

Delivered at Duty Paid: Overview (DDP)

According to the Incoterm® Delivered at Duty Paid (DDP), the seller is responsible for all expenses and risks associated with shipping the goods to the designated location. Furthermore, it is the sole condition in which the seller is responsible for import customs fees.

Since the seller assumes most of the responsibility, a DDP arrangement benefits the buyer. However, the buyer may be better prepared to handle it if they remain alert and try not to rely totally on the seller for certain costs.

The site of delivery or destination is crucial in DDP since it is at this point that all expenses and obligations pass from the seller to the buyer. Both parties to the contract may decide on the designated location.

Delivered at Duty Paid: Seller's Responsibilities

When transacting using DDP Incoterm®, the seller is accountable for the following:

1) Load and unload goods: The seller is ultimately responsible for the full course of action because DDP includes the loading and unloading process.

2) Conditions for transport and delivery: The seller is in charge of getting the goods to the location of destination specified in the contract under the Incoterm® DDP. Road transport, shipping transport, and nominated place transport are just a few examples of the transportation-related operations engaged in the process.

3) Customs and duties: The seller is responsible for handling customs clearance procedures and paying any applicable duties. In addition to managing the import and export customs processes, he is also responsible for paying all duties and taxes to the destination nation.

4) Documents: the seller shall provide the following documents:

- Bill of Lading
- Commercial invoice
- Insurance certificate
- Packing list
- Export license

Delivered at Duty Paid: Buyer's Responsibilities

Under the DDP Incoterm®, the buyer is accountable for the following:

- 1) Unloading of goods: Once the products have been delivered by the seller, the buyer must unload them. The buyer is responsible for unloading and loading the items if the agreed-upon point of delivery is their port.
- 2) Conditions for transport and delivery: Typically, the buyer is not involved in the shipping or delivery-related activities under the DDP Incoterm®. However, if the designated location is a port in the buyer's nation, the buyer is still responsible for loading the goods and covering the cost of transportation from the port to the warehouse.
- 3) Costs: Since the seller provides all the documentation verification, DDP is a no cost option for the buyer. The only expenses incurred by the buyer are those that arise after the seller has completed delivery.
- 4) Customs and duties: Customs clearance is not the buyer's responsibility because the seller will handle the import customs. However, in some circumstances, the import clearance procedures include risk, so the buyer, who is more familiar with regional standards and customs like GST and VAT taxes, may handle the process.

DDP: Transfer of Risk

After the vendor has delivered the items, from the port to the door, the buyer is responsible for all risk and liability relating to those goods.

DDP: Advantages for the Buyer

Any taxes, delivery fees, or other unexpected charges incurred during the shipment and delivery procedure are not the buyer's responsibility. Since both the exporting and importing countries may demand inspections of differing degrees, which expenses are always passed on to the shipper, this can generally be advantageous.

The buyer only needs to wait for their shipment to arrive and accept it after the goods have been dispatched. Since the customer is aware that the seller is responsible for any damage that may occur to the goods while in transit, this can significantly reduce their stress levels.

When to Use a DDP Incoterm®

When the seller expresses confidence in shipping your country's products and has a successful track record of delivering to other customers using DDP Incoterms®, it may also be wise to utilise these terms.

Only when you can put your trust in your supplier and their freight forwarder should you pick DDP. The seller is not required to insure the goods for pre-carriage or main carriage. Until the items are unloaded from the vehicle at the specified place of destination, typically the buyer's place of business, the buyer is free from any danger or expense.