriage Paid To





CPT | CARRIAGE PAID TO

The seller needs to arrange and pay for a carrier. The delivery happens when the seller hands the goods to the carrier at the named place. If there is an unloading cost, the seller has to pay for it. The carrier may send the goods to the importing country or only somewhere in the export country. You need to make an agreement on the place with the seller. If the carrier breaks or loses the goods on the way, the seller DO NOT have to pay for the loss. Under this rule, the seller has to do the export clearance.



CIP | Carriage and Insurance Paid To





CIP | CARRIAGE AND INSURANCE PAID TO

The seller needs to arrange and pay for a carrier. The delivery happens when the seller hands the goods to the carrier at the named place. If there is an unloading cost, the seller has to pay for it. The carrier may send the goods to the importing country or only somewhere in the export country. You need to make an agreement on the place with the seller.Under this rule, the seller has to do the export clearance.The seller also has to buy insurance for the goods from the delivery point to (at least) the destination.This means that if the carrier breaks or loses the goods on the way, insurance will cover the damage or loss.Make sure the value of the insurance should be at least 110% of the goods' value.Under this rule, the seller has to do the export clearance.

NOTES TO THE BUYER

In some cases, the destination country may require that the insurance to purchased locally in the destination country. This may cause some difficulties. In these cases, you may want to use the rule CPT

DAP | Delivered at Place





DAP | DELIVERED AT PLACE

First, you agree on a place. The seller arranges and pays for the carrier from their factory/warehouse to that place. They also have to prepare the goods ready for unloading. After that, the goods are delivered. Then the buyer has to prepare and pay for the unloading. Under DAP, the seller has to do the export clearance.



DDP | Delivered Duty Paid





DDP | DELIVERED DUTY PAID

First, you agree on a place. The seller arranges and pays for the carrier from their factory/warehouse to that place. They also have to prepare the goods ready for unloading. After that, the goods are delivered. Then the buyer has to prepare and pay for the unloading.Under DDP, the seller has to do both the export and the import clearance.

NOTES TO THE BUYER

If you choose DDP, the seller has the most responsibilities.





TERMS THAT APPLY TO WATERWAY TRANSPORT

- FAS | FREE ALONGSIDE SHIP
- FOB | FREE ON BOARD
- CFR | COST AND FREIGHT
- CIF | COST INSURANCE AND FREIGHT

TERMS THAT APPLY TO WATERWAY TRANSPORT





FAS | FREE ALONGSIDE SHIP

The delivery happens when the seller places the goods alongside the vessel. The buyer has to arrange and pay for the vessel. If the goods were damaged or lost on the ship to the buyer, the seller does not have to pay forthe damage or loss.Under FAS, the seller has to do the export clearance.

TERMS THAT APPLY TO WATERWAY TRANSPORT FAS | Free Alongside Ship

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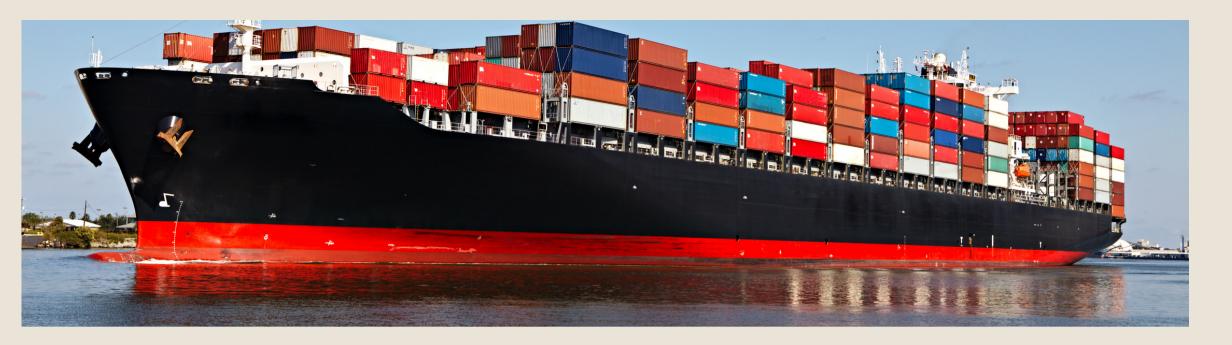


FOB | FREE ON BOARD

The delivery happens when the seller puts the goods on the vessel. This means that the seller pays for the loading fee. The buyer needs to arrange and pay for the vessel. If the goods were damagedor lost on the ship to the buyer, the seller does not have to pay for the damage or loss. Under FOB, the seller has to do the export clearance.

