Naurits

Incoterms® 2020 at a glance

Delivery terms decide who pays for what, who carries which risk and where responsibility passes from seller to buyer. This guide gives a short overview of the eleven rules for customers who buy cocoa products from Naurits.

Who is responsible for what

Rule		Export clearance	Main carriage	Insurance	Import clearance	Risk passes at
EXW	Ex Works	Buyer	Buyer	–	Buyer	Seller's premises
FCA	Free Carrier	**Seller**	Buyer	–	Buyer	Buyer's carrier
FAS	Free Alongside Ship	**Seller**	Buyer	–	Buyer	Alongside the ship
FOB	Free on Board	**Seller**	Buyer	–	Buyer	On board the vessel
CFR	Cost and Freight	**Seller**	**Seller**	–	Buyer	On board the vessel
CIF	Cost, Insurance and Freight	**Seller**	**Seller**	**Seller**	Buyer	On board the vessel
CPT	Carriage Paid To	**Seller**	**Seller**	–	Buyer	First carrier
CIP	Carriage and Insurance Paid To	**Seller**	**Seller**	**Seller**	Buyer	First carrier
DAP	Delivered at Place	**Seller**	**Seller**	–	Buyer	Named place, ready to unload
DPU	Delivered at Place Unloaded	**Seller**	**Seller**	–	Buyer	Named place, unloaded
DDP	Delivered Duty Paid	**Seller**	**Seller**	–	**Seller**	Named place, ready to unload

The terms we use most often

Term	We arrange	You arrange	Suits you if
EXW	Goods ready for collection at our premises	Loading, all transport, export and import clearance	You have your own forwarder and want full control
FOB	Delivery to the port, export clearance and loading on board	Sea freight, insurance and import clearance	You have a good freight contract and prefer to manage the sea leg
CIF	Sea freight and minimum insurance to your port, export clearance	Unloading, import clearance and onward transport	You want one price up to your port
DAP	The whole route to your site, ready for unloading	Unloading and import clearance	You want one price and a single party to deal with

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The eleven rules in short

One line on each rule, to show what the seller and the buyer take on.

EXW, Ex Works	Goods made available at the seller’s premises. The buyer arranges everything from there.
FCA, Free Carrier	Goods handed, cleared for export, to the buyer’s carrier at a named place.
FAS, Free Alongside Ship	Goods placed alongside the vessel at the port of shipment.
FOB, Free on Board	Goods loaded on board the vessel; risk passes once they are on board.
CFR, Cost and Freight	The seller pays sea freight to the destination port; risk passes on board at origin.
CIF, Cost, Insurance and Freight	As CFR, plus minimum cargo insurance for the buyer.
CPT, Carriage Paid To	The seller pays carriage to the named place; risk passes at handover to the first carrier.
CIP, Carriage and Insurance Paid To	As CPT, plus insurance with broad cover.
DAP, Delivered at Place	The seller delivers to the named place, ready for unloading, and bears risk until then.
DPU, Delivered at Place Unloaded	As DAP, but the seller also unloads.
DDP, Delivered Duty Paid	The seller delivers cleared for import and pays duties and taxes.

Documents that accompany a shipment

Whichever term is chosen, a cocoa shipment is accompanied by a commercial invoice, a packing list, the transport document, a certificate of origin and the quality documents agreed in the contract. What changes is who must produce which document and who needs it for customs.