

INCOTERMS RESPONSIBILITIES CHART

Incoterms	Packing	Loading	Port of Origin to Terminal	Exporting Customs Formality	Departure Terminal	Transport	Transport Insurance	Arrival Terminal	Destination Customs
EXW	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
FAS	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
FCA	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
FOB	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
CFR	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
CPT	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient	Expenses borne by recipient
CIF	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient
CIP	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient
DAF	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient
DES	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient	Expenses borne by recipient
DEQ	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient
DDU	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by recipient
DDP	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender	Expenses borne by sender

Expenses borne by sender
 Expenses borne by recipient

INCOTERMS

The thirteen Incoterms divide obligations and risks between buyer and seller in 10 areas:

1. Providing the goods in conformity with the contract.
2. Licenses and other certificates.
3. Contracts of carriage and insurance.
4. Delivery of goods.
5. Transfer of risk (of loss or damage).
6. Division of costs.
7. Notices to buyer and seller.
8. Proof of delivery, transport documents or equivalent electronic messages.
9. Checking, packing, marking inspection.
10. Providing additional assistance and information.

Each of the thirteen Incoterms has a precise and unique definition, but they can be grouped into four basic categories:

E-terms (EXW) – where goods are made available to the buyer at the seller's premises, or other named point.

F-terms (FCA, FAS, FOB) – where the seller is required to deliver goods to a carrier at a named point.

C-terms (CFR, CIF, CPT, CIP) – where the seller contracts for carriage but does not assume the risk of loss or damage after shipment, after a certain point in the country of origin.

D-terms (DAF, DES, DEQ, DDU, DDP) – where the seller bears all costs and risks to bring the goods to a named destination point.

Special care should be taken when negotiating Incoterms as to the responsible party for division of cost and for division of risks.

MODE OF TRANSPORT

Not all Incoterms have the same modes of transportation. Some were intended for sea vessels and others were intended to be relevant to all modes of transportation.

All modes of transport	EXW: Ex Works (Named Place) FCA: Free Carrier (Named Place) CPT: Carriage Paid To (Named Place of Destination) CIP: Carriage and Insurance Paid To (Named Place of Destination) DAF: Delivered at Frontier (Named Place) DDU: Delivered Duty Unpaid (Named Place of Destination) DDP: Delivered Duty Paid (Named Place of Destination)
Sea and inland waterway	FAS: Free Alongside Ship (Named Port of Shipment) FOB: Free On Board (Named Port of Shipment) CFR: Cost and Freight (Named Port of Destination) CIF: Cost, Insurance and Freight (Named Port of Destination) DES: Delivered Ex Ship (Named Port of Destination) DEQ: Delivered Ex Quay (Named Port of Destination)

INCOTERMS BY DEFINITION

EXW: EX WORKS – (named place).

- Seller delivers the goods at his premise (or other named point) to the buyer and is not responsible for the vehicle, loading, or for clearing the goods for export.
- EXQ should be used when the buyer cannot carry out the export formalities. In such circumstances, the FCA term should be used.

FCA: FREE CARRIER – (named place).

- Seller hands over the goods cleared for export to the carrier named by the buyer at the named place.
- If no point is indicated by the buyer, the seller may choose within the range stipulated where the carrier shall take control of the goods.
- When the buyer needs seller's assistance in contracting with the rail, air or other carriers, the seller may act at the buyer's risk and expense. Carrier means any party, including a forwarder, who performs or procures transport by rail, road, sea, air, inland waterway, or multiple modes.
- This term may be used for any mode of transportation.

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

- Seller places goods alongside the vessel at the named port of shipment, cleared for export.
- Buyer bears all costs and risks of loss or damage to the goods from that point on.
- This term can only be used for sea or inland waterway transportation.

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

- Seller delivers goods at the named port of shipment, cleared for export.
- Transfer of risk takes place once goods have passed the ship's rail at origin.
- Buyer bears all costs and risks of loss or damage to the goods from that point on.
- This term can only be used for sea and inland waterway transport. If parties do not intend to deliver the goods across the ship's rail, the FCA term should be used.

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

- Seller clears goods for export, delivers goods to the named port of destination, and pays for same.
- Risk of loss or damage, as well as any additional costs due to events occurring after the time the goods have been delivered on board the vessel, is transferred from the seller to the buyer when the goods pass the ship's rail at the port of shipment.
- This term can only be used for sea and inland waterway transport. If parties do not intend to deliver the goods across the ship's rail, the CPT term should be used.

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

- Seller has the same CFR obligations, plus he must procure marine insurance against the buyer's risk of loss or damage to the goods during the carriage.
- The seller contracts for insurance and pays the insurance premium. Only minimum coverage is required (110%).
- This term can only be used for sea and inland waterway transport. If parties do not intend to deliver the goods across the ship's rail, the CIP term should be used.

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

- Seller clears goods for export, delivers goods to the carrier, and pays the freight for the carriage of the goods to the named destination.
- Risk of loss or damage to the goods, as well as any additional costs due to events occurring after the time of goods have been delivered to the carrier is transferred from the seller to the buyer when the goods have been delivered to the carrier.
- If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier.
- This term may be used for any mode of transport.

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

- Seller has the same CPT obligations, plus he must procure cargo insurance against the buyer's risk of loss or damage to the goods during the carriage.
- The seller contracts for insurance and pays the insurance premium. Only minimal coverage is required (110 %).
- This term may be used for any mode of transport.

DAF: DELIVERED AT FRONTIER – (named place).

- Seller delivers goods, cleared for export, at the named place at the frontier, but before the customs border of the adjoining country.
- The term "frontier" may be used for any frontier including that of the country of export.
- This term may be used for any mode of transport. When delivery is to take place in the port of destination, on board a vessel or on the quay (wharf), the DES or DEQ terms should be used.

DES: DELIVERED EX SHIP – (named port of destination).

- Seller places goods at the disposal of the buyer, onboard the ship at named port of destination.
- Seller bears all costs and risks involved in bringing the goods to the named port of destination.
- This term can only be used for sea or inland waterway transport. If parties desire the seller to bear the costs and risks of discharging the goods, then the DEQ term should be used.

DEQ: DELIVERED EX QUAY – (named port of destination).

- Seller places goods at the disposal of the buyer on the quay (wharf) at the named port of destination.
- Seller bears all costs and risks involved in bringing the goods to the named port of destination.
- This term can only be used for sea or inland waterway transport. If the parties' desire is to include the seller's obligations the risks and costs of the handling of the goods from the quay to another place in or outside the port, the DDU or DDP terms should be used.

DDU: DELIVERED DUTY UNPAID – (named place of destination).

- Seller delivers goods at the named place in the country of import.
- Seller bears costs and risks involved in delivering the goods to the named place. This excludes duties, taxes, and other official charges payable upon import.
- Buyer is responsible for carrying out import customs formalities. Buyer pays additional costs and bears risks caused by this failure to clear the goods for import in time.
- This term may be used for any mode of transportation, but when delivery is to take place in the port of destination on board the vessel or on the quay (wharf), the DES or DEQ terms should be used.

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

- Seller delivers goods at the named place in the country of import.
- Seller bears the costs and risks, including duties, taxes and other charges to deliver the goods cleared for import.
- While the EXW term represents the minimum of obligation for the seller, DDP represents the maximum obligation.
- This term may be used for any mode of transport, but when delivery is to take place in the port of destination on board the vessel on the quay (wharf), the DES or DEQ terms should be used.