



## INCOTERMS 2010 Guide

**BREAKDOWN DIVIDING RESPONSIBILITY FOR RISK AND COSTS BETWEEN SELLER (EXPORTER) AND BUYER (IMPORTER)**

INCOTERM	EXW	FCA	CPT	CIP	DAT	DAP	DDP	FAS	FOB	CFR	CIF
DESCRIPTION	EX Works	Free Carrier	Carriage Paid To	Carriage and Insurance Paid to	Delivered at Terminal	Delivered Duty Unpaid	Delivered Duty Paid	Free Alongside Ship	Free On Board	Cost and Freight	Cost, Insurance and Freight
	... named point of origin	... named point of origin	...named place of destination	...named place of destination	...named terminal at port or place of destination	...named place of destination	...named place of destination	...named port of shipment	...named port of shipment	...named port of destination	...named port of destination
Transport Mode	All Modes	All Modes	All Modes	All Modes	All Modes	All Modes	All Modes	Ocean Freight	Ocean Freight	Ocean Freight	Ocean Freight
NOMINATE CARRIER OR FREIGHT FORWARDER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER	SELLER
STORAGE, LABOR, AND EXPORT PACKING CHARGES AT ORIGIN	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
EXPORT CLEARANCE	SELLER*	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
	BUYER										
LOADING AT ORIGIN	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
INLAND FREIGHT	BUYER	DEPENDS ON NAMED PLACE!	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
PORT RECEIVING CHARGES (THC)	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
FREIGHT FORWARDER'S FEES****	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER*	SELLER*	SELLER	SELLER
LOADING ON OCEAN CARRIER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER
OCEAN / AIR FREIGHT CHARGES	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	SELLER	SELLER
<u>TRANSFER OF RISK FROM SELLER TO BUYER</u>	AT NAMED POINT OF ORIGIN	AT NAMED POINT OF ORIGIN	WHEN GOODS ARE DELIVERED TO THE CARRIER	WHEN GOODS ARE DELIVERED TO THE CARRIER	WHEN GOODS ARE DELIVERED TO THE NAMED TERMINAL	WHEN GOODS ARE MADE AVAILABLE AT THE NAMED PLACE	WHEN GOODS ARE CLEARED AND MADE AVAILABLE AT THE NAMED PLACE	AT NAMED LOADING POINT	WHEN GOODS ARE LOADED ON VESSEL OR DELIVERED TO CARRIER *	WHEN GOODS ARE LOADED ON VESSEL OR DELIVERED TO CARRIER *	WHEN GOODS ARE LOADED ON VESSEL OR DELIVERED TO CARRIER *
CARGO INSURANCE	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	SELLER***	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	NO OBLIGATION**	SELLER***
CHARGES IN FOREIGN PORT / AIRPORT	BUYER	BUYER	SELLER	depends on contract of carriage	depends on contract of carriage	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER
DUTIES, VAT, AND TAXES AT DESTINATION	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER	BUYER
CUSTOMS CLEARANCE CHARGES - DESTINATION	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER	BUYER	BUYER
DELIVERY CHARGES TO FINAL DESTINATION	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER



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\* Note: Under the terms of the EXW Incoterm, export clearance and licensing is the responsibility of the buyer, HOWEVER according to the U.S. Export Administration Regulations, this is still the legal responsibility of the seller, UNLESS the seller has obtained in writing from the buyer (Foreign Principal Party in Interest) a specific agreement to accept the responsibility for export license determination in writing. This is referred to as a 'routed export transaction'. The seller must provide the buyer with sufficient technical information to determine export licensing requirements.

\*\* When there is no **obligation** to obtain insurance, each party is required to provide the other with the information needed to obtain insurance to cover their portion of the risk.

\*\*\* The Incoterm requires only minimum insurance coverage; buyer and seller should agree to the type of insurance coverage to be provided in their sales contract

\*\*\*\* The payment of the forwarder's fees is sometimes controversial, depending on the contract of sale.

Notes:

Always specify the named place or port, For Example; "**FOB Los Angeles**", "**CPT London**", etc.

INCOTERMS may be modified by agreement between Buyer and Seller, For Example; "DDP-VAT UNPAID"

RISK Includes responsibility for loss and damage and the cost of cargo insurance.

NOTE: This is only a guide, please refer to ICC Publication No. 715E for detailed description of INCOTERMS.

"Ocean Only" Incoterms are generally not suitable for containerized shipments, because containers are usually delivered to the carrier at a terminal, rather than directly to the vessel.