



DANGEROUS GOODS SYMPOSIUM

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BDP International, Inc.

THE IMPACT OF INCO TERMS ON DANGEROUS GOODS SHIPMENTS

Inco Terms

And the impact on Dangerous Goods shipments

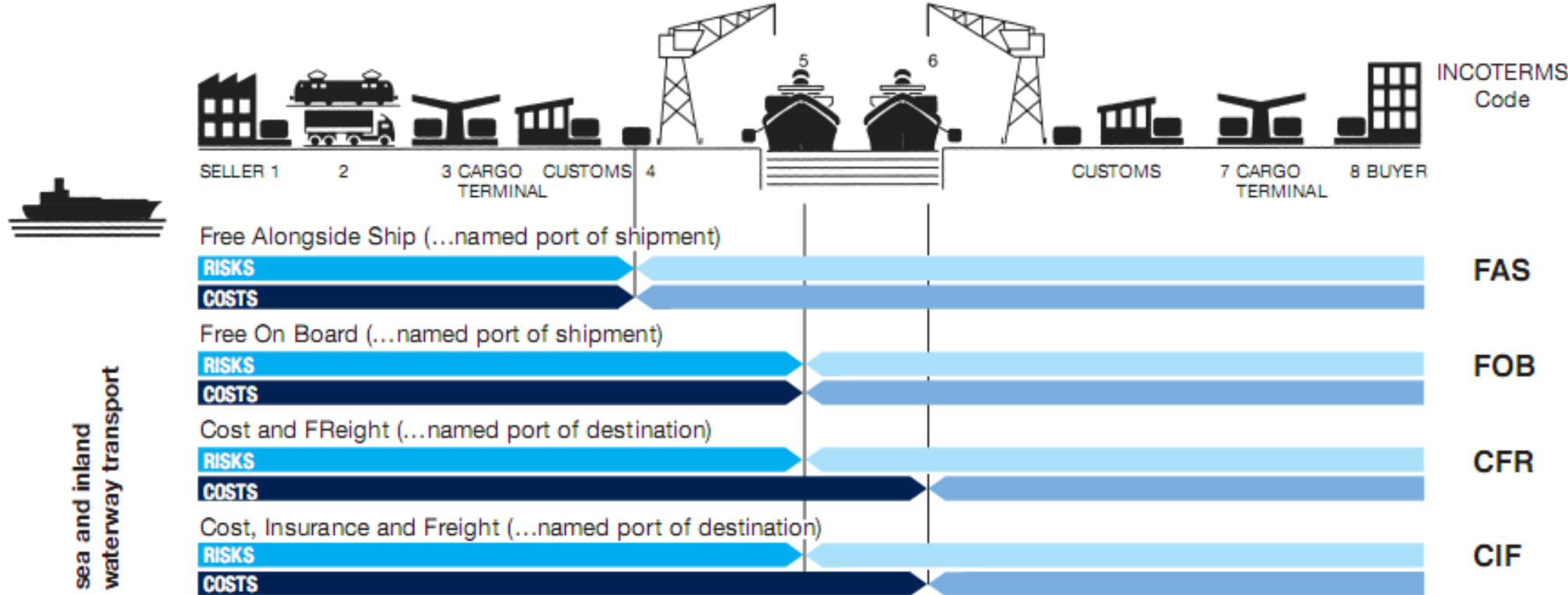


What are INCO Terms, and how could they even have an impact on shipments of Dangerous Goods? All I need to know is: Who is responsible for the Dangerous Goods Declaration

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International COmmercial Terms:



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Recommended Modes of Transportation

