



Continental Automotive Trade Terms
CA-DAP & CA-DDP

For Suppliers

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Changes

Updates in Chapter 3.1.2; 3.1.3; 3.2.2; 3.2.3

Previous Editions

- Published version : CA-Trade-Terms-Explanation 0.3, 2014-07
- Published version: Appendix A09
- Former specification called SML (Supplier Manual Logistics) published as CN 855228-1 (Version 1.0; Release 08. 2010), extracting the SML chapter 5.2

1 SCOPE

The supplier and Continental agree on delivery trade terms according to the specific requirements of the supply chain.

The delivery trade terms will be agreed between purchasing and logistics department of the respective Continental location and the supplier. According to the agreed delivery trade term the nomination of the forwarder will be decided.

The trade terms are set up preferably according to the Continental Automotive (CA) trade terms CA-DAP and CA-DDP.

2 REFERENCES

TST N098 00.02-000	Transportation, Customs/ Foreign Trade and Export Control: Definition, Process, Requirements
GSA	Global Supplier Agreement
SML	Supplier Manual Logistics

All documents, TSTs and Appendix are downloadable at the Continental Automotive Homepage for Suppliers:

http://www.conti-online.com/www/automotive_de_en/general/contact_services/suppliers_logistics_en.html

3 CONTINENTAL DELIVERY TRADE TERMS CA-DAP & CA-DDP

3.1 Delivery Trade Term CA-DAP

- CA-DAP is derived from the INCOTERM® 2010 “DAP”.
- CA-DAP is registered in CA SAP-System as “DDC”.
- CA-DAP is the preferred term for suppliers without consignment contract.
- CA-DAP could be used alternatively to CA-DDP for suppliers with consignment contracts in countries without input VAT on imports, e.g. the U.S. or in cases when specific customs processes or programs are in place (e.g. bonded warehouse operation). In such cases the suppliers are not obliged to register for legal tax- and customs purposes. The customs process in the name of Continental remains unchanged.
- CA-DAP is defined in the contract between the supplier and Continental as follows:

“CA-DAP, Continental location” with the additional clause:

“Payment of freight charges and organization of the logistics chain plus transportation insurance and handling of transport insurance claims – according to Continental standards – is managed by Continental on behalf of the supplier.”

3.1.1 Responsibilities of the Supplier

According to CA-DAP the supplier transfers the following responsibilities onto Continental:

- The organization of the logistics supply chain,
 - The payment of freight charges
 - The transport insurance.
1. The supplier remains in the ownership of the goods until they have arrived at the Continental location, or when the goods are picked up by Continental from the consignment stock. The supplier has all rights on his goods whilst the goods are in transit to Continental.
 2. The supplier is obliged to load the goods on the pickup vehicle and to arrange all legal formalities (e.g. export administration documents) to export the goods.

3.1.2 Responsibilities of Continental

1. Organization of the supply chain
Continental will nominate – for and on behalf of the supplier - the forwarder in order to arrange the supply chain from the supplier's location to the Continental location. Continental is responsible for organization of the supply chain and for ensuring the arrival times.
2. Payment of freight charges
Freight charges are paid directly by Continental to the carrier.
3. Payment of transport insurance for and on behalf of the supplier
The supplier is covered against damages or losses by Continental corporate transport insurance policies. In addition all insurance claims will be processed by Continental directly. Continental's insurance policy includes a 5K€ deductible per claim for the account of the supplier.

4. Import formalities

Continental is responsible for carrying out the customs formalities and the payment of any duties, taxes and other charges for import in the country of the Continental location.

The graphical presentation of the Continental Automotive shows the split of responsibilities chapter 3.3..

3.1.3 Split of responsibilities at CA-DAP between the supplier and Continental

The following example shall show the split of responsibilities between the supplier and Continental if CA-DAP is agreed:

The nominated forwarder picks the goods up at the supplier's location in order to arrange the supply chain from the supplier's location to the Continental location.

- Continental is – for and on behalf of the supplier --responsible for the complete transport organization and is directly charged with the costs for transportation by its forwarder.
- Continental is responsible for carrying out the customs formalities and the payment of any duty, taxes and other charges for import in the country of Continental location.
- The supplier remains in the ownership of the goods until they have arrived at the Continental location. The supplier has all rights on his goods whilst the goods are in transit to Continental.
- Transportation damages / losses occurring in transit are covered – for and on behalf of the supplier -- by the transportation insurance of Continental based on its insurance policy. Continental insurance policy includes a 5K€ deductible per claim. This means in case of damage / loss event we are compensated by the insurer minus the 5K€ deductible. Additionally we receive compensation from the carrier according to his liability. Both amounts will be balanced to the supplier

3.2 Delivery Trade Term CA-DDP

- CA-DDP is derived from the INCOTERMS 2010® DDP.
- CA-DDP is registered in CA SAP-System as "DDX".
- CA-DDP is the term for suppliers with consignment contract and with legal tax (VAT) / duty obligations in the country of importation.
- CA-DDP is defined in the contract between the supplier and Continental as follows:

„CA-DDP, Continental - location“ with the additional clause:

„Payment of freight charges and organization of the supply chain plus transportation insurance and handling of transport insurance claims - according to Continental standards – is managed by Continental on behalf of the supplier.“

3.2.1 Responsibilities of the supplier

According to CA-DDP the supplier transfers the following responsibilities onto Continental:

- The organization of the logistics supply chain,
- The payment of freight charges and



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- The transport insurance.

