

Incoterms® and international payment options explained

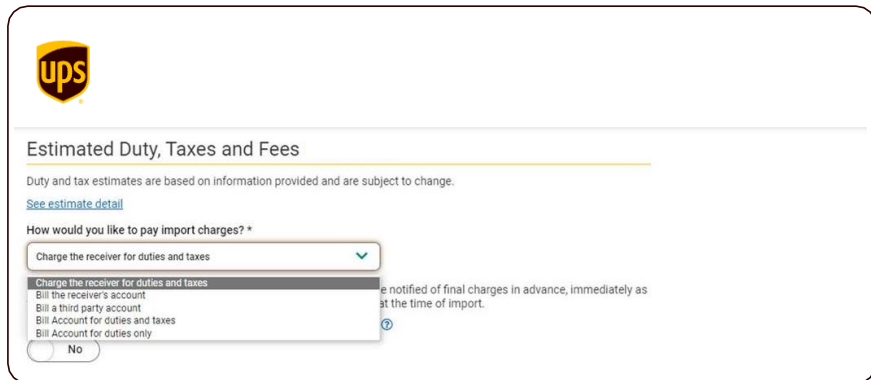
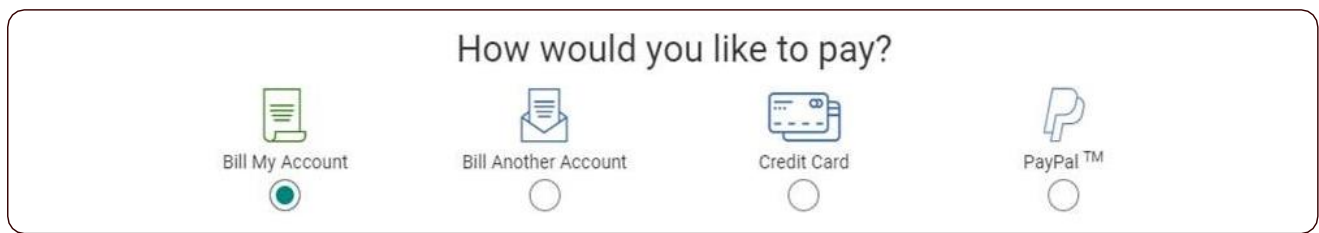


Reduce unexpected charges by choosing the best payment option

Incoterms® contain provisions to determine who pays the costs for the main transport and who bears the risk during the main transport. Seller/Shipper and Buyer/Recipient usually stipulate the Incoterm® in a purchase contract. **UPS does not work under these Incoterms®. The shipper has to choose a UPS payment option, under the UPS Terms & Conditions of Carriage.**

UPS payment options stipulate who (e.g. shipper, recipient, third party) bears the freight costs as well as the costs for customs duties and taxes. This decision is made by the shipper.

What you will see on UPS.com:



Your declaration here is **important** - this information will be used by UPS to issue invoices.

If you do not make a choice in this respect, the customs duties and taxes will be collected from the recipient on delivery – we cannot deliver the package without payment.

Your Incoterm® and your selected UPS payment option must match to avoid any adjustments or inconvenience. The customs authorities only see what you write on your [commercial invoice](#), and not your selected payment option – please ensure you enter the correct one. **By doing this, you can help reduce unexpected customs invoices/fees.**

UPS payment options	Costs paid by shipper			Costs payable by the recipient			Examples of suitable Incoterms®	UPS.com Transport costs	UPS.com Customs duties/taxes
	Freight	Customs duties	Tax/(es)	Freight	Customs duties	Tax/(es)			
Free domicile	Freight	Customs duties	Tax/(es)	Freight	Customs duties	Tax/(es)	DDP	Debit my account/credit card/other payment options	Debit my account for customs duties and taxes*
Prepaid	Freight	Customs duties	Tax/(es)	Freight	Customs duties	Tax/(es)	CPT, CIP, DPU, DAP	Debit my account/credit card/other payment options	Fees and taxes payable by recipient/debit the recipients UPS account number*
Freight collect	Freight	Customs duties	Tax/(es)	Freight	Customs duties	Tax/(es)	EXW, FCA	Debit another account	Fees and taxes payable by recipient/debit the recipients UPS account number*
Split duty and VAT	Freight	Customs duties	Tax/(es)	Freight	Customs duties	Tax/(es)	DDP excluding VAT	Cannot be booked on ups.com – please contact UPS	

*A valid UPS six-digit account number

It is also possible for a third party to bear the costs – freight, customs duties and taxes can be split.

If shipping is paid by a third party in a different country (EU or non-EU) then the invoice recipient must be a company with a valid VAT number and EORI number:

- for EU destination: issued by any EU country
- for non-EU destinations: issued by destination country

Additional charges sometimes may occur depending on the HS code. Review potential UPS surcharges and fees [here](#).

You can find out more about specific custom requirements for your goods using [Access2Markets](#)