Mode	Term	
Any Mode of Transport including Multimodal	EXW	Ex Works (...Named Place of Delivery)
	FCA	Free Carrier (...Named Place of Delivery)
	CPT	Carriage Paid To (...Named Place of Destination)
	CIP	Carriage & Insurance Paid To (...Named Place of Destination)
	DAT	Delivered at Terminal (...Named Place/Port of Delivery)
	DAP	Delivered at Place (...Named Place of Destination)
	DDP	Delivered Duty Paid (...Named Place of Destination)
Ocean	FAS	Free Alongside Ship (...Named Port of Shipment)
	FOB	Free On Board (...Named Port of Shipment)
	CFR	Cost and Freight (...Named Port of Destination)
	CIF	Cost, Insurance and Freight (...Named Port of Destination)

Incoterms Rules and Standards

- Incoterms only relate to trade terms in the contract of sale between the buyer and seller and do not deal with the contract for carriage.
- The roles and responsibilities listed on the front of this document can be altered / changed as long as there is an agreement between the buyer and seller.
- Incoterms do not identify where the transfer of ownership or title occur. A separate statement regarding ownership / transfer of title should be included on the purchase order, contract, quote, proforma invoice and or commercial invoice.
- Incoterms are not all inclusive and cannot address issues such as customary operations of carriers, ports, trade government regulations etc.
- Incoterms are written to reflect rather than dictate trade practices.
- Only two incoterms express when insurance is to be bought and issued - CIP and CIF.

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Incoterms 2010®

Responsibility Matrix - Obligations of Importer (Buyer) and Exporter (Seller)



Global Logistics & Transportation Solutions

Service	"E" Departure	"F" Main Carriage Unpaid			"C" Main Carriage Paid				"D" Arrival		
	EXW Ex-Works (Place)	FCA Free Carrier (Place)	FAS Free Alongside Ship (Port)	FOB Free On Board (Port)	CFR Cost & Freight (Port)	CIF Cost of Insurance & Freight (Port)	CPT Carriage Paid To (Place)	CIP Carriage & Insurance Paid To (Place)	DAT Delivered at Terminal (Place/Port)	DAP Delivered at Place (Place)	DDP Delivered Duty Paid (Place)
Obligation and Charges											
Warehouse Services	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading at Point of Origin	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Port Receiving Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder Fees	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean/Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Charges in Foreign Port	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Custom Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Customs Duties	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery Charges to Final Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

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Routed Transactions:

Buyer (Foreign or Domestic) controls the transportation, and nominates Agents/Forwarder and Carrier(s) (Inland, Ocean and/or Air carrier)