- 1. The supplier remains in the ownership of the goods until the time when the goods are picked up by Continental from the consignment stock. The supplier has all rights on his goods whilst the goods are in transit to Continental.
- 2. The supplier is responsible for carrying out the customs formalities and the payment of any duty, taxes and other charges for import in the country of importation. The forwarder nominated by Continental will inform the supplier or its broker on the customs relevant freight costs. In addition Continental will inform the supplier or its broker on the customs value relevant insurance premium.
- 3. The supplier is obliged to load the goods on the pickup vehicle and to arrange all legal formalities (e.g. export administration documents) to export the goods.

Remarks:

- It is required in most countries that the seller (supplier) is registered in the importing country as importer of record. The Importer of record is the responsible entity for
 - (1) ensuring the imported goods comply with local laws and regulations,
 - (2) achieving a completed duty entry and associated documents such as any applicable import bonds and any other Government Agency declarations and
 - (3) paying the assessed import duties and taxes on those goods.
- Furthermore, the supplier is obliged to register for local tax (VAT) and customs clearance in the country of the receiving Continental location – if this is legally required in the country of destination.
- A registration for local tax (VAT) and customs clearance is required in most European Union countries for so called third country suppliers (=Non-European Customs Union Suppliers).
- In the 'VAT-countries' CA-DDP is valid. The foreign consignment suppliers have to register for tax and customs in the 'Continental' country of importation. Reason is that the input VAT-- e.g. in Germany 19% of the customs value -- is only deductible for the owner of the goods at the time of importation.

3.2.2 Responsibilities of Continental

1. Organization of the Supply chain
Continental will nominate – for and on behalf of the supplier -- the forwarder in order to arrange the supply chain from the supplier's location to the Continental location. Continental is responsible for organization of the supply chain and for ensuring the arrival times.
2. Payment of freight charges
Freight charges are paid directly by Continental to the forwarder.
3. Payment of transport insurance for and on behalf of the supplier
The supplier is covered against damages or losses by Continental corporate transport insurance policies. In addition, all insurance claims will be processed by Continental directly. Continental's insurance policy includes a 5K€ deductible per claim for the account of the supplier.

Like the INCOTERM® 2010 DDP, the trade term CA-DDP is the basis for a Consignment / VMI agreement between the supplier and Continental.

The graphical presentation of the Continental Automotive trade terms of "DDC and DDX" and their split of responsibilities is shown in the chapter 3.3. .

3.2.3 Split of responsibilities at CA-DDP between the supplier and Continental

The following example shall show the split of responsibilities between the supplier and Continental if CA-DDP is agreed:

The nominated forwarder picks up the goods at the supplier's location in order to arrange the supply chain from the supplier's location to the Continental location/or the location of the consignment stock. In addition the nominated forwarder assists the supplier and his fiscal- and customs representatives regarding customs clearance in the country of importation (e.g. with relevant data and documents for customs clearance as of freight charges and other relevant data).

- Continental is – for an on behalf of the supplier -- responsible for the complete transport organization and is directly charged with the costs for transportation by its forwarder.
- The supplier remains in the ownership of the goods until the time when the goods are picked up by Continental from the consignment stock. The supplier has all rights on his goods whilst the goods are in transit to Continental.
- The supplier is responsible for all customs formalities and paying the corresponding duties and charges in the country of importation.
- Transportation damages / losses occurring in transit are covered – for and on behalf of the supplier -- by the transportation insurance of Continental based on its insurance policy. Continental insurance policy includes a 5K€ deductible per claim. This means in case of damage / loss event we are compensated by the insurer minus the 5K€ deductible. Additionally we receive compensation from the carrier according to his liability. Both amounts will be balanced to the supplier.

3.3 Graphical Presentation of the CA Trade Terms (formerly Appendix A09)

Continental Automotive trade terms CA-DAP and CA-DDP and their split of responsibilities:

	Leading to truck at place of origin	Export clearance & fees	Transport to port of departure or named place	Unloading from truck at port of origin / named place	Loading charges at port of origin	Transport to destination port	Handling charges at port of destination	Loading on truck in port of destination	Delivery to destination / named place	Unloading from truck at named place / destination	Insurance	Import clearance & payment of duties & taxes	Transfer of RISKS seller -> buyer	Transport Mode	Transport Packaging
Continental Automotive preferred trade terms															
CA-DAP (registered in CA SAP-System as DDC)	Supplier	Supplier	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Continental	named place at destination	all	Supplier
CA-DDP for Consignment (registered in CA SAP-System as DDX)	Supplier	Supplier	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Continental	Supplier	named place at destination	all	Supplier

Responsibility of the seller/supplier, costs paid by ...
Responsibility of the buyer/Continental, costs paid by ..