

Rules for Sea and Inland Waterway Transport:

FAS - Free Alongside Ship: Risk passes to buyer, including payment of all transportation and insurance costs, once delivered alongside ship (realistically at named port terminal) by the seller. The export clearance obligation rests with the seller.

FOB - Free On Board – Risk passes to buyer, including payment of all transportation and insurance costs, once delivered on board the ship by the seller. A step further than FAS.

CFR - Cost and Freight: Seller delivers goods and risk passes to the buyer when on board the vessel. Seller arranges and pays costs and freight to the named destination port. A step further than FOB.

CIF - Cost, Insurance and Freight: Risk passes to the buyer when delivered on board the ship. Seller arranges and pays cost, freight and insurance to destination port. Adds insurance costs to CFR.

Rules for Any Mode or Modes of Transport:

EXW - Ex Works: seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., 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: 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: Seller delivers to the carrier at an agreed place, shifting risk to the buyer, seller must pay cost of carriage to the named place of destination.

CIP – Carriage and Insurance Paid To: Seller delivers goods to the carrier at an agreed place, shifting risk to the buyer, seller pays carriage & insurance to the named place of destination.

DAT – Delivered at Terminal: Seller bears cost, risk and responsibility until goods are unloaded (delivered) at named quay, warehouse, yard or terminal at destination. Demurrage or detention charges may apply to seller. Seller clears goods for export, not import. DAT replaces DEQ, DES.

DAP – Delivered at Place: Seller bears cost, risk and responsibility for goods until made available to buyer at named place of destination. Seller clears goods for export, not import. DAP replaces DAF, DDU.

DDP – Delivered Duty Paid: Seller bears cost, risk and responsibility for cleared goods at named place of destination at buyers disposal. Buyer is responsible for unloading. Seller is responsible for import clearance, duties and taxes so buyer is not 'importer of record'.

Incoterms® rules – Seller / Buyer Risks, Costs and Obligations Transfer

