

CIP (Carriage and Insurance Paid To)

The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract.

Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement as it customary.

The buyer must pay the price of the goods as provided in the contract of the sale.

Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.

The seller must deliver the goods by handing them over to the carrier contracted in accordance with A4 or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.

The buyer must take delivery of the goods when they have delivered under A2 and receive them from the carrier at the named place of destination or if agreed, at the point within that place.

The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.

The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.

If the buyer fails to give notice in accordance with B10, then the buyer bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.

The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named place of destination or, if agreed, any point at that place. The contract of carriage must be made on usual terms at the sellers cost and provide for the carriage by the usual route in a customary manner of the type normally used for carriage of the type of goods sold. If a specific point at the named place of destination that best suits its purpose.

The seller must comply with any transport-related security requirements for transport to the destination.

The buyer has no obligation to the seller to make a contract of carriage.

Unless otherwise agreed or customary in the particular trade, the seller must obtain, at its own cost, cargo insurance complying with the cover provided by Clauses (A) of the institute Cargo Clauses (LMA/IUA) or any other similar clauses as appropriate to the means on transport used. The insurance shall be contracted with underwriters or an insurance company of good repute and entitle the buyer, or any other person having an insurable interest in the goods, to claim directly from the insurer.

When required by the buyer, the seller must, subject to the buyer providing any necessary information requested by the seller, provide at the buyers cost any additional cover, if procurable,

such as cover complying with the institute War Clauses and/or Institute Strikes Clauses (LMA/IUA) or any similar clauses (unless such cover is already included with the cargo insurance described in the preceding paragraph).

The insurance shall cover, at a minimum, the price provided in the contract plus 10% (i.e. 100%) and shall be in the currency of the contract.

The insurance shall cover the goods from the point of delivery set out in A2 to at least the named place of destination.

The seller must provide the buyer with the insurance policy or certificate or any other evidence of insurance cover.

Moreover, the seller must provide the buyer, at the buyers request, risk and cost, with information that the buyer needs to procure any additional insurance.

The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, upon request, with any information necessary for the seller to procure any additional insurance requested by the buyer under A5.

If customary or at the buyers request, the seller must provide the buyer, at the sellers cost, with the usual transport document(s) for the transport contracted in accordance with A4.

This transport document must cover the contract goods and be dated within the period agreed for shipment. If agreed or customary, the document must also enable the buyer to claim the goods from the carrier at the named place of destination and enable the buyer to sell the goods in transit by the transfer of the documents to a subsequent buyer or by notification to the carrier.

When such a transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.

The buyer must accept the transport documents provided under A6 if it is in conformity with the contract.

A. Export Clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as;

- Export licence;
- Security clearance for export;
- Pre-shipment inspection; and
- Any other official authorisation

B. Assistance with Import Clearance Where applicable, the seller must assist the buyer, at the buyers request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.

A. Assistance with Export Clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export.

B. Import Clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as:

- Import licence and nay licence required for transit;
- Security clearance for import and any transit;
- Pre-shipment inspection; and
- Any other official authorization

The seller must pay the cost of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2.

The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.

The buyer has no obligation to the seller.

The seller must pay:

- a) All costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9;
- b) Transport and all other cost resulting from A4 , including the costs of loading the goods and transport-related security costs;
- c) Any charges for unloading at the agreed place of destination but only if these charges were for the sellers account under the contract of carriage;
- d) The cost of transit that were for the sellers account under the contract of carriage;
- e) The costs of providing the usual proof to the buyer under A6 that the goods have been delivered;
- f) The costs of insurance resulting from A5;
- g) Where applicable, duties, taxes and any other costs related to export clearance under A7(a);
- h) The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).

The buyer must pay:

- All costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9;
- The costs of transit, unless such costs were for the seller's account under the contract of carriage;
- Unloading costs, unless such costs were for the seller's account under the contract of carriage;
- The costs of any additional insurance procured at the buyer's request under A5 and B5;
- The seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b);
- Where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and
- Any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for the shipment, provided that the goods have been clearly identified as the contract goods.

The seller must notify the buyer that the goods have been delivered in accordance with A2.

The seller must give the buyer any notice required to enable the buyer to receive the goods.

The buyer must, whenever it is agreed that the buyer is entitled to determine the time for dispatching the goods and/or the point of receiving the goods within the named place of destination, give the seller sufficient notice.

