DPU

Important

This is a shortened version of our full lecture. It covers the essentials — but Incoterms are more complex than most people realise.

Every transaction is different. Use this as your starting point, check the rules for your specific shipment, and seek professional advice where needed.

Our full course at sadi4u.co.za gives you more information — for your protection and peace of mind.

DPU — Delivered at Place Unloaded.

DPU is unique among all 11 Incoterms. It is the only term where the seller has an explicit obligation to unload the goods at the destination.

What DPU Means

Under DPU, the seller bears all risks and costs to bring the goods to a named place of destination — and to unload them there.

The buyer's responsibility begins only once the goods are unloaded and placed at their disposal at that named place.

This is a term of maximum responsibility for the seller — and maximum convenience for the buyer.

The White-Glove Analogy

Imagine you order a new, very heavy safe for your home.

The delivery company — that is your seller — does not just drive it to your garage and leave it on the truck. That would be DAP.

Under DPU, they bring it on their truck, paying for all the transport. They have their own specialized equipment. They carefully unload the safe, maneuver it into your garage, and place it exactly where you want it.

Only then do they turn to you and say: "It's all yours."

At that moment, risk transfers to you. The difficult, risky part — the unloading — was handled by the professionals who knew what they were doing.

The Moment of Truth — Risk Transfer

Risk passes from the seller to the buyer when two conditions are met:

1. The goods have arrived at the named place of destination

2. The goods have been unloaded and placed at the buyer's disposal

Not when the truck arrives. Not when the goods are still on the truck.

Only after they are safely off the truck and available for the buyer to take.

This is the critical difference from DAP — where risk transfers with the goods still on the truck.

The Seller's Burden

Now the reality check.

DPU places the maximum operational burden on the seller in the destination country — a place where the seller often has the least control.

Think about what the seller must now figure out:

- How do I unload at this foreign location? Do I need a special permit?

- Do I need a crane? Forklift? Special rigging?

- Do the local laborers have the right skills? Will they show up on time?

- What if the buyer's facility is not ready? What if the loading dock is occupied?

Any delays during unloading are the seller's financial problem. Any accidents during unloading are the seller's risk.

This is not a term to be used lightly.

The Named Place Must Be Precise

Clarity is king under DPU.

The "named place" must be explicitly defined. Not vaguely. Not "DPU Warsaw." That is a recipe for disaster.

You must specify exactly where: "DPU, Receiving Bay 2, Buyer's Warehouse, 123 Industrial Road, Warsaw."

The seller must know exactly what they are agreeing to. Otherwise, they are signing a blank check.

When DPU Makes Sense

Given this heavy burden, when would a seller ever agree to DPU?

In specific situations where the seller has a distinct advantage or the buyer has a distinct need. DPU is not for everyday shipments.

Three clear scenarios where DPU makes sense:

A. The seller is the specialist — a precision press that only the manufacturer's own technicians can safely unload and position.

B. The integrated logistics provider — a 3PL with its own bonded warehouse and unloading facilities at the destination.

C. The turnkey project — solar panels delivered to a site where the seller's installation team is already waiting.

When DPU Is a Trap

Here is the other side — the most common mistake, and it costs real money.

A seller quotes "DPU Buyer's Warehouse" for a routine shipment of boxes to a new customer.

The truck arrives. There is no loading dock, or the dock is busy. The driver is not allowed to operate the buyer's forklift due to insurance rules. The buyer's staff refuse to unload: "It's your contract, you unload."

The seller now faces demurrage charges — hundreds of dollars per hour. They must find and pay for local casual labour at an exorbitant rate. A simple delivery becomes a costly dispute.

The lesson: for routine boxed goods, DAP is almost always the better choice. DPU should be reserved for the white-glove scenarios.

The Buyer's Import Obligations Under DPU

This is a core distinction between DPU and DDP. While the seller handles almost everything else—including the complex task of unloading—the customs burden at the destination remains with the buyer.

According to the ICC and multiple trade sources:

Import Clearance: The buyer must carry out and pay for all import formalities, including licenses, permits, and customs procedures .

Duties and Taxes: The buyer is responsible for paying any import duties, VAT, and other taxes .

Seller's Role: The seller has no obligation to clear the goods for import. They only need to assist the buyer in obtaining the necessary documents, but at the buyer's request, risk, and cost .

Insurance Under DPU

DPU does not require insurance from either party.

But because the seller bears all risk until the goods are unloaded and placed at the buyer's disposal, the seller should ensure their insurance covers both the main carriage and the unloading operation.

Many standard cargo policies end when the goods arrive — not when they are unloaded. If the goods are damaged during unloading, that loss is the seller's, and the insurance must respond.

This is covered in more detail in our comprehensive DPU lecture.

Payment Warning

DPU is a high-value "D" term — and that makes it attractive to fraudsters.

Some sellers offer "D" terms without the ability to legally clear customs, or use undervaluation or shell companies. The buyer may be the one who faces penalties.

Always verify the seller's ability to clear customs legally, and consider a Letter of Credit to protect payment.

The same scam can be used with any "D" Incoterm. Be especially careful if someone asks for advance payment before the goods are shipped.

This is covered in our Letter of Credit lecture.



In Summary

- DPU is the only Incoterm where the seller must unload at destination

- Risk transfers after unloading — not when the truck arrives

- DPU places maximum burden on the seller in a foreign country

- The named place must be defined with laser precision

- DPU works in three scenarios: specialist seller, integrated logistics, turnkey projects

- For routine goods, use DAP instead

- The seller should ensure their insurance covers the unloading operation

The Default and the Contract.

Unloading and loading

The Incoterm sets the default. But the contract can adjust it — for example, if the buyer has no equipment to unload, the contract can say the seller will do it. But the insurance must match. We explain this in more detail in the full course.

Keep the Incoterm itself unchanged; specify any adjustments separately in the contract. e.g. EXW loaded is not acceptable. The only one that can be extended is DDP – DDP Unloaded

The Upsell

This is the basic version of our DPU lecture.

Download a free PDF version from our website at www.sadi4u.co.za

The full course includes:

- The three scenarios in full — machinery, 3PL, and turnkey projects

- The red flag trap explained in detail

- The operational communication checklist

- The full insurance analysis for DPU

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- The Herman and Rina discussion

- Logistics and much more. Refer to our website for more information

- The Letter of Credit and Insurance lectures

- Your certificate of completion

