

## **DDP (Delivered Duty Paid)**

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

The buyer must pay the price of the goods as provided in the contract of 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 placing them at the disposal of the buyer on the arriving means of transport ready for unloading at the agreed point, if any, at the named place of destination 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 been delivered under A2.

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.

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

If:

- a) The buyer fails to fulfil its obligation in accordance with B7, then it bears all resulting risks of loss of or damage to the goods; or
- b) The buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date of the end of the agreed period delivery.

Provided that the goods have been clearly identified as the contract goods.

The seller must contract or arrange its own cost for the carriage of the goods to the named place of destination or to the agreed point, if any, at the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination that best suits its purpose.

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

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

The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, at the seller's request, risk and cost, with information that the seller needs for obtaining insurance.

The seller must provide the buyer, at the seller's cost, with any document required to enable the buyer to take over the goods.

The buyer must accept the document provided under A6.

Where applicable, the seller must carry out and pay for all export/transit/import clearance formalities required by the countries of export, transit and import, such as:

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

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/transit/import clearance formalities required by the countries of export/transit/import, such as:

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

The seller must pay the costs of those checking operations (such as quality, measuring, weighing, and 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:

- All costs relating to the goods and in their transport until they have been delivered in accordance with A2, other than those payable by the buyer under B9;
- Any charges for unloading at the place of destination but only if those charges were for the seller's account under the contract of carriage;
- The cost of providing the delivery/transport documents under A6;
- Where applicable, duties, taxes and any other costs related to export, transit and import clearance under A7; and
- The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B5 and B7.

The buyer must pay:

- a) All costs relating to the goods from the time they have been delivered under A2;
- b) All costs of unloading necessary to take delivery of the goods from the arriving means of transport at the named place of destination, unless such costs were for the seller's account under the contract of carriage; and

- c) Any additional costs incurred by the seller if the buyer fails to fulfil its obligations in accordance with B7 or to give notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.

The seller must give the buyer 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 within an agreed period and/or the point of taking delivery within the named place of destination, give the seller sufficient notice.

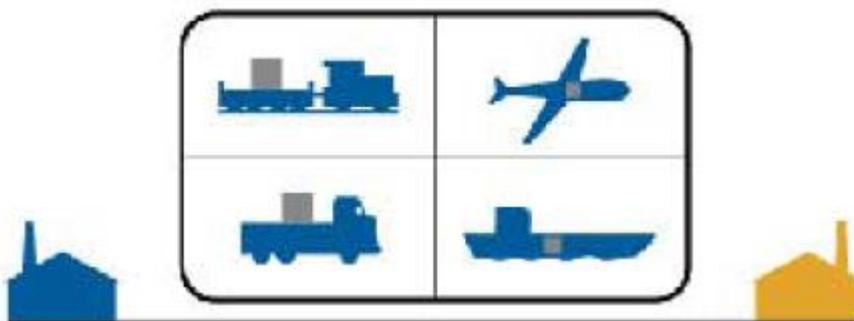
1. **Delivery and risk** – “Delivery Duty Paid” means that the seller delivers the goods to the buyer.



- When the goods are placed at the disposal of the buyer,
- Cleared for import,
- On the arriving means of transport,
- Ready for unloading,
- At the named place of destination or at the agreed point within that place, if any such point is agreed.

The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms rule, therefore, delivery and arrival at destination are the same.

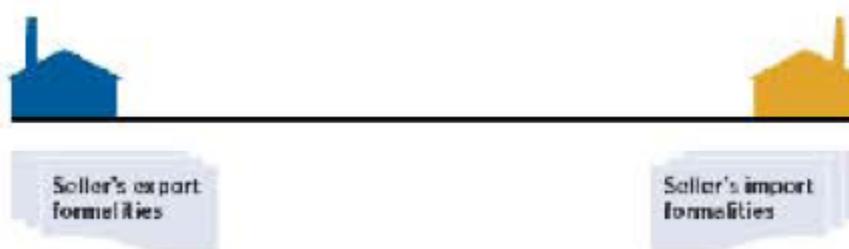
2. **Mode of transport** – This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.



3. **A note of caution to sellers: maximum responsibility** – DDP, with delivery happening at destination and with the seller being responsible for the payment of import duty and applicable taxes is the Incoterms rule imposing on the seller the maximum level of obligation

of all eleven Incoterms rules. From the seller's perspective, therefore, the rule should be used with care for different reasons as set out in paragraph 7.