Seller makes shipment available to Buyers Agent or Carrier

Both follow agreed upon INCO terms

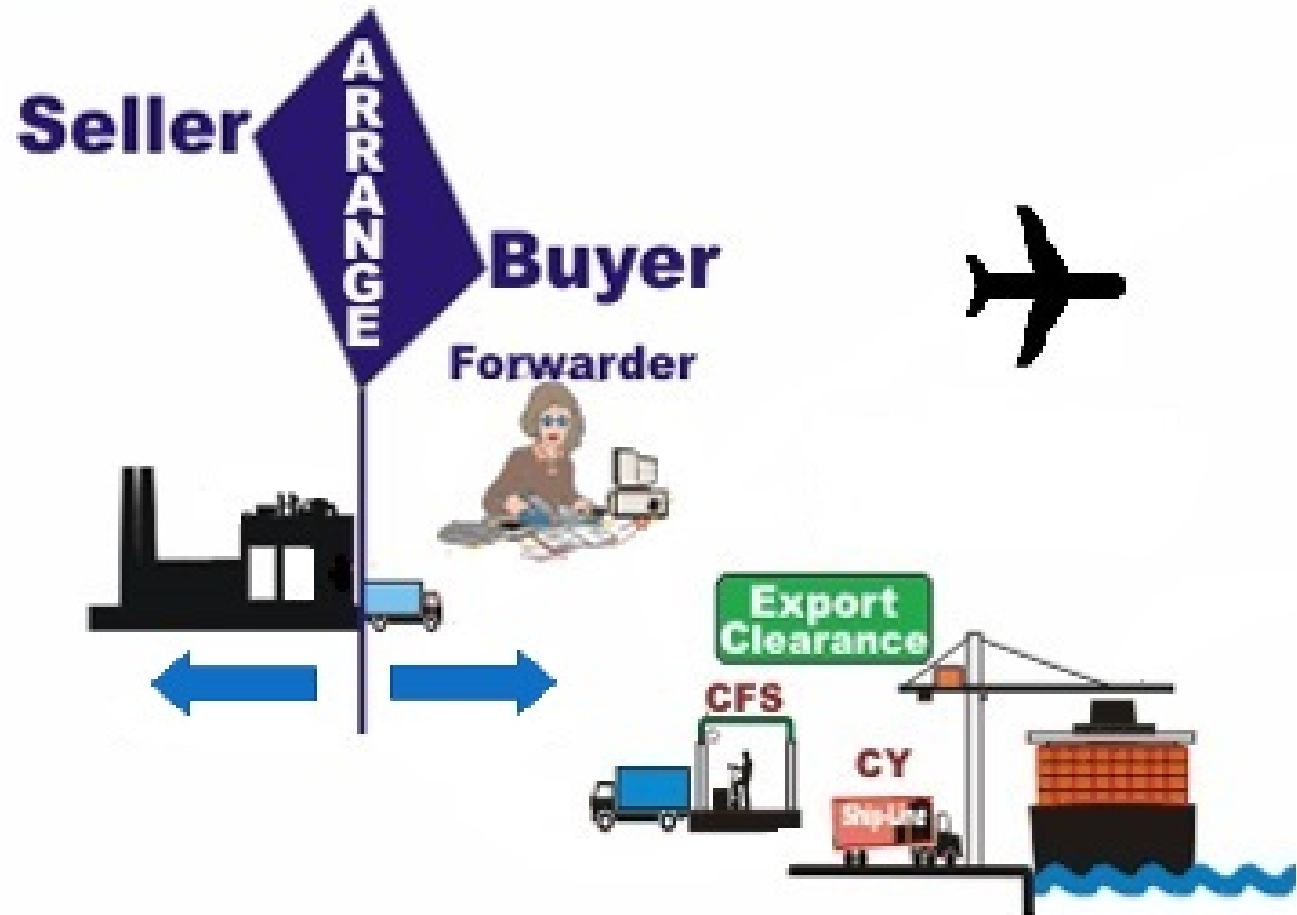
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EXW Ex Works

U.S. Government Agencies involved:

1. U.S. Department of Commerce
Bureau of Industry and Security
2. U.S. Department of Commerce
Census Department
3. U.S. Department of Transportation
PHMSA / FAA / USCG



