

EX Works EXW

The seller delivers the goods by putting them at the buyer's disposal at his own premises or at some other named place. The seller is responsible for all costs and risks as far as the actual place of collection but has no obligation to load the goods on a carrier's vehicle nor to enter them to customs for export although he may agree to provide the buyer with information for customs clearance.

Free Carrier FCA

This term and not FOB should be used for containerised goods delivered to a carrier at an inland container terminal. The seller delivers goods to the carrier acting for the buyer at the seller's premises or another named place, which should be specified precisely.

If delivery is at the seller's premises, goods are delivered when loaded on the vehicle provided by the buyer; elsewhere, goods are delivered on the seller's vehicle and ready for unloading on behalf of the buyer.

Carriage Paid To CPT

The seller delivers the goods to the carrier or another person nominated by the seller (by implication, unloaded from the seller's vehicle) at an agreed place (not the final destination) but bears all costs of transporting the goods to the final destination.

The seller and buyer must agree on the place of delivery, where risk passes to the buyer, and the final destination which should both be specified precisely.

Carriage and Insurance Paid CIP

The seller delivers goods to a carrier or another person named by the seller, unloaded from the seller's vehicle, at a named place agreed between seller and buyer, and the seller is responsible for carriage, insurance and any other costs involved in conveying the goods to the final destination.

The seller must obtain any export licence needed and enter the goods to customs for export and any transit arrangement. Unless by agreement with the buyer, insurance arranged by the seller need only be minimal: if the buyer wants more, the buyer is responsible for the cost of any extra insurance cover and must give the seller any extra information needed to obtain that cover. The place named in this Incoterm is not the final destination.

Delivered at Terminal DAT

The seller is responsible for moving the goods to the named terminal, which may be a quay at a port, a rail or air cargo terminal, a container yard, warehouse, or a precisely-identified place along a road or in a lorry park and for informing the buyer that the goods are available for him. Once the goods are unloaded the seller places them at the buyer's disposal on an agreed date or within an agreed period.

Delivered at Place DAP

The seller has no obligation to the buyer to insure goods either to or from that place, but may insure them to that place in his own interest. The seller bears all costs of carriage, insurance and anything else up to that place. This place should be specified exactly and the seller should ensure that his contract with the carrier includes it. If seller and buyer do not agree on the place, the seller decides it.

The seller cannot recover cost of unloading at the named place without the buyer's agreement. If the buyer fails to take on the goods there, he is responsible for all costs resulting from warehousing, loss or damage from the agreed time of delivery.

Delivered Duty Paid DDP

The seller delivers the goods when they are put at the disposal of the buyer, cleared for import on the arriving means of transport and ready for unloading at the named place of destination at an agreed time or within an agreed period.

The seller bears all costs and risks to that point: he must clear goods both for export from country of export and for import and must pay any import charges including VAT and other taxes. Use of this term involves maximum responsibility for the seller. DDP should not be used if, as is often the case, the seller cannot obtain import clearance: if the buyer is to obtain import clearance, DAP should be used.

The place of delivery need not be the buyer's premises, but it should be specified as exactly as possible.

Free Alongside Ship FAS

Terms for sea and inland waterways

The place where cost and risk are transferred, and the time, should be identified as exactly as possible. The seller either delivers the goods alongside the ship or, if he is one of a string, procures goods from a previous owner in the string.

For goods in containers, the seller often passes goods to a carrier at an inland terminal and then FCA should be used.

Free on Board FOB

Terms for sea and inland waterways

The seller delivers the goods on a ship nominated by the buyer at the named port of shipment or procures goods already delivered there. Risk of loss or damage passes when the goods are resting on or in the vessel, not when they are hanging from a crane or being handled over the ship's side.

If goods are passed to a carrier before being loaded on a ship, as goods in containers are received by a carrier at an inland container terminal, FCA should be used.

Cost and Freight CFR

Terms for sea and inland waterways

As with CPT, CIP and CIF, the seller delivers goods on board a vessel at the port of shipment or procures goods already so delivered aboard, and risk passes at the named port of destination but without unloading.

The seller is responsible for all costs and freight required to bring goods to the named port of destination. He clears goods for export if applicable, but has no responsibility for import procedures or charges. He also pays for pre-shipment inspection if this is required by the country of export.

Cost Insurance and Freight CIF

Terms for sea and inland waterways

Risk of damage or loss passes once goods are on the vessel at the port of shipment or during carriage by sea if the transaction is one of a string. The seller delivers the goods on board the vessel at the port of destination or procures goods already aboard.

The seller contracts for and pays costs for carriage to the port of destination and for insurance to cover the buyer's risk of damage or loss in carriage. The seller enters the goods to customs for export if applicable.