



INCOTERMS



INCOTERMS 2010 INTRODUCTION

The Incoterms® rules published by the International Chamber of Commerce (ICC) regulate and standardize the rights and obligation between buyers and sellers of international trade.

The 2010 version of the Incoterms® rules are revised to adjust the rights and obligations to the latest development in foreign trade and to meet the market requirements. One big change is that Incoterms® 2010 rules are not only valid for international transportation as the former edition; now the clauses are also valid for national transportation.

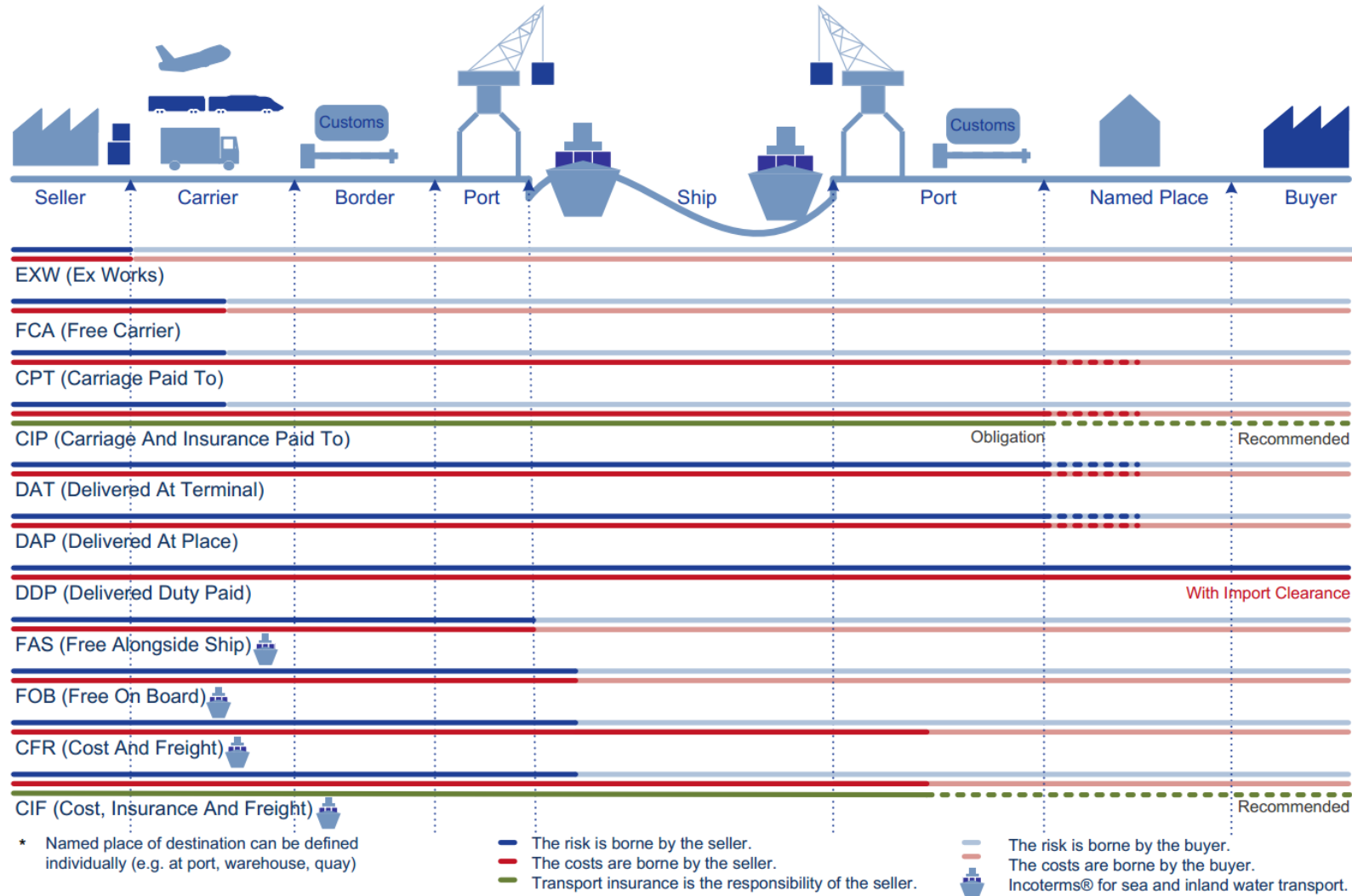
The latest version also reduces the Incoterms® rules from thirteen to eleven rules and also adds two new Incoterms® rules: DAP (Delivered at Place) and DAT (Delivered at Terminal).

All Incoterms® 2010 rules are organized in two categories. Seven rules are valid for all types of transportation and four rules are only valid for ship and waterway transportation. The biggest changes have been settled in the Incoterms® rules FOB, CFR and CIF regarding the transfer of costs and risk. Incoterms® rules DEQ, DAF, DES und DDU are not valid any more from January 01, 2011.

