



For information purposes only

Incoterms 2000 : describe the responsibilities of seller and buyer in international trade.

EXW	EX WORKS
FCA	FREE CARRIER
FAS	FREE ALONGSIDE SHIP
FOB	FREE ON BOARD
CFR	COST AND FREIGHT
CIF	COST, INSURANCE AND FREIGHT
CPT	CARRIAGE PAID TO
CIP	CARRIAGE AND INSURANCE PAID TO
DAF	DELIVERED AT FRONTIER
DES	DELIVERED EX SHIP
DEQ	DELIVERED EX QUAY
DDU	DELIVERED DUTY UNPAID
DDP	DELIVERED DUTY PAID

EXW

EX WORKS (... named place) "Ex works" means the seller's only responsibility is to make the goods available at the seller's premises, i.e., the works or factory. The seller is not responsible for loading the goods on the vehicle provided by the buyer unless otherwise agreed. The buyer bears the full costs and risk involved in bringing the goods from there to the desired destination. Ex works represents the minimum obligation of the seller.

FCA

FREE CARRIER (... named place) This term has been designed to meet the requirements of multimodal transport, such as container or roll-on, roll-off traffic by trailers and ferries. It is based on the same name principle as F.O.B. (free on board), except the seller fulfils its obligations when the goods are delivered to the custody of the carrier at the named place. If no precise place can be named at the time of the contract of sale, the parties should refer to the place where the carrier should take the goods into its charge. The risk of loss or damage to the goods is transferred from seller to buyer at that time and not at the ship's rail. The term "carrier" means any person by whom or in whose name a contract of carriage by road, rail, air, sea, or a combination of modes has been made. When a seller has been furnished a bill of lading, way bill or carrier's receipt, the seller duly fulfils its obligation by presenting such a document issued by a carrier.



FAS

FREE ALONGSIDE SHIP (... named port of shipment) "F.A.S." or "free alongside ship" requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. Unlike **F.O.B.**, **F.A.S.** requires the buyer to clear the goods for export and pay the cost of loading the goods.

FOB

FREE ON BOARD (... named port of shipment) Under "F.O.B." or "free on board," the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer when the goods pass the ship's rail (i.e., off the dock and placed on the ship). The seller pays the cost of loading the goods.

CFR

COST AND FREIGHT (... named port of destination) "CFR" requires the seller to pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods, as well as any cost increases, are transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. Insurance is the buyer's responsibility.

CIF

COST, INSURANCE AND FREIGHT (... named port of destination) "CIF" is CFR. with the additional requirement that the seller procure transport insurance against the risk of loss or damage to goods. The seller must contract with the insurer and pay the insurance premium. Insurance is generally more important in international shipping than domestic shipping, because U.S. laws generally hold a common carrier to be liable for lost or damaged goods.

CPT

CARRIAGE PAID TO (... named place of destination) This term means the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage to the goods and any cost increases transfers from the seller to the buyer when the goods have been delivered to the custody of the first carrier, and not at the ship's rail. Accordingly, freight/carriage paid to" can be used for all modes of transportation, including container or roll-on roll-off traffic by trailers and ferries. When the seller is required to furnish a bill of lading, way bill, or carrier receipt, the seller duly fulfils its obligation by presenting such a document issued by the person contracted with for carriage to the main destination.



CARRIAGE AND INSURANCE PAID TO (... named place of destination) This term is the same as "freight/carriage paid to (CPT)" but with the additional requirement that the seller has to procure transport insurance against the risk of loss or damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.

DAF

DELIVERED AT FRONTIER (... named place) "Delivered at frontier" means that the seller's obligations are fulfilled when the goods have arrived at the frontier but before the customs border of the country named in the sales contract. The term is primarily used when goods are carried by rail or truck. The seller bears the full cost and risk in delivering the goods up to this point, but the buyer must arrange and pay for the goods to clear customs.

DES

DELIVERED EX SHIP (... named port of destination) Means the seller shall make the goods available to the buyer on board the ship at the place named in the sales contract. The seller bears the full cost and risk involved in bringing the goods there. The cost of unloading the goods and any customs duties must be paid by the buyer.

DEQ

DELIVERED EX QUAY (... named port of destination) Means the seller has agreed to make the goods available to the buyer on the quay or the wharf at the place named in the sales contract. The seller bears the full cost and risks in delivering the goods to that point including unloading.

DDU

DELIVERED DUTY UNPAID (... named place of destination) Under these terms, the seller fulfils his obligation to deliver when the goods have been available to the buyer uncleared for import at the point or place of the named destination. The seller bears all costs and risks involved in bringing the goods to the point or place of named destination. There is no obligation for import clearance.

DDP

DELIVERED DUTY PAID (... named place of destination) represents the seller's maximum obligation. The term "DDP." is generally followed by words indicating the buyer's premises. It notes that the seller bears all risks and all costs until the goods are delivered. This term can be used irrespective of the mode of transport. If the parties wish to make clear that the seller is not responsible for certain costs, additional word should be added (for example, "delivered duty paid exclusive of VAT and/or taxes").