

Payment- and Delivery Terms

- **Payment terms** – Payment terms such as L/C (Letter of Credit) are basically just making the banks richer. Therefore, payment terms shall generally be negotiated according to the following order:

(mainly applies to contracts within Europe)

1. xx Days - xx% Discount
2. xx Days net

(mainly applies to contracts across continents)

3. 100% against B/L
4. xx% Deposit; xx% upon B/L
5. CAD (Cash Against Documents)
6. L/C (Letter of Credit)
7. 100% upon P/O

- **Delivery terms** – Understand the Incoterms (current version) issued by the International Chamber of Commerce. The Incoterms are a series of pre-defined commercial terms and are intended primarily to clearly communicate the tasks, costs, and risks associated with the transportation and delivery of goods. We shall procure according to it and of course have the costs to buyer / seller allocated to our utmost benefit.

Allocations of costs to buyer/seller according to Incoterms 2010 [\[edit \]](#)

Incoterm 2010	Export customs declaration	Carriage to port of export	Unloading of truck in port of export	Loading on vessel/airplane in port of export	Carriage (Sea/Air) to port of import	Insurance	Unloading in port of import	Loading on truck in port of import	Carriage to place of destination	Import customs clearance	Import duties and taxes
EXW	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FCA	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FAS	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FOB	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CPT	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer/Seller	Buyer/Seller	Seller	Buyer	Buyer
CFR	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer/Seller	Buyer	Buyer	Buyer	Buyer
CIF	Seller	Seller	Seller	Seller	Seller	Seller	Buyer/Seller	Buyer	Buyer	Buyer	Buyer
CIP	Seller	Seller	Seller	Seller	Seller	Seller	Buyer/Seller	Buyer/Seller	Seller	Buyer	Buyer
DAT	Seller	Seller	Seller	Seller	Seller	Seller/Buyer	Seller	Buyer	Buyer	Buyer	Buyer
DAP	Seller	Seller	Seller	Seller	Seller	Seller/Buyer	Seller	Seller	Seller	Buyer	Buyer
DDP	Seller	Seller	Seller	Seller	Seller	Seller/Buyer	Seller	Seller	Seller	Seller	Seller