

Incoterms DPU: applying delivery, uncleared, at the destination correctly

Incoterms DPU (Delivered at Place Unloaded) is a delivery term of the International Chamber of Commerce (ICC) under which the seller transports the goods to the named destination and unloads them there. Risk transfers only after unloading, while import duty and import charges are borne by the buyer. For buyers and suppliers in DACH industry, DPU is the flexible successor term to the former DAT and is particularly suitable for deliveries to plants, warehouses or terminals without direct customs clearance. The following article explains the structure, cost allocation, risks and practical application of DPU in B2B procurement.

Key facts

- DPU (Delivered at Place Unloaded) means: the seller delivers and unloads the goods at the named destination; only afterwards does the transport risk pass to the buyer.
- Import customs clearance, import VAT and duties are generally borne by the buyer in a DPU transaction.
- DPU is the only Incoterms rule that expressly assigns unloading to the seller.
- The term can be used for any mode of transport, including multimodal transport combinations.
- Since Incoterms 2020, DPU has replaced the former DAT (Delivered at Terminal) rule.
- Precise designation of the place and a clear agreement on unloading are crucial in practice.

Definition: Incoterms DPU

DPU is one of the Incoterms 2020, the International Chamber of Commerce's rulebook for the allocation of costs, risks and obligations in international trade. Under DPU, the seller delivers the goods to the named destination, i.e. to a plant, a warehouse, a terminal or a named place within a defined area. Delivery is only deemed complete once the goods have been unloaded from the means of transport on arrival and placed at the buyer's disposal.

Distinction from DAT (Delivered at Terminal)

DPU was introduced with the Incoterms 2020 and replaces the former DAT rule. The key difference: under DAT, the place of delivery had to be a terminal, such as a port, airport or container terminal. DPU, by contrast, permits any location whatsoever, in particular the buyer's own plant or warehouse. DPU therefore reflects the reality of industrial supply chains better, where goods are often delivered directly to the production line. Existing contracts with DAT clauses should be reviewed for the desired place definition when renewed and in most cases converted to DPU.

Point of risk transfer

Under DPU, the transport risk only passes once the goods have been unloaded at the destination and placed at the buyer's disposal. This late transfer of risk is the central difference from terms such as CPT or CIP, under which the seller only pays freight costs to the destination but the risk already passes on

handover to the first carrier. For buyers, this means: damage on the last mile, for example during unloading or on the plant premises, lies with the seller. The unloading method and responsibility should be specified additionally in the purchase contract, as disputes over unloading-related matters are common in practice.

Cost allocation under DPU

The seller typically bears all costs up to unloading at the destination: export packaging, freight, export customs clearance and, where applicable, transport insurance at its own discretion. The buyer assumes import duty, import VAT and other import charges as well as costs after unloading. Important for cost calculation: as the seller organises the freight, its quoted price often includes a freight and logistics lump sum. Buyers should have this component itemised transparently in order to carry out proper cost comparisons with other terms such as FCA or EXW.

Areas of application: when DPU is suitable in industrial procurement

DPU is suitable for supply relationships in which the seller has a capable logistics organisation and the buyer wants a late transfer of risk. In practice, the term is frequently used for deliveries to production sites, plant warehouses and consignment areas. It fits well with supply concepts involving framework call-offs and just-in-time requirements, where the goods are needed immediately at the destination.

Typical use cases in the supply industry

DPU is particularly common for components and parts that are unloaded and installed directly at the production site, such as steel structures, welded assemblies, large machine parts or cast components. DPU can also make sense for bulky goods that cannot be unloaded internally at one's own gate, because the seller provides the appropriate unloading equipment. In supply relationships with a strong key-supplier character and close supplier management, DPU enables a clear allocation of responsibility right up to the construction site or production line. For high-frequency small parts, by contrast, terms such as FCA with the buyer's own freight control are often more economical.

DPU in framework agreements and call-offs

The Incoterms rule should be defined uniformly and across departments in framework agreement maintenance. For framework call-offs with different delivery locations – for example several plants or transshipment points – it is advisable to specify the destination concretely per call-off list. In practice, a clause matrix has proven its worth, prescribing the appropriate Incoterms combination depending on delivery location, mode of transport and customs status. This allows transport costs and risk transfers to be managed consistently across all sites.

Distinction from DAP, CIF and FCA

Under DAP (Delivered at Place), risk passes on arrival of the goods still loaded, with unloading borne by the buyer. Under DPU, the seller unloads the goods. Compared with CIF (sea and inland waterway transport only), DPU covers all modes of transport and imposes no insurance obligation. Compared with FCA, the seller retains control of transport organisation under DPU, which affects transparency and lead-time responsibility. The choice of term should always be aligned with the desired degree of transport control by procurement.

