Incoterms® 2020

Who pays, who carries the risk, and exactly where it changes hands

ALL 11 RULES IN FORCE IN 2026

There is no “Incoterms 2026” edition. Incoterms® 2020 took effect 1 January 2020 and is the version 2026 contracts should name.

RULE	EXPORT CLEARANCE	MAIN CARRIAGE COST	INSURANCE	IMPORT CLEARANCE & DUTY	RISK TRANSFERS FROM SELLER TO BUYER
EXW Ex Works	Buyer	Buyer	Not required	Buyer	At seller's premises, goods placed at buyer's disposal, NOT loaded
FCA Free Carrier	Seller	Buyer	Not required	Buyer	When goods are handed to the buyer's carrier at the named place
CPT Carriage Paid To	Seller	Seller	Not required	Buyer	When goods are handed to the FIRST carrier - not at destination
CIP Carriage and Insurance Paid To	Seller	Seller	Seller - ICC Clauses A (all risks)	Buyer	When goods are handed to the FIRST carrier - not at destination
DAP Delivered at Place	Seller	Seller	Not required	Buyer	At destination, ready for unloading on the arriving vehicle
DPU Delivered at Place Unloaded	Seller	Seller	Not required	Buyer	At destination, once UNLOADED — the only rule where the seller unloads
DDP Delivered Duty Paid	Seller	Seller	Not required	Seller	At destination, ready for unloading — seller clears import and pays duty
SEA AND INLAND WATERWAY TRANSPORT ONLY — not for containers handed over at a terminal					
FAS Free Alongside Ship	Seller	Buyer	Not required	Buyer	When goods are placed alongside the vessel at the port of shipment
FOB Free On Board	Seller	Buyer	Not required	Buyer	When goods are ON BOARD the vessel at the port of shipment
CFR Cost and Freight	Seller	Seller	Not required	Buyer	When goods are ON BOARD at the port of shipment - not on arrival
CIF Cost, Insurance and Freight	Seller	Seller	Seller - ICC Clauses C (minimum)	Buyer	When goods are ON BOARD at the port of shipment - not on arrival

FIVE THINGS THE TABLE CANNOT SHOW YOU

- **Incoterms do not transfer ownership.** They govern delivery, risk, cost and transport duties only — title and payment terms live in your sales contract.
- **For containers, FCA usually beats FOB.** Under FOB you carry the risk until the goods are on board, but you lose control of the box at the terminal days earlier.
- **CIP and CIF insurance are not equal.** CIP requires all-risks cover (Clauses A); CIF requires only the minimum (Clauses C). Buyers under CIF are often underinsured.
- **Four rules split cost from risk.** Under CPT, CIP, CFR and CIF the seller pays freight to destination, but risk passes at origin. Transit damage is the buyer's problem.
- **DDP puts import clearance on the seller.** That means duties, import VAT and often a local tax registration in the buyer's country. Do not agree to it casually.