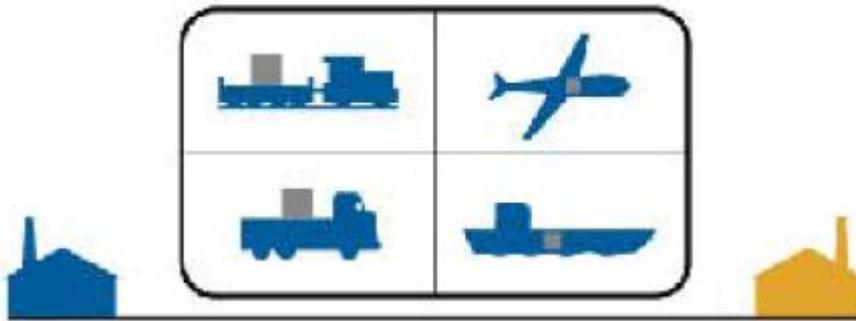
1. **Delivery and risk** – “Carriage and Insurance Paid To” means the seller delivers the goods – and transfers the risk- to the buyer
 - By handing them over to the carrier
 - Contracted by the seller
 - Or by procuring the goods so delivered.
 - The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means transport used.



Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from the seller to the buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of goods

from delivery to the agreed destination. Thus, for example, goods are handed over to a carrier in Las Vegas (which is not a port) for carriage to Southampton (a port) or to Winchester (which is a port). In either case, delivery transferring risks to the buyer happens in Las Vegas, and the seller must make a contract of carriage to either Southampton or Winchester.

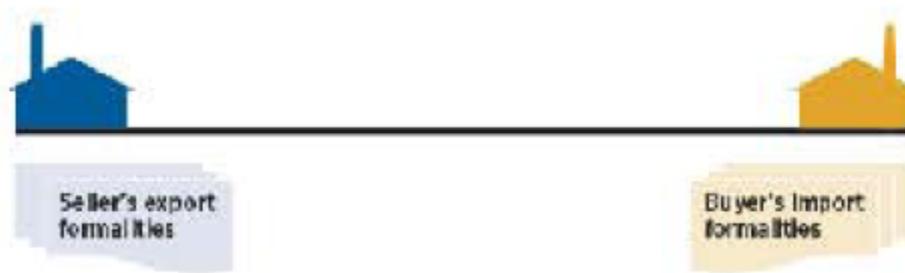
2. **Mode of transport** – This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.



3. **Places (or points) of delivery and destination** – In CIP two locations are important: the place or point at which the goods are delivered (for the transfer of risk) and the place or point agreed as the destination of the goods (as the point to which the seller promises to contract for carriage)
4. **Insurance** – The seller must also contract for insurance cover against the buyer's risk of loss of or damage to the goods from the point of delivery to at least the point of destination. This may cause difficulty where the destination country requires insurance cover to be purchased locally: in this case the parties should consider selling and buying under CPT. The buyer should also note that under CIP Incoterms 2020 rule the seller is required to obtain extensive insurance cover complying with Institute Cargo Clauses (A) or similar clause, rather than with the more limited cover under Institute Cargo Clauses (C). It is, however, still open to the parties to agree on a lower level of cover.
5. **Identifying the place or point of delivery with precision** – The parties are well advised to identify both places, or indeed points within those places, as precisely as possible in the contract of sale. Identifying the place or point (if any) of delivery as precisely as possible is important to cater for the common situation where several carriers are engaged, each for different legs of the transit from delivery to destination. Where this happens and the parties do not agree on a specific place or point of delivery, the default position is that risks transfers when the goods have been delivered to the first carrier at a point entirely of the sellers choosing and over which the buyer has no control. Should the parties wish the risk to transfer at a later stage (e.g. at a sea or river port or at an airport), or indeed an earlier one (e.g. an inland point some way away from a sea or river port), the need to specify this in their contract of sale and to carefully think through the consequences of so doing in case goods are lost or damaged.
6. **Identifying the destination as precisely as possible** – The parties are also well advised to identify as precisely as possible in the contract of sale the point within the agreed place of

destination, as this is the point to which the seller must contract for carriage and insurance and this is the point to which the costs of carriage and insurance fall on the seller.

7. **'or procuring the goods so delivered'** – The reference to “procure” here caters for multiple sales down a chain (string sales), particularly common in the commodity trades.
8. **Costs of unloading at destination** – If the seller incurs costs under its contract of carriage related to unloading at the named place of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.
9. **Export/import clearance** – CIP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, or to pay any import duty or to carry out any import customs formalities.



