

Incoterms

Incoterms are a set of rules describing the responsibility and ownership for buyer and seller in conjunction with a sales agreement.

Ex Works (EXW)

Risk pass from seller to buyer when seller places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. works, factory, warehouse etc.).

The buyer has to bear all costs and risks involved in taking the goods from the seller's premises.



Free Carrier (FCA)

Risk pass to buyer when the seller delivers goods cleared for export to the carrier nominated by the buyer at the named place. Note that the chosen place of delivery has an impact on the obligations of loading and unloading the goods at that place*.



*If delivery occurs at the seller's premises, the seller is responsible for loading. If delivery occurs at any other place, the seller is not responsible for unloading.

Free Alongside Ship (FAS)

Risk pass to buyer when the goods are placed alongside the vessel at the named port of shipment by seller. The buyer bears all costs and risks of loss of or damage to the goods from that moment.

The export clearance obligation rests with the seller.



Free on board (FOB)

The seller delivers when the goods pass the ship's rail at the named port of shipment. The buyer has to bear all costs and risks of loss of or damage to the goods from that point.

The export clearance obligation rests with the seller.

**Cost and Freight (CFR)**

The seller delivers when the goods pass the ship's rail in the port of shipment.

The seller must pay the costs and freight necessary to bring the goods to the named port of destination but the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time of delivery, are transferred from the seller to the buyer.

**Cost, Insurance and Freight (CIF)**

Risk pass to the buyer when the goods pass the ship's rail in the port of shipment. Seller has to pay transportation and insurance cost to the destination port.

Additionally the seller has to procure marine insurance against the buyer's risk of loss of or damage to the goods during the carriage.

The export clearance obligation rests with the seller.



Carriage Paid To (CPT)

Risk and insurance costs pass to buyer when the goods are delivered to the carrier nominated by seller. Seller bears transportation cost to this destination.

The export clearance obligation rests with seller.



Carriage and Insurance paid to (CIP)

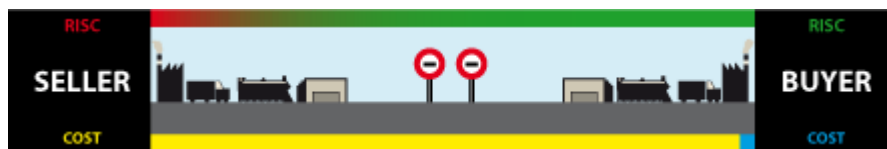
Risk and insurance costs pass to buyer when the goods are delivered to the carrier nominated by seller. Seller bears transportation cost to this destination. Additionally the seller has to procure insurance against the buyer's risk of loss of or damage to the goods during the carriage.

The export clearance obligation rests with seller.



Delivered At Frontier (DAF)

The seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named point and place at the frontier, but before the customs border of the adjoining country.



Delivered Ex Ship (DES)

The risks and costs pass to the buyer when the seller has placed the goods at the disposal of the buyer on board the ship at the named port of destination before discharging.

The import clearance obligation rests with the buyer.



Delivered Ex Quay - Duty Paid (DEQ)

The risks and costs pass to the buyer from the seller when the goods are placed at the disposal of the buyer on the quay at the named port of destination after discharging.

The import clearance obligation and costs concerning formalities, duties, taxes and other charges upon import rests with the buyer.

**Delivered Duty Unpaid (DDU)**

The risks and costs pass to the buyer when the seller delivers the goods to the buyer, not cleared for import, and not unloaded from any arriving means of transport at the named place of destination.

The import clearance obligation and costs concerning formalities, duties, taxes and other charges upon import in the country of destination rests with the buyer.

**Delivered Duty Paid (DDP)**

The risks and costs pass to the buyer when the seller delivers the goods to the buyer, cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The import clearance obligation and costs concerning formalities, duties, taxes and other charges upon import in the country of destination rests with the seller.



Read more about Incoterms on the website for [International Chamber of Commerce \(ICC\)](https://www.iccbro.org/)

These are only guidelines and Liberty Terminals can not be held responsible for any mistakes.

