

# Incoterms 2010 Descriptions

## Incoterms for any Mode of Transport:

### **EXW - Ex Works**

Title and risk pass to buyer including payment of all transportation and insurance cost from the seller's door.

### **FCA - Free Carrier**

Title and risk pass to buyer including transportation and insurance cost when the seller delivers goods cleared for export to the carrier. Seller is obligated to load the goods on the buyer's collecting vehicle; it is the buyer's obligation to receive the seller's arriving vehicle unloaded.

### **CPT - Carriage Paid To**

The risk of loss of, or damage to, the goods, as well as any additional costs due to events occurring after the time the goods have been delivered to the carrier, is transferred from the seller to the buyer when the goods have been delivered into the custody of the carrier.

### **CIP - Carriage & Insurance Paid To**

The seller has the same obligations as under CPT but has the responsibility of obtaining insurance against the buyer's risk of loss or damage of goods during the carriage. The seller is required to clear the goods for export however is only required to obtain insurance on minimum coverage.

### **DAT - Delivered At Terminal**

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. Both parties should agree the terminal and if possible a point within the terminal at which point the risks will transfer from the seller to the buyer of the goods. If it is intended that the seller is to bear all the costs and responsibilities from the terminal to another point, DAP or DDP may apply.

### **DAP - Delivered At Place**

Seller delivers the goods when they are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. Parties are advised to specify as clearly as possible the point within the agreed place of destination, because risks transfer at this point from seller to buyer. If the seller is responsible for clearing the goods, paying duties etc., consideration should be given to using the DDP term.

### **DDP - Delivered Duty Paid**

The seller is responsible for delivering the goods to the named place in the country of importation, including all costs and risks in bringing the goods to import destination. This includes duties, taxes and customs formalities.

## **Incoterms for Sea and Inland Waterway Transport Only:**

### **FAS - Free Alongside Ship**

The seller has fulfilled his obligation when goods have been placed alongside the vessel at the port of shipment. The buyer is responsible for all costs and risks of loss or damage to the goods from that moment. The buyer is also required to clear the goods for export.

### **FOB - Free On Board**

Once the goods have passed over the ship's rail at the port of export the buyer is responsible for all costs and risks of loss or damage to the goods from that point. The seller is required to clear the goods for export.

### **CFR - Cost And Freight**

The seller must pay the costs and freight required in bringing the goods to the named port of destination. The risk of loss or damage is transferred from seller to buyer when the goods pass over the ship's rail in the port of shipment. The seller is required to clear the goods for export.

### **CIF - Cost, Insurance And Freight**

The seller has the same obligations as under CFR however he is also required to provide insurance against the buyer's risk of loss or damage to the goods during transit. The seller is required to clear the goods for export.