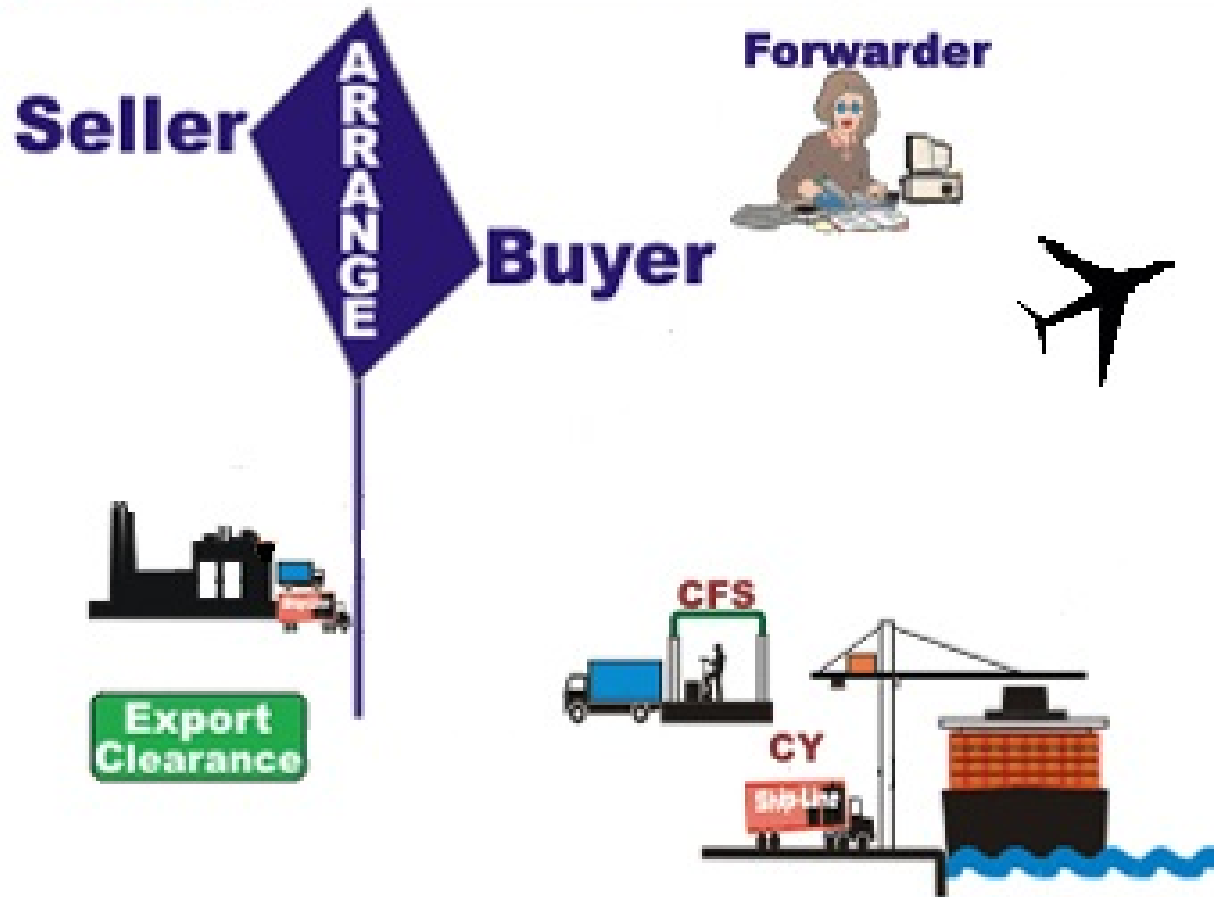
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FCA Free Carrier

U.S. Government Agencies involved:

1. U.S. Department of Commerce
Bureau of Industry and Security
2. U.S. Department of Commerce
Census Department
3. U.S. Department of Transportation
PHMSA / FAA / USCG



Inco Terms

And the impact on Dangerous Goods shipments

U.S. Government Agencies involved:

1. U.S. Department of Commerce Bureau of Industry and Security
 - Requirements are addressed / covered by INCO terms
2. U.S. Department of Commerce Census Department
 - Requirements are addressed / covered by INCO terms
3. U.S. Department of Transportation PHMSA / FAA / USCG
 - Requirements are addressed / covered by INCO terms

Inco Terms

And the impact on Dangerous Goods shipments

U.S. Department of Commerce Bureau of Industry and Security

Classification and Licensing requirements



Denied Entities (incl. other U.S. Government Agencies)

Boycotts and Embargoes (incl. other U.S. and International Government Agencies)



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U.S. Department of Commerce **U.S. Census Bureau**

Reporting requirements of Export Data (incl. other U.S. Government Agencies) 

Responsibilities of Parties in a Routed Transaction



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U.S. Department of Commerce **U.S. Census Bureau**

Reporting requirements of Export Data (incl. other U.S. Government Agencies)

Responsibilities of Parties in a Routed Transaction



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U.S. Department of Transportation PHMSA / FAA / USCG

Hazmat Communication

Marking



Labeling

Placarding

Documentation



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- **U.S. Department of Transportation 49CFR**

§171.2 General requirements.

(a) Each person who performs a function covered by this subchapter must perform that function in accordance with this subchapter.

