

Incoterms® Rule	Incoterms® 2020: When delivery occurs?
EXW Ex Works	By placing the goods at the disposal of the buyer, not loaded on any collecting vehicle.
FCA Free Carrier	Delivery is completed either: a) If the named place is the seller's premises, when the goods have been loaded on the means of transport provided by the buyer; or b) In any other case, when the goods are placed at the disposal of the carrier or another person nominated by the buyer on the seller's means of transport ready for unloading
FAS Free Alongside Ship	By placing the goods alongside the vessel nominated at the named port of shipment.
FOB Free On Board	By placing the goods on board the vessel nominated by the buyer at the named port of shipment.
CPT Carriage Paid to	By handing the goods over to the carrier.
CIP Carriage and Insurance Paid To	By handing the goods over to the carrier.
CFR Cost and Freight	By placing the goods on board the vessel.
CIF Cost, Insurance and Freight	By placing the goods on board the vessel.
DAP Delivered at Place	The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading.
DPU Delivered at Place Unloaded	The seller must unload the goods from the arriving means of transport and must then deliver them by placing them at the disposal of the buyer.
DDP Delivered Duty Paid	The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading.

This chart is designed to provide a basic level of understanding of Incoterms® 2020. For more information, see the official publication of Incoterms® 2020.

What is Taking Delivery?

The B2 terms, titled “taking delivery” are virtually identical across all eleven Incoterms® rules: the buyer “must take delivery of the goods” when they have been delivered under A2. This statement may be regarded as a statement of the obvious. It is important, however, to state expressly that once the seller has done everything it needs to deliver the goods under a particular Incoterms® rule, there is no going back: the buyer “must take delivery”, i.e. the buyer cannot choose to push back on the transfer of risk – anything that happens after that moment is for the buyer’s account, whether or not the buyer actually takes physical possession of the goods. Indeed, in most of the Incoterms® rules, the buyer is not obliged towards the seller to take physical possession of the goods: the position is quite simply that if the buyer chooses not to, the goods are still at its risk after the moment of delivery: it is in this sense that the buyer must take delivery.

There is an exception: The C Rules

There are, however, four Incoterms® rules where the buyer does owe the seller a duty physically to receive the goods. In all four C rules, the buyer owes the seller a duty to receive the goods from the carrier. In these rules, the seller will have engaged a carrier in order to transport the goods to the named destination: if the buyer fails actually to take physical possession of the goods from the carrier, the seller may find that it is liable to the carrier under its contract of carriage for losses caused by delay at destination.

It is in order to avoid the buyer putting the seller in this invidious situation vis-à-vis its carrier that the four Incoterms® Rules impose a duty on the buyer towards the seller to take the goods from the carrier.

Detailed info regarding delivery of goods under Incoterms® 2020 are available here: <https://bit.ly/2NC2LWZ>

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