Incoterms 2020 Quick Reference

The 11 Incoterms 2020 rules for international sale of goods, mapped to buyer risk, cost and documentation responsibility. For enterprise industrial procurement.

Any mode of transport

☐ EXW — Ex Works: buyer collects at seller's premises; buyer bears everything from the factory gate.

☐ FCA — Free Carrier: seller delivers to a named place / carrier; risk transfers on loading or handover.

☐ CPT — Carriage Paid To: seller pays freight to destination; risk transfers at first carrier.

☐ CIP — Carriage & Insurance Paid To: as CPT plus seller buys all-risk (ICC A) insurance for buyer.

☐ DAP — Delivered at Place: seller delivers ready for unloading at named destination; buyer clears import.

☐ DPU — Delivered at Place Unloaded: seller delivers AND unloads at destination.

☐ DDP — Delivered Duty Paid: seller bears everything including import duty and taxes.

Sea and inland waterway only

☐ FAS — Free Alongside Ship: seller delivers alongside the vessel at named port.

☐ FOB — Free On Board: seller delivers on board the vessel; risk transfers on board.

☐ CFR — Cost & Freight: seller pays freight to destination port; risk transfers on board at origin.

☐ CIF — Cost, Insurance & Freight: as CFR plus seller buys minimum (ICC C) insurance.

Buyer decision rules

☐ Compare quotes on the SAME Incoterm — an EXW price and a DDP price are not comparable.

☐ Prefer CIP or DAP for enterprise projects — seller controls freight, buyer keeps clearance visibility.

☐ Avoid DDP unless the seller has a local tax registration in the destination country.

☐ For LC-financed shipments, CIF/CIP align cleanly with document presentation requirements.

☐ Insurance under CIF is minimum cover only — top up to ICC A for capital equipment.

Documentation checklist

☐ Commercial invoice matching the Incoterm and currency

☐ Transport document (B/L, AWB, CMR) evidencing the delivery point

☐ Insurance certificate on the agreed cover level (A / B / C)

☐ Packing list, Certificate of Origin, FTA preference documents

☐ Inspection certificate (SGS / BV / Intertek) where contract requires

Common mistakes

☐ Using FOB for container shipments (use FCA — risk on FOB transfers only on board)
☐ Assuming CIF covers all-risk (it doesn't — it's ICC C, minimum cover)
☐ Ignoring who clears import under DAP (buyer does)
☐ Splitting Incoterms across pallets or SKUs in the same order