

INCOTERMS 2020

Who pays (blue or amber) and where risk moves on a China shipment.



■ Seller pays
 ■ Buyer pays
 ! Risk transfers

								
	Seller	Origin	Load port	Ocean	Dest port	Inland	Place	Buyer
EXW	!							
FCA		!						
FAS			!					
FOB				!				
CFR				!				
CIF				!				
CPT		!						
CIP		!						
DPU							!	
DAP							!	
DDP								!

Key insights

- On CFR, CIF, CPT, and CIP the **blue bar** keeps going after the **!**. The seller can still be paying freight while you already hold the risk.
- Ask for **FOB** at a named China port on a first serious order. You pick the forwarder and you see the ocean bill.
- Be careful with cheap **DDP**. If duty was never really paid, customs will come to you.
- Match the term to the price. A FOB Ningbo quote is not a DDP-to-warehouse quote.
- The Incoterm only moves the boxes. It does not inspect them. Check quality before you pay the balance.

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