Customs, documentation and compliance under DPU

Although DPU does not oblige the seller to handle import customs clearance, customs matters play a major role: the seller organises the cross-border transport and must provide the necessary export documents. The buyer is responsible for import customs clearance in the country of destination. Clean documentation and early coordination with customs service providers are essential to avoid delays at the border or at the terminal.

Customs clearance and import charges

In DPU transactions from third countries, the buyer must ensure customs clearance in the importing country: customs declaration, commodity code, preference documents and payment of duty and import VAT. In practice, the seller works closely with the freight forwarder and the buyer's customs agent so that the consignment can be cleared without waiting time. Sanctions list screening of both parties is mandatory before every transaction, as is checking export control regulations for relevant equipment. Missing or incorrect documents are a frequent cause of schedule delays and additional costs.

Customs warehouses and alternative solutions

If the goods are not consumed or resold immediately, storage in a customs warehouse can defer import charges to a later date. For buyers with irregular demand, this can be beneficial from a liquidity and cost perspective, for example in combination with Vendor Managed Inventory (VMI). Consideration should also be given to payment terms and possible variants such as cash against documents (CAD) when structuring the transaction. Whether a customs procedure is permissible and advantageous in an individual case should be reviewed under customs law, as the details depend on the product and its origin.

Reference data and traceability along the supply chain

For robust supply chain documentation, all transport- and customs-relevant reference data should be recorded systematically: consignment numbers, freight documents, delivery date, unloading time and condition data on arrival. This facilitates traceability down to the individual component, which is particularly required in regulated industries such as automotive or medical technology. In practice, digital consignment tracking and standardised delivery notification processes have proven effective, so that goods receipt and invoice verification are based on reliable data.

Key KPIs and metrics for managing DPU deliveries

To keep DPU deliveries measurably manageable, it is advisable to collect logistics and commercial metrics systematically. These KPIs show whether the chosen term is performing economically and where there is potential for improvement. They also form the basis for supplier evaluations and targeted cost-avoidance measures.

Logistics metrics

Key metrics are on-time-in-full delivery, the safety buffer between arrival and required date, and the dwell time of the consignment before unloading. The number of damage cases between the loading ramp and the final storage location is also meaningful, because under DPU the risk lies with the seller until unloading. In practice, these figures are usually evaluated monthly per supplier and plant.

Commercial metrics

On the procurement side, the freight cost ratio per order value, the development of transport cost rates and the efficiency of invoice verification count. A high three-way match rate (match between order, goods receipt and invoice) shows that delivery data and invoice details dovetail cleanly. Deviations in delivery date or unloading time frequently lead to complaints and follow-up claims and should serve as an early-warning indicator.

Quality and process metrics

In addition, metrics such as first pass yield (FPY) at goods receipt provide indications of how much goods arrive without rework or scrap. High rework rates directly after delivery often point to transport or packaging problems, which under DPU are the seller's responsibility. These data typically feed into the Supplier Development Plan and support strategic supplier development.

Risks and controls: typical sources of error with DPU

Despite the clear systematics, recurring problems arise in practice when DPU is applied imprecisely. The greatest risks lie in imprecise place details, unclear unloading obligations and inadequate coordination of customs processes. Buyers should actively manage these points and safeguard them contractually.

Imprecise place details and unloading arrangements

A specification such as 'Stuttgart plant' is too vague: the gate, ramp, hall or a named unloading point including time window are what matter. It should also be clarified who provides unloading equipment, whether the seller unloads on premises that are not accessible, and who is liable for damage caused by improper unloading. A detailed specification of services in the purchase contract considerably reduces disputes.

Transport risk and insurance cover

DPU provides for no mandatory transport insurance; the seller insures at its own cost and risk, or not at all. Buyers should therefore check whether the seller is adequately insured or whether their own cover applies. For high-value machine components or sensitive goods, an express agreement on the sum insured and the verification mechanism is advisable.

Customs risks and supplier financing risk

Delays in import customs clearance can cause production stoppages, particularly in just-in-time concepts. Moreover, a long transport route can increase the supplier financing risk if advance payments or long payment terms collide with the point of risk transfer. Controls such as regular sanctions list screening, documented customs processes and clear escalation routes for border waiting times are proven countermeasures in practice.

Current developments: DPU since Incoterms 2020

With the Incoterms 2020, the ICC introduced DPU as the successor to DAT, thereby responding to the practical needs of industry. At the same time, the insurance obligation under the sister term CIP was increased, which sharpens the distinction between the terms. The use of updated versions should always be explicitly stated in contracts, as older versions may remain valid if they were agreed.

Digitalisation and transparency

Digital consignment tracking, electronic freight documents and automated delivery notification are changing the handling of DPU deliveries. Procurement departments gain transparency on waiting times, unloading times and damage data, which makes supplier management easier. In supplier discovery and when selecting new suppliers, logistics performance data is also being included in the assessment at an increasingly early stage.

