

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 it places the goods at the disposal of the buyer. This may be the seller's premises or a named place. The buyer bears all costs and risks involved in taking the goods from the seller's premises or named place to his destination. The seller does not need to load the goods to any collecting vehicle, nor clear the goods for export, if applicable.

2. FCA free carrier (named place):

The seller fulfils his obligation to deliver when it has either; loaded on the means of transport provided by the buyer when the named place is the seller's premises, or if the named place is not the seller's premises, placed at the disposal of the buyer at the named place ready for unloading. The seller is responsible for clearing such goods for export, if applicable.

3. CPT carriage paid to (named place of destination):

The seller fulfils his obligation to risk when the goods are handed over to the carrier contracted by the seller, and fulfils his delivery conditions when the goods are placed at the named destination of the goods for which the seller has promised to effect delivery. The seller is responsible for clearing such goods for export, if applicable.

4. CIP carriage and insurance paid to (named place of destination):

The seller fulfils his obligation to risk when the goods are handed over to the carrier contracted by the seller, and fulfils his delivery conditions when the goods are placed at the named destination of the goods for which the seller has promised to effect delivery. The seller must also insure the goods for all risks at least up to the named place or point of destination which the seller has promised to effect delivery. The seller is responsible for clearing such goods for export, if applicable.

5. DAP delivered at place (named place of destination):

The seller fulfils his obligation when the goods are placed at the disposal of the buyer, unloaded, at the named place of destination. The seller is responsible for clearing the goods for export, if applicable.

6. DPU delivered at place unloaded (named place of destination):

This is a new Incoterm for 2020 and is the only Incoterm which places the responsibility for unloading at destination on the seller. The seller fulfils his obligation when the goods are unloaded at the named place of destination from the arriving means of transport at the disposal of the buyer. The seller is responsible for clearing the goods for export, if applicable.

7. DDP delivered duty paid (named place of destination):

The seller fulfils his obligation to deliver when it places the goods at the disposal of the buyer on the arriving means of transport, unloaded, at the named place of destination, and cleared for import in addition to having cleared for export. This will also involve payment of Customs Duty and VAT as applicable and is therefore not a recommended choice for sellers.

Applicable only to sea and inland waterway transport:

1. FAS free alongside ship (named port of shipment):

The seller fulfils his obligation when the goods are placed alongside ship at the named port of shipment as nominated by the buyer. The seller is responsible for clearing the goods for export, if applicable, and also provide assistance if requested with any regulator documentation to enable the buyer to clear the goods for import.

2. FOB free on board (named port of shipment):

The seller fulfils his obligation when the goods are delivered to the named port of shipment as nominated by the buyer and loaded on board the vessel. The seller is responsible for clearing the goods for export, if applicable, and also provide assistance if requested with any regulator documentation to enable the buyer to clear the goods for import.

3. CFR cost and freight (named port of destination):

The seller fulfils his obligation in respect of delivery when the goods arrive at the named port of destination on the vessel, undischarged. The risk passes to the buyer once the goods are on board the vessel at the port of shipment. The seller is responsible for clearing the goods for export, if applicable, and also provide assistance if requested with any regulator documentation to enable the buyer to clear the goods for import. The seller is not under any obligation to insure the goods, but must provide the necessary information to enable the buyer to do so if requested.

4. CIF cost, insurance and freight (named port of destination):

The 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.