

## Incoterms 2010 Brief Summary



**EXW = EX WORKS** = The seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (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** = 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.

**CPT = CARRIAGE PAID TO** = The seller delivers the goods to the carrier or another person nominated by the carrier at an agreed place (if any such place is agreed by the parties) and the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination. When CPT, CIP, CFR or CIF are used, the seller fulfills its obligation to deliver when in hands the goods over to the carrier and not when the goods reach the place of destination.

**CIP = CARRIAGE AND INSURANCE PAID TO** = 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 the goods to the named place of destination. The seller also contracts for insurance cover against the buyer's risk of loss or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements. When CPT, CIP, CFR or CIF are used, the seller fulfills its obligation to deliver when in hands the goods over to the carrier and not when the goods reach the place of destination.

**DAT = DELIVERED AT TERMINAL** = The sellers 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 them at the terminal at the named port or place of destination.

**DAP = DELIVERED AT PLACE** = 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. The parties are well advised to specify as clearly as possible the terminal and, if possible, a specific point within the terminal at the agreed port or place of destination, as the risks to that point are for the account of the seller. The seller is well advised to procure a contract of carriage that matches this choice precisely.

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**DDP = DELIVERED DUTY PAID** = 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 risks involved in bringing the goods to the place of destination and has 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. DDP presents the maximum obligation for the seller.

**FAS = FREE ALONGSIDE SHIP** = The seller delivers when the goods are placed alongside the vessel (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 that moment onwards. The parties are well advised to specify as clearly as possible the loading point at the named port of shipment, as the costs and risks to that point are for the account of the seller and these costs and associated handling charges may vary according to the practice of the port.

**FOB = FREE ON BOARD** = 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 are on board the vessel, and the buyer bears all costs from that moment onwards. The seller is required to deliver the goods on board the vessel or to procure goods already so delivered for shipment. the reference to “procure” here caters for multiple sales down a chain (“string sales”), particularly common in commodity trades.

**CFR = COST AND FREIGHT** = The seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs of freight necessary to bring the goods to the named port of destination. When CPT, CIP, CFR or CIF are used, the seller fulfills its obligation to deliver when in hands the goods over to the carrier and not when the goods reach the place of destination

**CIF = COST INSURANCE AND FREIGHT** = 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 for the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage. The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements. When CPT, CIP, CFR or CIF are used, the seller fulfills its obligation to deliver when in hands the goods over to the carrier and not when the goods reach the place of destination.

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