Incoterms 2020 Quick Reference

The delivery terms KWE Metals LLC contracts under, with the named place, cost split, risk transfer point and insurance duty for each rule.

Every KWE Metals sales contract names exactly one Incoterms 2020 rule followed by the named place or port written out in full, for example 'CIF Rotterdam, Incoterms 2020'. Retired or informal terms are never used. This sheet is a working summary; the contract text governs.

RULES USED BY KWE METALS

RULE	NAMED PLACE	CARRIAGE ARRANGED BY	RISK PASSES	INSURANCE
EXW	Mine gate or warehouse, Olancho	Buyer	When goods are placed at buyer's disposal	Buyer
FCA	Named terminal or yard	Buyer (KWE loads)	On delivery to buyer's carrier	Buyer
FOB	Puerto Cortes or San Lorenzo	Buyer	When goods are on board the vessel	Buyer
CFR	Destination port	KWE Metals	When goods are on board at load port	Buyer
CIF	Destination port	KWE Metals	When goods are on board at load port	KWE, min 110% of CIF value, ICC (A)
CPT	Named destination	KWE Metals	On handover to first carrier	Buyer
CIP	Named destination	KWE Metals	On handover to first carrier	KWE, min 110%, ICC (A)
DAP	Named destination	KWE Metals	On arrival, ready for unloading	KWE (commercial cover)
DPU	Named terminal	KWE Metals	After unloading at the named place	KWE (commercial cover)
DDP	Named destination	KWE Metals incl. import duty	On arrival, cleared for import	KWE (commercial cover)

POINTS THAT DECIDE THE RULE

- Bulk ores, concentrates and fines move on FOB, CFR or CIF. Sea terms are used only for sea and inland waterway carriage.
- Containerised or airfreighted cargo, including bullion and precious stones, moves on FCA, CPT or CIP - never FOB, because risk should pass at the terminal, not the ship's rail.
- Cost transfer and risk transfer are separate. Under CIF, KWE pays freight to destination but risk passes at the load port.
- Under CIF the required cover is Institute Cargo Clauses (C) minimum; KWE contracts for Clauses (A) at 110 percent of invoice value as standard.

- Export clearance is always the seller's duty except under EXW. Import clearance is always the buyer's duty except under DDP.
- The named place must be as precise as possible. 'CIF Europe' is not a usable term.

DOCUMENT SET BY RULE

- FOB / CFR / CIF: commercial invoice, full set clean on-board bills of lading, packing and weight list, certificate of origin, inspection certificate of weight and quality, and insurance certificate under CIF.
- FCA / CPT / CIP: commercial invoice, air waybill or forwarder's receipt, packing list, certificate of origin, assay certificate, insurance certificate under CIP.
- DAP / DPU / DDP: as above plus proof of arrival and, under DDP, evidence of import clearance and duties paid.

CONTRACT CHECKLIST BEFORE SIGNATURE

- [ ] Rule named in full with the named place and the words 'Incoterms 2020'.
- [ ] Quantity with tolerance and the party holding the option stated.
- [ ] Price formula, benchmark reference and quotational period stated.
- [ ] Inspection regime, appointed inspector and umpire procedure agreed.
- [ ] Payment instrument identified (UCP 600 credit, URC 522 collection or deposit and balance).
- [ ] Insurance cover, level and clauses stated where the rule requires it.
- [ ] ICC Force Majeure and Hardship Clauses 2020 incorporated.
- [ ] ICC Arbitration clause with seat, number of arbitrators and language.