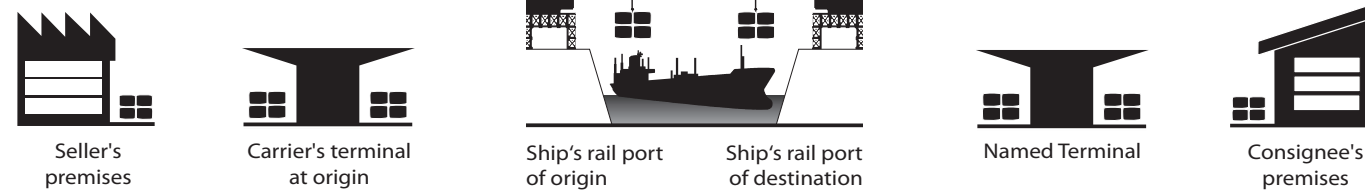


Basic overview of Incoterms® 2010

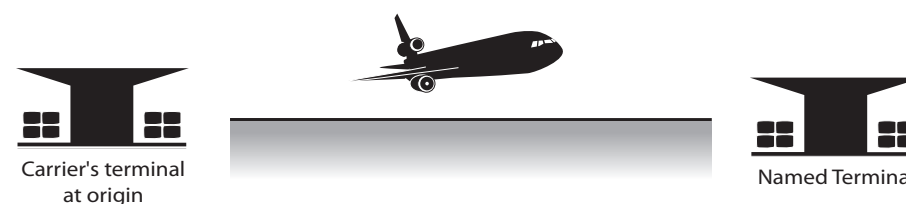


Ocean freight



Incoterm	Description	Named Place	Seller's cost	Consignee's (buyer's) cost	Seller's risk	Consignee's (buyer's) risk	Seller's obligation to arrange cargo insurance
"Collect" terms	EXW Ex Works	named place	Yes	No	No	No	No
	FCA Free Carrier	named place	Yes	No	No	No	No
	FOB Free On Board (Ocean freight only)	named port of shipment	Yes	No	Yes	No	No
	FAS Free Alongside Ship (Ocean freight only)	named port of shipment	Yes	No	Yes	No	No
	CFR Cost and Freight (Ocean freight only)	named port of shipment	Yes	No	Yes	No	Yes
"Prepaid" terms	CIF Cost, Insurance and Freight (Ocean freight only)	named port of destination	Yes	No	Yes	No	Yes
	CPT Carriage Paid To	named place of destination	Yes	No	Yes	No	No
	CIP Carriage and Insurance Paid to	named place of destination	Yes	No	Yes	No	Yes
	DAT Delivered At Terminal	named place of destination	Yes	No	Yes	No	No
	DAP Delivered At Place	named place of destination	Yes	No	Yes	No	No
	DDP Delivered Duty Paid	named place of destination	Yes	No	Yes	No	Yes

Air freight



Legend

- Seller's cost
- Consignee's (buyer's) cost
- Seller's risk
- Consignee's (buyer's) risk
- Seller's obligation to arrange cargo insurance

EXW

„Ex Works“ means that the seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works, factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

FCA

„Free Carrier“ means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

FOB (applicable to ocean freight)

„Free on Board“ means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

FAS (applicable to ocean freight)

„Free Alongside Ship“ means that the seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment. The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from the moment onwards.

CFR (applicable to ocean freight)

„Cost and Freight“ means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

CIF (applicable to ocean freight)

„Cost, Insurance and Freight“ means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

CPT

„Carried Paid To“ means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between the parties) and that the seller must contract for and pay the costs of carriage necessary to bring goods to the named place of destination.

CIP

„Carriage and Insurance Paid“ means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between the parties) and that the seller must contract for and pay to costs of carriage necessary to bring the goods to the named place of destination.

DAT

„Delivered at Terminal“ means that the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. „Terminal“ includes any place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

DAP

„Delivered at Place“ means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

DDP

„Delivered Duty Paid“ means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

For the full text of the official Incoterms, please see Incoterms®2010, ICC publication N° 715, ISBN 978-3-929621-71-6. Published by the International Chamber of Commerce, Copyright © 2010 - International Chamber of Commerce (ICC). Incoterms®2010 is available from www.iccbbooks.com

BASIC OVERVIEW OF INCOTERMS® 2010



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This guide is designed to give you a quick overview of Incoterms frequently used for intercontinental air and ocean freight, illustrating responsibilities between buyer and seller for costs and risk, as well as cargo insurance.



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