

Below is a very brief outline of the costs and risks which are apportioned between seller and buyer when using a specific term. These are intended as very simplistic overview. "Incoterms" is an ICC trademark, registered in the European Union and under copyright. For the full version you should visit the ICC website.

Applicable to all modes of transport:

- 1. EXW** ex works (named place): The seller fulfils his obligation to deliver when the goods are made available at the seller's premises. The buyer bears all costs and risks involved in taking the goods from the seller's premises to his destination.
- 2. FCA** free carrier (named place): Seller's obligation to deliver occurs when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place.
- 3. CPT** carriage paid to (named place of destination): the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage is transferred to the buyer when the goods have been delivered into the custody of the carrier.
- 4. CIP** carriage and insurance paid to (named place of destination): Seller's responsibility is the same as under CPT except that he also must obtain and pay for insurance against the buyer's risk of loss or damage.
- 5. DAT** delivered at terminal (named terminal or port or place of destination): Transfer to the buyer of responsibility for loss or damage occur when the goods are placed at the disposal of buyer in a named terminal at the place of destination.
- 6. DAP** delivered at place (named place of destination): Replaces DES, DAF, and DDU. Delivery and transfer of risk occur when the goods are placed at the disposal of the buyer on the arriving means of transport.

- 7. DDP** delivered duty paid (named place of destination): Seller is responsible for delivering the goods to the named place in the country of importation, including paying all duties, taxes and customs fees.

Applicable only to sea and inland waterway transport:

- 1. FAS** free alongside ship (named port of shipment): Seller has fulfilled his obligations when goods have been placed alongside the vessel at the port of shipment. From that moment, the buyer is responsible for all costs and risks.
- 2. FOB** free on board (named port of shipment): Buyer is responsible for all costs and risks once the goods have passed over the ship's rail at the port of export.
- 3. CFR** cost and freight (named port of destination): Seller must pay the costs and freight necessary to take the goods to the named port of destination. The risks of loss or damage transfer to the buyer when the goods pass over the ship's rail in the port of shipment.
- 4. CIF** cost, insurance and freight (named port of destination): Seller has the same obligations as under CFR, but is also required to provide insurance against the buyer's risk of loss or damage to the goods during transit.