(b) Each person who offers a hazardous material for transportation in commerce must comply with all applicable requirements of this subchapter, or an exemption or special permit, approval, or registration issued under this subchapter or under subchapter A of this chapter. There may be more than one offeror of a shipment of hazardous materials. Each offeror is responsible for complying with the requirements of this subchapter, or an exemption or special permit, approval, or registration issued under this subchapter or subchapter A of this chapter, with respect to any pre-transportation function that it performs or is required to perform; **however, each offeror is responsible only for the specific pre-transportation functions that it performs or is required to perform**, and each offeror may rely on information provided by another offeror, unless that offeror knows or, a reasonable person, acting in the circumstances and exercising reasonable care, would have knowledge that the information provided by the other offeror is incorrect.

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- So, Who is responsible for filing out the Dangerous Goods Declaration?
- U.S. Regulations The Offeror
- IMDG Regulations The Offeror
- IATA Regulations The Offeror

4 PART
MULTIMODAL DANGEROUS GOODS FORM

Shipper: _____
Consignee: _____

Transport Details:
This shipment is within the limitations prescribed for: PASSENGER AND CARGO AIRCRAFT ONLY CARGO AIRCRAFT ONLY

NATURE AND QUANTITY OF DANGEROUS GOODS

UN or ID No.	Proper Shipping Name	Class or Division (Subsidiary Group if any)	Pack- or Stowage (Secondary Group if any)	Quantity and type of packing	Packing Inst.	Authorization

SHIPPER'S DECLARATION FOR DANGEROUS GOODS

Shipper: _____
Consignee: _____

Transport Details:
This shipment is within the limitations prescribed for: PASSENGER AND CARGO AIRCRAFT ONLY CARGO AIRCRAFT ONLY

NATURE AND QUANTITY OF DANGEROUS GOODS

UN or ID No.	Proper Shipping Name	Class or Division (Subsidiary Group if any)	Pack- or Stowage (Secondary Group if any)	Quantity and type of packing	Packing Inst.	Authorization

I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labelled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. I declare that all of the applicable air transport requirements have been met.

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- **And who is the offeror of the freight?**
- **Under INCO terms EXW and FCA it is the Buyer**
 - **EXW Buyers Obligations**
 - **B2** Since the seller only makes the goods available to the buyer in the country of export, it is for the buyer to do whatever is necessary with respect to the clearance of the goods for export, transit, import and security.

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And the impact on Dangerous Goods shipments

- **And who is the offeror of the freight?**
- **Under INCO terms EXW and FCA it is the Buyer**
 - **FCA Buyers Obligations**
 - **B2** Since the seller fulfils his obligations by handing over the goods for carriage and clearing the goods for export, the buyer has to take care of any necessary transit formalities and clear the goods for import.

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- **So, then what is the problem?**



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 - **Old habits, (we always prepared the DG declaration)**

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 - **My CSR made me do it (or did it)**

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- **So, then what is the problem?**
 - **Old habits, (we always prepared the DG declaration)**
 - **Pushy Forwarders/buyers**
 - **My CSR made me do it (or did it)**
 - **We want to make sure it gets done right**

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- **My 5 cents worth in regards to EXW and FCA:**



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- **My 5 cents worth in regards to EXW and FCA:**
- **You should not issue the DG declaration,
(unless agreed upon in the sales contract)**

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- **Your Name on the export B/L (air or ocean)?**

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- **My 5 cents worth in regards to EXW and FCA:**
- **You should not issue the DG declaration, (unless agreed upon in the sales contract)**
- **Your Name on the export B/L (air or ocean)?**
- **Your company should insist on filing your own EEI**

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And the impact on Dangerous Goods shipments

- **My 5 cents worth in regards to EXW and FCA:**
- **You should not issue the DG declaration,**
(unless agreed upon in the sales contract)
- **Your Name on the export B/L (air or ocean)?**
- **Your company should insist on filing your own EEI**
- **Responsible Care**

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Any Questions?



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Thank You

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