A The Seller Obligations	B The Buyers Obligations
<p>A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract.</p> <p>Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.</p>	<p>B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale.</p> <p>Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.</p>
<p>A2 Delivery The seller must deliver the goods by handing them over to the carrier contracted in accordance with A4 or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.</p>	<p>B2 Taking Delivery The buyer must take delivery of the goods when they have been delivered under A2 and receive them from the carrier at the named place of destination or if agreed, at the point within that place.</p>
<p>A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.</p>	<p>B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.</p> <p>If the buyer fails to give notice in accordance with B10, then the buyer bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly</p>

	identified as the contract goods.
<p>A4 Carriage The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named place of destination or, if agreed, any point at that place. The contract of carriage must be made on usual terms at the sellers cost and provide the carriage by the usual route in a customary manner of the type normally used for carriage of the type of goods sold. If a specific point is not agreed or is not determined by practice, the seller may select the point of delivery and the point at the named place of destination that best suits its purpose.</p> <p>The seller must comply with any transport-related security requirements for transport to destination.</p>	<p>B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.</p>
<p>A5 Insurance Unless otherwise agreed or customary in the particular trade, the seller must obtain at its own cost cargo insurance complying with the cover provided by Clauses (A) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses as appropriate to the means of transport used. The insurance shall be contracted with underwriters or an insurance company of good repute and entitled the buyer, or any other person having an insurable interest in the goods, to claim directly from the insurer.</p> <p>When required by the buyer, the seller must, subject to the buyer providing any necessary information requested by the seller, provide at the buyers cost any additional cover, if procurable, such cover complying with the Institute War Clauses and/or Institute Strike Clauses (LMA/IUA) or any similar clauses (unless such cover is already included with the cargo insurance described in the preceding paragraph).</p> <p>The insurance shall cover, at a minimum, the price provided in the contract plus 10% (i.e. 110%) and shall be in the currency of the contract.</p> <p>The insurance shall cover the goods from the point of delivery set out in A2 to at least the named place of destination.</p>	<p>B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, upon request, with any information necessary for the seller to procure any additional insurance requested by the buyer under A5.</p>

<p>The seller must provide the buyer with the insurance policy or certificate or any other evidence of insurance cover.</p> <p>Moreover, the seller must provide the buyer, at the buyers request, risk and cost, with information that the buyer needs to procure any additional insurance.</p>	
<p>A6 Delivery/transport document If customary or at the buyers request, the seller must provide the buyer, at the sellers cost, with the usual transport document(s) for the transport contracted in accordance with A4.</p> <p>This transport document must cover the contract goods and be dated within the period agreed for shipment. If agreed or customary, the document must also enable the buyer to claim the goods from the carrier at the named place of destination and enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer or by notification to the carrier.</p> <p>When such transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.</p>	<p>B6 Delivery/transport document The buyer must accept the transport document provided under A6 if it is in conformity with the contract.</p>
<p>A7 Export/import licence</p> <p>a) Export Clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as:</p> <ul style="list-style-type: none"> • Export licence; • Security clearance for export; • Pre-shipment inspection; and • Any other official authorization <p>b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyers request, risk and costs, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.</p>	<p>B7 Export/import licence</p> <p>a) Assistance with export clearance Where applicable, the buyer must assist the seller at the sellers request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export.</p> <p>b) Import Clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as:</p> <ul style="list-style-type: none"> • Import licence and any licence required for transit; • Security clearance for import and any transit; • Pre-shipment inspection; and • Any other official authorization
<p>A8 Checking/packaging/marking</p>	<p>B8 Checking/packaging/marking</p>

<p>The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing and counting) that are necessary for the purpose of delivering the goods in accordance with A2.</p> <p>The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.</p>	<p>The buyer has no obligation to the seller.</p>
<p>A9 Allocation of costs The seller must pay:</p> <ul style="list-style-type: none"> a) All costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) Transport and all other costs resulting from A4, including the costs of loading the goods and transport-related security costs; c) Any charges for unloading at the agreed place of destination but only if those charges were for the sellers account under the contract of carriage; d) The costs of transit that were for the sellers account under the contract of carriage; e) The costs of providing the usual proof to the buyer under A6 that the goods have been delivered; f) The cost of insurance resulting from A5; g) Where applicable, duties, taxes and any other costs related to export clearance under A7(a); and h) The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a). 	<p>B9 Allocation of costs The buyer must pay:</p> <ul style="list-style-type: none"> a) All costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) The costs of transit, unless such costs were for the sellers account under the contract of the carriage; c) Unloading costs, unless such costs were for the sellers account under the contract of carriage; d) The costs of any additional insurance procured at the buyers request under A5 and B5; e) The seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b); f) Where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and g) Any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
<p>A10 Notices The seller must notify the buyer that the goods have been delivered in accordance with A2.</p> <p>The seller must give the buyer any notice required to enable the buyer to receive the goods.</p>	<p>B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time for dispatching the goods and/or the point of receiving the goods within the named place of destination, give the seller sufficient notice.</p>