4. **Identifying the place or point of delivery/destination precisely** - The parties are well advised to specify the destination place or point as clearly as possible and this for several reasons. First, risk of loss of or damage to the goods transfers to the buyer at that point of delivery/destination – and it is best for the seller and the buyer to be clear about the point at which that critical transfer happens. Secondly, the costs before that place or point of delivery/destination are for the account of the seller and the costs after that place or point are for the account of the buyer. Thirdly, the seller must contract or arrange for the carriage of the goods to the agreed place or point of delivery/destination. If it fails to do so, the seller is in breach of its obligations under the Incoterms rule DDP and will be liable to the buyer for ensuing loss. Thus, for example, the seller would be responsible for any additional costs levied by the carrier to the buyer for any additional on-carriage.
5. **'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.
6. **Unloading costs** – If the seller incurs costs under its contract of carriage related to unloading at the place of delivery/destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.
7. **Export/import clearance** – As set out in paragraph 3, DDP requires the seller to clear the goods for export, where applicable, as well as for import and to pay any import duty or to carry out customs formalities. Thus if the seller is unable to obtain import clearance and would rather leave that side of things in the buyers hands in the country of import, then the seller should consider choosing DAP and DPU, under which rules delivery still happens at destination, but with import clearance being left to the buyer. There may be tax implications and this tax may not be recoverable from the buyer: see A9(d).



| <b>A The Sellers Obligations</b>   | <b>B The Buyers Obligations</b>  |
|--|--|
| <p><b>A1 General obligations</b><br/>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><b>B1 General obligations</b><br/>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><b>A2 Delivery</b><br/>The seller must deliver the goods by placing them at disposal of the buyer on the arriving means of transport ready for unloading at the agreed point, if any, at the named place of destination or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date within the agreed period.</p>  | <p><b>B2 Taking Delivery</b><br/>The buyer must take delivery of the goods when they have been delivered under A2.</p>   |
| <p><b>A3 Transfer of risks</b><br/>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><b>B3 Transfer of risks</b><br/>The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.<br/>If:</p> <ul style="list-style-type: none"> <li>a) The buyer fails to fulfil its obligations in accordance with B7, then it bears all resulting risks of loss of or damage to the goods; or</li> <li>b) The buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery,</li> </ul> <p>Provided that the goods have been clearly identified as the contract goods.</p> |
| <p><b>A4 Carriage</b><br/>The seller must contract or arrange at its own costs for the carriage of the goods to the named place of destination or to the place of the agreed point, if any, at the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the best 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><b>B4 Carriage</b><br/>The buyer has no obligation to the seller to make a contract of carriage.</p>  |
| <p><b>A5 Insurance</b><br/>The seller has no obligation to the buyer to make a contract of insurance.</p>   | <p><b>B5 Insurance</b><br/>The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, at the sellers request, risk and cost, with information that the seller needs for obtaining insurance.</p>   |
| <p><b>A6 Delivery/transport document</b><br/>The seller must provide the buyer, at the sellers cost, with any document required to enable the buyer to take over the goods.</p>   | <p><b>B6 Delivery/transport document</b><br/>The buyer must accept the document provided under A6.</p>   |
| <p><b>A7 Export/import clearance</b><br/>a) <b>Export Clearance</b> Where applicable, the seller must carry out and pay for all</p>   | <p><b>B7 Export/import licence</b><br/>Where applicable, the buyer must assist the seller, at the sellers request, risk and cost, in</p>   |

|  |   |
|--|---|
| <p>export/transit/import clearance formalities required by the countries of export, transit and import, such as:</p> <ul style="list-style-type: none"> <li>• Export/transit/import licence</li> <li>• Security clearance for export/transit/import;</li> <li>• Pre-shipment inspection; and</li> <li>• Any other official authorization</li> </ul>  | <p>obtaining any documents and/or information related to all export/transit/import clearance formalities required by the countries of export/transit/import, such as:</p> <ul style="list-style-type: none"> <li>• Export/transit/import licence</li> <li>• Security clearance for export, transit and import;</li> <li>• Pre-shipment inspection; and</li> <li>• Any other official authorization</li> </ul>   |
| <p><b>A8 Checking/packaging/marking</b><br/>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><b>B8 Checking/packaging/marking</b><br/>The buyer has no obligation to the seller.</p>  |
| <p><b>A9 Allocation of costs</b><br/>The seller must pay:</p> <ol style="list-style-type: none"> <li>a) All costs relating to the goods and their transport until they have been unloaded and delivered in accordance with A2, other than those payable by the buyer under B9;</li> <li>b) Any charges for unloading at the place of destination but only if those charges were for the sellers account under the contract of carriage;</li> <li>c) The costs of providing the delivery/transport document under A6;</li> <li>d) Where applicable, duties, taxes and any other costs related to export and any transit clearance under A7(a); and</li> <li>e) The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B5 and B7(a).</li> </ol> | <p><b>B9 Allocation of costs</b><br/>The buyer must pay:</p> <ol style="list-style-type: none"> <li>a) All costs relating to the goods from the time they have been delivered under A2;</li> <li>b) All costs of unloading necessary to take delivery of the goods from the arriving means of transport at the named place of destination, unless such costs were for the sellers account under the contract of carriage; and</li> <li>c) Any additional costs incurred by the seller if the buyer fails to fulfil its obligations in accordance with B7 or to give notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.</li> </ol> |
| <p><b>A10 Notices</b><br/>The seller must give the buyer any notice required to enable the buyer to receive the goods.</p>   | <p><b>B10 Notices</b><br/>The buyer must, whenever it is agreed that the buyer is entitled to determine the time within an agreed period and/or the point of taking delivery within the named place of destination, give</p>  |

sufficient notice.