

**MINISTRY OF EDUCATION OF THE REPUBLIC OF BELARUS**  
**IE "Poleski State University"**

Department of Foreign languages

Presentation theme:

"D-terms in Incoterms"

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# Delivered At Frontier - DAF

- DEFINITION of 'Delivered At Frontier - DAF'

In international trade, a contract specification requiring the seller to deliver goods to a named destination, usually a border location, by a predetermined time. Up to the border, the seller is responsible for all risks and expenses associated with the delivery.

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# BREAKING DOWN 'Delivered At Frontier - DAF'

- Terms used in international trade, such as delivered at frontier, outline who bears the risks and expenses of transporting goods under international transactions. A variety of terms exist for various methods of transportation. Delivered at frontier is most often used when using ground transport, such as truck or rail, to supply the goods.

It's important to realize that because this is a legal term, its exact definition is much more complicated and differs by country. It is suggested that you contact an international trade lawyer before using any trade term.

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# Delivered Ex Ship - DES

- What does 'Delivered Ex Ship - DES' mean  
Delivered ex ship (DES) is a trade term requiring the seller to deliver goods to a buyer at an agreed port of arrival. The seller remains responsible for the goods until they are delivered.
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# BREAKING DOWN 'Delivered Ex Ship - DES'

- Contracts involving international transportation often contain abbreviated trade terms that describe matters. It includes details like the time and place of delivery, payment when the risk of loss shifts from the seller to the buyer, and who pays the costs of freight and insurance.

The most commonly known trade terms are Incoterms. They are published by the [International Chamber of Commerce \(ICC\)](#). [Incoterms](#) are often identical in form to domestic terms (such as the American Uniform Commercial Code), but have different meanings. As a result, parties to a contract must expressly indicate the governing law of their terms.

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# Delivered Ex Quay - DEQ

- DEFINITION of 'Delivered Ex Quay - DEQ'

In international trade, a contract specification where the seller must deliver the goods to the wharf at the destination port. Delivered ex quay may be noted as having duty paid or unpaid. If it is marked as paid, the seller is responsible for any costs, such as duty, and risks associated with the delivery. The buyer must pay the costs and duty when the DEQ is marked as "duty unpaid."

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# BREAKING DOWN 'Delivered Ex Quay - DEQ'

- Delivered ex quay is an alternative to delivered ex ship (DES). With a DES specification, the seller must make the goods available on board a ship at the destination port. DEQ changes the specification, noting that the goods must be delivered to the wharf.

It's important to realize that because this is a legal term, its exact definition is much more complicated and differs by country. It is suggested that you contact an international trade lawyer before using any trade term.

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# Delivered Duty Unpaid - DDU

- What is 'Delivered Duty Unpaid - DDU'
  - DDU was not included in the 2010 publication of the International Chamber of Commerce's Incoterms, however it is still used in international trade parlance. The official term that best describes the function of DDU is now Delivery At Place or (DAP).
  - DDU is an international trade where the seller is responsible for making a safe delivery of goods to a named destination, paying all transportation expenses and assuming all risks during transportation except for the duty once it arrives to port. When the goods arrive at the agreed upon location, the buyer becomes responsible for paying the duty and other customs clearing expenses. On paper, the incoterm is followed by the location of delivery (DDU: Port of Los Angeles). The seller bears the risks and costs associated with supplying the good to the delivery location.
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# BREAKING DOWN 'Delivered Duty Unpaid - DDU'

- While DDU is no longer an official term, the more granular parts of a DDU deal specified: 1) that the seller must provide goods being sold along with an invoice (electronic copy or analog), obtained at their own cost; 2) export licenses and other formalities like insurance on the cargo (though insurance is not required).
  - If an agreement couldn't be met, the seller was allowed to choose one that best meets their needs, and the seller had to agree to provide to the buyer at their own expense assistance in obtaining any necessary documentation from the country of dispatch or origin. The buyer in a DDU deal was required to pay for the inspection of goods, obtain import licenses and other formalities at their own cost. If the buyer failed to do this, they were responsible for all additional costs and risks. They were also required to move the goods at their own cost from port as soon as they arrived and provide proof of received delivery to the seller.
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- The International Chamber of Commerce (ICC) is an organization that was originally formed in the wake of the first World War with the goal of helping foster prosperity in Europe by setting standards for international trade. It was this group that in 1936 that published a set group of terms for types of arrangements set up to ship goods from place to place. Since then, the organization has grown to consist of 13 commissions. It has also become a key player in international trade by serving as consultant to the United Nations and advocating for open trade.
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# Delivered Duty Paid - DDP

- What does 'Delivered Duty Paid - DDP' mean
  - Delivered duty paid (DDP) is a transaction where the seller pays for the total costs associated with transporting goods and is fully responsible for the goods until they are received and transferred to the buyer. This includes paying for shipping costs, export and import duties, insurance and any other expenses incurred during shipping of the goods. DDP is a type of delivery agreement that puts all of the risks and charges with the seller of the goods until delivery is made in the buyer's country at an agreed-upon location.
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# BREAKING DOWN

## 'Delivered Duty Paid - DDP'

- The seller gives the goods to a carrier and arranges for transportation. The seller is responsible for acquiring customs clearance in the buyer's country, including and obtaining the appropriate approvals from the authorities in that country. In addition, the seller may need to acquire a license for importation. However, the seller is not responsible for unloading the goods.
  - During shopping on the Internet, delivered duty paid noted next to an item signifies that all duties have been paid, but buyers must use caution. It is important to verify the company's policy and to have all details agreed upon prior to making the transaction. In a delivered duty paid transaction, if the goods are damaged or lost in transit, the seller is liable for the costs.
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# Seller Responsibilities

- The seller's responsibilities include manufacturing the goods, providing a sales contract and documents as required by the sales contract, export packaging, arranging for export clearance and all import and export and customs requirements, arranging and paying for all transportation costs and including final delivery to an agreed-upon destination. In addition, the seller must make all arrangements for proof of delivery and pay the cost of all inspections. The seller must alert the buyer when the goods have been delivered to the agreed-upon location.
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# Shipping Requirements

- Delivered duty paid shipments require that the shipper obtain customs' clearance. Prior to sending DDP shipments, the seller must determine the local customs requirements of the particular destination country. However, it is not always achievable for the shipper to clear the goods through customs in foreign countries.
  - In addition, customs requirements for DDP shipments vary by country. In some countries, import clearance procedures are complicated and lengthy and should be arranged by the buyer who has intimate knowledge of the process. If a delivered duty paid shipment does not clear customs, customs may ignore the fact that the shipment is DDP. Unfortunately, this may cause a shipment delay. Depending on the decision by customs, this may result in the seller using different delivery methods and require additional costs.
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**Thank you for your  
attention!**

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