

Incoterms 2010 Take Effect January 1st, 2011

Sea and Inland Waterway Transport only

- CFR** **Cost & Freight (named destination port)**
Seller must pay the costs and freight to bring the goods to the port of destination. However, risk is transferred to the buyer once the goods have crossed the ship's rail. Maritime transport only and Insurance for the goods is NOT included. Insurance is at the Cost of the Buyer.
- CIF** **Cost, Insurance and Freight (named destination port)**
Exactly the same as CFR except that the seller must in addition procure and pay for insurance for the buyer. Maritime transport only.
- FAS** **Free alongside ship (named loading port)**
The seller must place the goods alongside the ship at the named port. The seller must clear the goods for export. Suitable only for maritime transport only but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). This term is typically used for heavy-lift or bulk cargo.
- FOB** **Free on board (named loading port)**
The seller must themselves load the goods on board the ship nominated by the buyer, cost and risk being divided at ship's rail. The seller must clear the goods for export. Maritime transport only but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). The buyer must instruct the seller the details of the vessel and port where the goods are to be loaded, and there is no reference to, or provision for, the use of a carrier or forwarder. It DOES NOT include Air transport. This term has been greatly misused over the last three decades ever since Incoterms 1980 explained that FCA should be used for container shipments.

Any Mode of Transport

- CIP** **Carriage and Insurance paid to (named place of destination)**
The containerised transport/multimodal equivalent of CIF. Seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier.
- CPT** **Carriage paid to (named place of destination)**
The general/containerised/multimodal equivalent of CFR. The seller pays for carriage to the named point of destination, but risk passes when the goods are handed over to the first carrier.
- DAP** **Delivered at Place (named place)**
Under DAP, delivery is when the seller puts the goods at the disposal of the buyer at a named place, on a vehicle ready for unloading (that is, not unloaded).

DAT **Delivered at Terminal (named place)**
delivery under DAT takes place when the seller puts the goods at the disposal of the buyer unloaded at the named terminal.

DDP **Delivered, Duty paid (named destination place)**
This term means that the seller pays for all transportation costs and bears all risk until the goods have been delivered and pays the duty. Also used interchangeably with the term "Free Domicile". The most comprehensive term for the buyer. In most of the importing countries, taxes such as (but not limited to) VAT and excises should not be considered prepaid being handled as a "refundable" tax. Therefore VAT and excises usually are not representing a direct cost for the importer since they will be recovered against the sales on the local (domestic) market.

EXW **Ex Works (named place)**
The seller makes the goods available at his premises. The buyer is responsible for all charges. This trade term places the greatest responsibility on the buyer and minimum obligations on the seller. The Ex Works term is often used when making an initial quotation for the sale of goods without any costs included. EXW means that a seller has the goods ready for collection at his premises (Works, factory, warehouse, plant) on the date agreed upon. The buyer pays all transportation costs and also bears the risks for bringing the goods to their final destination.

FCA **Free Carrier (named place)**
The seller hands over the goods, cleared for export, into the custody of the first carrier (named by the buyer) at the named place. This term is suitable for all modes of transport, including carriage by air, rail, road, and containerised / multi-modal sea transport. This is the correct "freight collect" term to use for sea shipments in containers, whether LCL (less than container load) or FCL (full container load).