Supply chain due diligence and compliance

Due to tightened regulations on supply chains, sanctions and export control, compliance checks around international deliveries are gaining in importance. Buyers should check whether adequate due diligence requirements are met along the DPU supply chain, particularly with upstream suppliers from risk countries. The specific obligations depend on the individual case and should be reviewed legally.

Sustainability and transport optimisation

CO accounting and transport optimisation are also becoming more relevant in DPU transactions, as the seller organises the freight and thus has an influence on emissions. In practice, buyers are increasingly negotiating low-emission transport options, consolidation points or rail shares. Such requirements should be anchored contractually so that they become visible in the quoted price.

Typical metrics

Transfer of risk: only after unloading

The seller bears the transport risk until the goods are unloaded at the destination; minimise deviations through precise agreements on place and unloading.

Share of unloading costs borne by the seller: 100% of unloading

DPU is the only Incoterms rule that assigns unloading to the seller; these costs must be included in the quoted price.

Share of import processing costs (buyer): 100%

Duty, import VAT and import customs clearance are generally borne by the buyer; typically also plan for customs-related delays of a few days.

Seller's calculation surcharge for unloading: frequently approx. 1–3% of the transport price

Usual benchmark for unloading effort (personnel, forklift, crane) depending on goods and location; varies considerably case by case.

Modes of transport: all modes, multimodal

DPU is mode-independent and can also be used for combinations of sea, air, rail and road transport.

Specification of the place of delivery: as precise as possible

Name the place contractually, including hall, gate, ramp or unloading point, as imprecise details frequently trigger disputes in practice.

Practical example

A medium-sized machinery manufacturer previously sourced complex welded assemblies under FCA terms ex works from its Italian supplier. Damage repeatedly occurred on the last mile, and allocating liability issues cost time. After analysing the transport chain, the company switched to Incoterms DPU for this item, with Plant Gate 4 as the destination, including defined unloading by the supplier.

- The purchase contract defines the place, gate and time window precisely and expressly governs the

unloading equipment and the scope of liability.

- The supplier itemises freight and insurance costs transparently as separate line items to enable comparison calculations.
- The buyer's customs agent is provided with consignment data in advance to avoid waiting times during import customs clearance.
- On-time delivery, damage cases and incoming goods quality are evaluated monthly per supplier and incorporated into the Supplier Development Plan.

Conclusion

Incoterms DPU shifts responsibility and transport risk far towards the seller, making it an attractive term for industrial supply relationships with a clearly defined destination. Decisive for success are a precise agreement on place and unloading, a clean separation of customs responsibilities, and measurable KPIs on delivery and cost performance. Buyers who use DPU deliberately and consistently reduce disputes, improve the plannability of deliveries and create a reliable data basis for supplier evaluations. In cross-border transactions, customs and compliance issues should be reviewed early and on a case-by-case basis. Those who integrate DPU into framework agreements, KPI systems and supplier development turn the term into a genuine steering instrument of technical procurement.

Frequently asked questions

What does Incoterms DPU mean?

DPU stands for Delivered at Place Unloaded. The seller transports the goods to the named destination and unloads them there; the transport risk only passes to the buyer after unloading. Import duty and import charges are borne by the buyer.

Who handles customs clearance under DPU?

The seller handles export customs clearance, while import customs clearance including duty and import VAT is the buyer's responsibility. In practice, the seller works with the freight forwarder and the buyer's customs agent to ensure smooth customs clearance of the consignment. Details should be reviewed on a case-by-case basis under the contract and customs law.

What is the difference between DPU and DAP?

Under DAP, the risk passes with the goods on arrival, still loaded, with unloading carried out by the buyer. Under DPU, the seller unloads the goods, and the risk only passes after unloading. DPU is therefore suitable when the seller is to provide unloading equipment and assume responsibility for unloading.

Is DPU suitable for all modes of transport?

Yes, DPU can be used for all modes of transport, including multimodal transport. This distinguishes the term from, for example, CIF, which is limited to sea and inland waterway transport. What matters is a precise designation of the destination, regardless of the mode of transport.

What risks does the buyer face under DPU?

Under DPU, the buyer only bears the risk after unloading, but has less control over transport organisation, as the seller selects the carrier. In addition, the buyer must ensure import customs clearance and should check the seller's insurance situation. Imprecise place designations are a frequent

source of disputes.

How do I calculate DPU costs correctly in procurement?

The DPU price typically includes freight, export packaging and the seller's export customs clearance. Buyers should have these components itemised transparently in order to make them comparable with other terms. Import duty, import VAT and costs after unloading are calculated separately on the buyer's side.