

# Delivered at Place (Place): Overview (DAP)

The Delivery at Place (DAP) Incoterm® can be used to any mode of transportation, including multiple modes. According to DAP rules, the seller is in charge of all expenses and risks related to delivering the items to the final agreed-upon location, which is often the buyer's premises, and the buyer and seller must agree on the place of destination. The buyer is alone accountable for importing and unloading the cargo when using DAP for sea, air, road, and rail freight.

The buyer should also specify the terms of unloading at the selected location because he will be responsible for paying the unloading fee in addition to the import duties and other local taxes. At the designated port, the risk is transferred from the buyer to the seller.

## Delivered at Place: Seller's Responsibilities

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

1) Terms of delivery: The terms of unloading at the chosen place should also be specified by the buyer because he will be liable for paying the unloading cost in addition to the import tariffs and other local taxes. The buyer's risk is transferred to the seller's risk at the appointed port.

2) Costs: The seller shall pay for the following expenses:

- Warehouse charges for goods
- Transport charges from warehouse to the port
- Charges payable to freight forwarder
- Charges payable at terminal
- Documentation cost

3) Freight: The seller covers DAP freight because he is responsible for both inland transportation from the warehouse to the port as well as carriage up to the target port. Road or rail transportation is acceptable, and the seller is responsible for arranging shipping from the initial port to the target port.

4) Insurance: Insurance is included in the DAP incoterm. If the items are being transported by ocean or sea, the seller may pay for coverage for damage to the products up until the designated port and may additionally get maritime insurance. The seller is responsible for the insurance of the products under DAP because the risk of damage to the commodities remains with him until the items are delivered at the designated port.

5) Customs and duties: The seller is responsible for paying all export-related levies and taxes. He is responsible for providing all paperwork required for customs procedures, including the bill of lading, the commercial invoice, the insurance certificate, the packing list, etc.

## **Delivered at Place: Buyer's Responsibilities**

When transacting using DAP Incoterm®, the buyer is accountable for the following:

1) Delivery terms: At the port of the destination nation, items must be unloaded by the buyer. Later, he is also responsible for the inland transportation of the commodities from the specified port to his own warehouse.

2) Costs: The payment terms under DAP are as follows:

- Charges payable for import customs
- Unloading charges
- Charges for inland transportation
- Charges payable for warehouse after deliver at port

3) Terms of freight: The seller has already covered the cost of transportation; therefore, the buyer's only obligation is to handle import customs procedures and inland transit till his own warehouse.

4) Insurance: As long as the goods are not damaged before they reach the port of the buyer's nation, there is no need for the buyer to get insurance.

5) Customs clearance and duties: According to DAP, the buyer is in charge of the import customs procedures. Therefore, the buyer must acknowledge the documentation evidence offered by the seller. As already indicated, it is the buyer's responsibility to offload the cargo at the final port.

The consignee, which can either be the exporter or the importer depending on the agreed final destination, is responsible for paying costs, levies, and charges such freight demurrage charges, port charges, etc. incurred after the risk transfer under DAP Incoterm®.

## **DAP: Advantages for the Buyer**

Understanding who is liable for covering any additional costs incurred throughout the transportation process gives the buyer a substantial advantage when shipping under DAP Incoterm®. Due to the reduced buyer risk, DAP provides a low liability option and a widely accepted agreement for customers who want to transfer all shipping risk to the seller.

DAP can assist purchasers in controlling cash flow and inventory, particularly for costly commodities that need frequent reorders from buyers. The buyer will greatly benefit from this. Instead of waiting for the cargo to reach the seller's origin, they can order smaller quantities and have it delivered more quickly.

## **DAP: Disadvantages for the Buyer**

Although this Incoterm® clearly states that the customer is responsible for paying all import taxes, duties, and clearance fees, in actuality, DAP can cause delays. Most of the time, customs clearance occurs prior to the cargo reaching the buyer's designated location, which necessitates that customs grant the shipment clearance before it is delivered to the buyer.

## **When to Use Delivered at Place Incoterm®**

The fact that the DAP agreement gives a variety of alternatives that can be quite advantageous to both the buyer and seller is one of its most important features. As a result, whenever a seller is willing to enter into an agreement, it constitutes a viable Incoterm®. DAP can provide a brilliant solution if the buyer is buying things being imported into several nations, which might reduce the freight costs.