

INCOTERMS

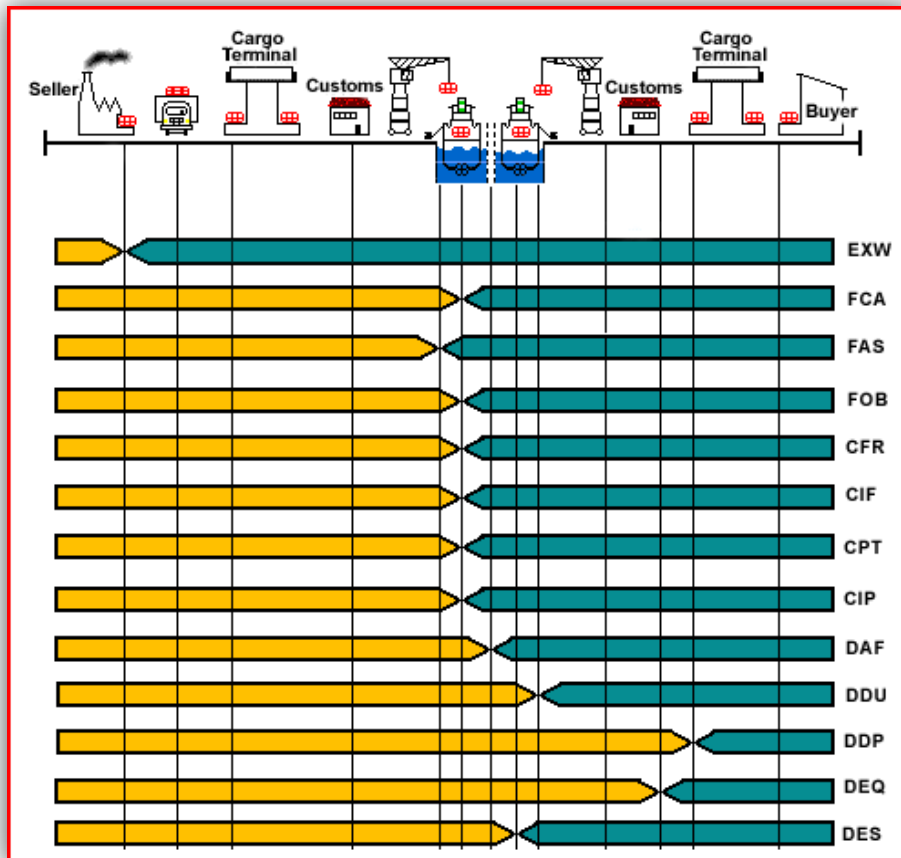
Incoterms are the international standard of shipping terms that cover issues such as control of goods and financial responsibilities such as payment of cargo insurance and freight. **Incoterms** provide traders with a common set of rules outlining each party's obligations thus avoiding misunderstandings and ensuring each parties liabilities are clearly outlined.

Incoterms are established by the International Chamber of Commerce (ICC) who can be consulted for full and detailed information on these terms.

The Terms

Incoterms can be sub-categorised as below (click name for explanation)

Departure/Origin	Main carriage not paid by seller	Main carriage paid by seller	Arrival/Destination
<u>EXW: EX Works</u>	<u>FCA: Free Carrier</u> <u>FAS: Free Alongside Ship</u> <u>FOB: Free On Board</u>	<u>CFR: Cost and Freight</u> <u>CIF: Cost, Insurance and Freight</u> <u>CPT: Carriage Paid To</u> <u>CIP: Carriage and Insurance Paid to</u>	<u>DAF: Delivered At Frontier</u> <u>DES: Delivered Ex Ship</u> <u>DEQ: Delivered Ex Quay</u> <u>DDU: Delivered Duty Unpaid</u> <u>DDP: Delivered Duty Paid</u>



Departure/Origin

EXW - Ex-Works, named place where shipment is available to the buyer, not loaded.
The seller will not contract for any transportation.

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Main carriage not paid by seller

FCA - Free Carrier, unloaded at the seller's dock OR a named place where shipment is available to the international carrier or agent, not loaded.
This term can be used for any mode of transport.

FAS - Free Alongside Ship, named ocean port of shipment.
Ocean shipments that are NOT containerized.

FOB - Free On Board vessel, named ocean port of shipment.
This term is used for ocean shipments only where it is important that the goods pass the ship's rail.

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Main carriage paid by seller

CFR - Cost and Freight, Named ocean port of destination.

This term is used for ocean shipments that are not containerized.

CIF - Cost, Insurance and Freight, named ocean port of destination.

This term is used for ocean shipments that are not containerized.

CPT - Carriage Paid To, named place or port of destination.

This term is used for air or ocean containerized and roll-on roll-off shipments.

CIP - Carriage and Insurance Paid To, named place or port of destination.

This term is used for air or ocean containerized and roll-on roll-off shipments.

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Arrival/Destination

DAF - Delivered At Frontier, named place of destination, by land, not unloaded.

This term is used for any mode of transportation but must be delivered by land.

DES - Delivered Ex-Ship, named port of destination, not unloaded.

This term is used for ocean shipments only.

DEQ - Delivered Ex-Quay, named port of destination, unloaded, not cleared.

This term is used for ocean shipments only.

DDU - Delivered Duty Unpaid, named place of destination, not unloaded, not cleared.

This term is used for any mode of transportation.

DDP - Delivered Duty Paid, named place of destination, not unloaded, cleared.

This term is used for any mode of transportation.

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