TERMS THAT APPLY TO APPLY TO WATERWAY TRANSPORT

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CFR | COST AND FREIGHT

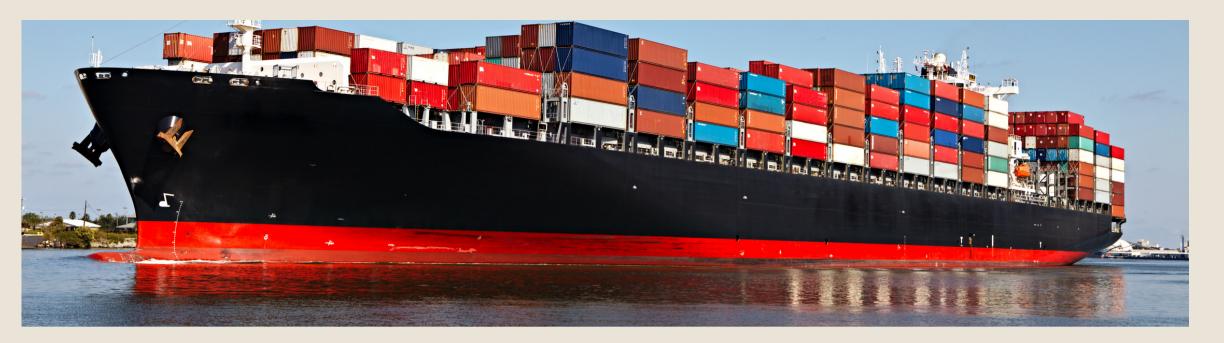
The delivery happens when the seller puts the goods on the ship. If the goods were damaged or lost on the ship on the way to the buyer, the seller does not have to pay for the damage or loss. The seller has to arrange and pay for the ship as well as the fee to unload the goods at the destination port.Under CFR, the seller has to do the export clearance.

NOTES OF CAUTION TO THE BUYER

The risk transfers at the port of delivery from the seller to the buyer, even though the seller pays and arranges the ship from the delivery point to the destination port.

TERMS THAT APPLY TO APPLY TO WATERWAY TRANSPORT CFR | Cost and Freight

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CIF | COST INSURANCE AND FREIGHT

The delivery happens when The sell puts the goods on the ship. The seller has to arrange and pay for the ship as well as the fee to unload the goods at the destination port. The seller also has to buy the insurance from the delivery point to (at least) the destination port. If the goods were damaged or lost on the ship on the way to the buyer, insurance would cover the loss. Under CIF, the seller has to do the export clearance.

NOTES OF CAUTION TOTHE BUYER

- The risk transfers at the port of delivery from the seller to the buyer, even though the seller pays and arranges the ship from the delivery point to the destination port.
- Make sure the value of the insurance is at least 110% of the goods' value.

TERMS THAT APPLY TO WATERWAY TRANSPORT CIF | Cost Insurance and Freight

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INCOTERMS® 2020 CHEAT SHEET

ALLOCATION OF COSTS

TERM	DEFINITION	Loading at origin	Expert customa declaration	Carriage to port of export	Unloading of truck in part of export	Landing on vesselizirplane in port of export	Carriage (sea/air) to part of import	Insurance	Unloading in part of import	Loading on truck in part of import	Carriage to place of deutination	Import customs clearance	Import duties and taxes	Unloading at destination
EXW	Ex Works	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FCA	Free Carrier	Seller	Seller	Buyer/Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FAS	Free Alongside Ship	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FOB	Free on Board	Seler	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CPT	Carriage Paid To	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer/Seller	BuyerSeler	Seller	Buyer	Buyer	Buyer
CFR	Cost and Freight	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CIF	Cost Insurance and Freigh	Seller	Seller	Seller	Seller	Seller	Seller	Seler	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CIP	Carriage and Insurance Paid To	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer/Seller	Buyer Solar	Seler	Buyer	Buyer	Buyer
DPU	Delivered at Place Unloaded	Seller	Seller	Seller	Seller	Seller	Seller	Seler	Seller	Seller	Seler	Buyer	Buyer	Seller
DAP	Delivered at Place	Seller	Seller	Seller	Søller	Selier	Seller	Seler	Selior	Seller	Seler	Buyer	Buyer	Buyer
DDP	Delivered Duty Paid	Seller	Seller	Seller	Seller	Seller	Seller	Seler	Seller	Seller	Seller	Seller	Seller	Buyer

INCO TERMS International Freight Forwarding



Supply Chain Solutions, INC.