

## INCO Terms and Revenue Recognition

| INCO Term                                 | Revenue Recognition Location                     | Trigger Document   | When You Can Invoice   | When Risk Transfers   |
|---|--|--|--|---|
| Ex-works                                  | plant's loading dock                             | Written notification to buyer that goods are ready for pick-up                     | upon written notification of readiness to buyer  | once cargo is placed at loading dock and made available to buyer's trucker                  |
| FCA Plant                                 | cargo loaded on truck or in railcar              | Truck Bill of Lading   | receipt of truck bill of lading (when truck leaves the plant)                                  | once cargo is loaded on truck or in railcar   |
| FCA Outbound Port                         | cargo delivered to outbound port                 | Dock receipt from outbound port <b>or</b> interchange agreement from outbound port | trucker receipt of dock receipt or interchange agreement (when truck arrives at outbound port) | once cargo arrives in the gate at the outbound port   |
| FAS Outbound Port                         | cargo loaded on vessel                           | Bill of Lading   | vessel loading date  | once cargo arrives in the gate at the outbound port   |
| FOB Outbound Port                         | cargo delivered to outbound port                 | Dock receipt from outbound port <b>or</b> interchange agreement from outbound port | trucker receipt of dock receipt or interchange agreement (when truck arrives at outbound port) | once cargo arrives in the gate at the outbound port   |
| CIF Destination Port                      | cargo loaded on vessel                           | Bill of Lading   | vessel sail date   | once cargo is loaded on the vessel  |
| CIP Destination (Port or Inland Location) | cargo loaded on vessel, airplane, truck, or rail | Bill of Lading or Airway Bill  | vessel sail date, flight departure date, departure date from origin location (truck or rail)   | once cargo is loaded in the truck or railcar (land moves only) or on the vessel or airplane |
| CFR Destination Port                      | cargo loaded on vessel                           | Bill of Lading   | vessel sail date   | once cargo is loaded on the vessel  |
| CPT Destination (Port or Inland Location) | cargo loaded on vessel, airplane, truck, or rail | Bill of Lading or Airway Bill  | vessel sail date, flight departure date, departure date from origin location (truck or rail)   | once cargo is loaded in the truck or railcar (land moves only) or on the vessel or airplane |
| DPU Destination (Port or Terminal)        | cargo discharged at destination port or terminal | Foreign port signed dock receipt or ship manifest release, or terminal receipt     | upon unloading at foreign port or terminal   | once cargo is unloaded from the vessel, truck, railcar or airplane                          |
| DAP Final Destination                     | cargo arrival at final destination               | Dock receipt or receipt confirmation from buyer at place of delivery               | upon written confirmation of delivery  | once cargo is delivered to customer   |
| DDP Final Destination                     | cargo arrival at final destination               | Dock receipt or receipt confirmation from buyer at place of delivery               | upon written confirmation of delivery  | once cargo is delivered to customer   |

**INCOTERMS 2020**  
(effective January 1, 2020)

|         | ORIGIN         |       |                |         |       |        | DESTINATION |      |         |                |                  |                 |
|---------|----------------|-------|----------------|---------|-------|--------|-------------|------|---------|----------------|------------------|-----------------|
|         | Seller's Plant | Truck | Cargo Terminal | Customs | Pier  | Vessel | Vessel      | Pier | Customs | Cargo Terminal | Buyer's Plant    |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  | Ex-Works        |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |
| Risk    | Seller         | Buyer |                | Seller  | Buyer |        |             |      |         |                | FCA Origin Plant |                 |
| Cost    | Seller         | Buyer | Buyer          | Seller  | Buyer |        |             |      |         |                |                  |                 |
| Revenue | Seller         | Buyer | Buyer          | Seller  | Buyer |        |             |      |         |                |                  |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  | FAS Origin Port |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         |                | Buyer            | FOB Origin Port |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         |                | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         |                | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            | CIF Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            | CIP Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            | CFR Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            | CPT Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            | DPU Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Buyer            |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Seller           | DAP Destination |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Seller           |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         | Buyer          | Seller           |                 |
| Risk    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  | DDP             |
| Cost    | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |
| Revenue | Seller         |       |                |         |       |        | Buyer       |      |         |                |                  |                 |

Risk = the possibility that an event may occur which could cause loss or damage to the goods  
 Cost = Buyer and Seller responsibility for specific costs in the transaction  
 Revenue = time when invoices may be issued (see reverse for further details)