Only the original textversions of Incoterms® 2010 rules published by International Chamber of Commerce (ICC) are binding. Incoterms® is a trademark of the International Chamber of Commerce. Copyright of the Incoterms® rules is held by ICC.



INCOTERMS 2010 : OVERVIEW





EXW – EX WORKS (... named place)

The seller places the goods at his premises (e.g. factory, warehouse or works) for the buyer's disposal. A place at the seller's premises is named as the place of delivery.

- **Valid for :** All types of transportation.
- **Place of Delivery :** Named place (e.g. seller's factory, warehouse or works).
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



FCA – FREE CARRIER (... named place)

The seller places the goods at the named carrier's (or another named person's) disposal at a named place. The carrier or person is nominated by the buyer. At the named place, the transfer of costs and risk from seller to buyer will take place; hence the named place should be defined specifically. FCA is the appropriate "freight collect" clause for containerized shipments (FCL or LCL shipments).

- **Valid for :** All types of transportation.
- **Place of Delivery :** Named place of delivery to the carrier.
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



CPT – CARRIAGE PAID TO (... named place of destination)

The seller delivers the goods to the named carrier (or to another named person) at a named place. The carrier or person is nominated by the buyer. Risk is transferred when the goods are handed over to the first carrier. The seller has to pay for the freight charges for the carriage to the named place of destination.

- **Valid for :** All types of transportation.
- **Place of Delivery :** Named place of delivery to the carrier.
- **Transfer of costs from seller to buyer :** Named place of destination.
- **Transfer of risk from seller to buyer :** Delivered to the first carrier.



CIP – CARRIAGE AND INSURANCE PAID (... named place of destination)

The seller delivers the goods to the named carrier (or to another named person) at a named place. The carrier or person is nominated by the buyer. Risk is transferred when the goods are handed over to the first carrier. The seller has to pay for the freight charges for the carriage to the named place of destination and obtain the insurance for the buyer.

- **Valid for :** All types of transportation.
- **Place of Delivery :** Named place of delivery to the carrier.
- **Transfer of costs from seller to buyer :** Named place of destination.
- **Transfer of risk from seller to buyer :** Delivered to the first carrier.



DAT – DELIVERED AT TERMINAL (... at port or place of destination)

The buyer's goods are delivered once the goods are unloaded from the mean of transportation at the named terminal at the named port or place of destination and placed at the buyer's disposal. Terminal means any location e.g. warehouse, quay, container depot, road, airfreight or rail terminal.

- **Valid for :** All types of transportation.
- **Place of Delivery :** At the named terminal.
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



DAP – DELIVERED AT PLACE (... named place of destination)

The buyer's goods are delivered once the goods are placed at the buyer's disposal at the named place of destination ready for unloading.

- **Valid for :** All types of transportation.
- **Place of Delivery :** Named place, specified accurately.
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



DDP – DELIVERED DUTY PAID (... named place of destination)

The seller places the goods at the buyer's disposal ready for unloading at the named place of destination. Import Customs clearance is arranged and paid by the seller.

- **Valid for :** All types of transportation.
- **Place of Delivery :** At the named place of destination (ready for unloading).
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



FAS – FREE ALONGSIDE SHIP (... named port of shipment)

The goods are delivered when placed alongside the vessel (e.g. wharfage or a barge) at the named port of shipment. Export customs clearance is arranged by the seller. This Incoterms® rule is mainly used for heavy-lift or bulk cargo.

- **Valid for :** Sea and inland waterway transport.
- **Place of Delivery :** Alongside vessel at the named port of shipment.
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



CFR – COST AND FREIGHT (... named port of destination)

The seller has to pay for costs and freight to deliver the goods to the named port of destination. Risk is transferred from seller to buyer when the goods have passed the ship's rail. The Buyer should obtain insurance.

- **Valid for :** Sea and inland waterway transport.
- **Place of Delivery :** On board of the named vessel at the named port of shipment.
- **Transfer of costs from seller to buyer :** At the named port of destination.
- **Transfer of risk from seller to buyer :** At the place of delivery.



FOB – FREE ON BOARD (... named port of shipment)

The seller places the goods at the buyer's disposal on board of the named vessel at the named port of shipment. The buyer must instruct the seller the details of the vessel and port where the goods are to be loaded.

- **Valid for :** Sea and inland waterway transport.
- **Place of Delivery :** On board vessel of the named ship at the port of shipment.
- **Transfer of costs from seller to buyer :** At the place of delivery.
- **Transfer of risk from seller to buyer :** At the place of delivery.



CIF – COST, INSURANCE AND FREIGHT (... named port of destination)

The seller has to pay for costs and freight to deliver the goods to the named port of destination and obtain insurance for the buyer. Risk is transferred from seller to buyer when the goods have passed the ship's rail.

- **Valid for :** Sea and inland waterway transport.
- **Place of Delivery :** On board of the named vessel at the named port of shipment.
- **Transfer of costs from seller to buyer :** At the named port of destination.
- **Transfer of risk from seller to buyer :** At the place of delivery.

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