



Incoterms	Sellers obligation	Buyers obligation	Transfer of Risk
EXW	Factory	Agreed Place	Agreed Place
FCA	Factory	Agreed Place	Agreed Place
FAS	Factory	Port of Loading	Port of Loading
FOB	Factory	Port of Loading	Port of Loading
CFR	Factory	Port of Destination	Port of Destination
CIF	Factory	Port of Destination	Port of Destination
CPT	Factory	Port of Destination	Port of Destination
CIP	Factory	Port of Destination	Port of Destination
DPU	Factory	Place of Destination	Place of Destination
DAP	Factory	Place of Destination	Place of Destination
DDP	Factory	Destination	Destination

Sellers obligation
 Buyers obligation
 SMP Transfer of Risk

EXW – ExWorks

Represents the seller's minimum obligation, since he only has to place the goods at the disposal of the buyer. The buyer must carry out all tasks of export & import clearance. Carriage & insurance is to be arranged by the buyer.

FCA – Free Carrier

The seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named place. Seller pays for carriage to the named place.

FAS – Free Alongside Ship

The seller delivers when the goods are placed alongside the vessel at the named port of shipment. The seller is required to clear the goods for export. The buyer has to bear all costs & risks of loss or damage to the goods from that moment. This term can be used for ocean transport only.

FOB – Free On Board

The seller delivers when the goods pass the ship's rail at the named port of shipment. This means the buyer must bear all costs & risks to the goods from that point. The seller must clear the goods for export. This term can only be used for ocean transport. If the parties do not intend to deliver the goods across the ship's rail, the FCA term should be used.

CFR – Cost and Freight

The seller delivers when the goods pass the ship's rail in the port of shipment. Seller must pay the costs & freight necessary to bring the goods to the named port of destination, BUT the risk of loss or damage, as well as any additional costs due to events occurring after the time of delivery are transferred from seller to buyer. Seller must clear goods for export. This term can only be used for ocean transport.

CIF – Cost, Insurance, Freight

The seller delivers when the goods pass the ship's rail in the port of shipment. Seller must pay the cost & freight necessary to bring goods to named port of destination. Risk of loss & damage same as CFR. Seller also must procure marine insurance against buyer's risk of loss/damage during the carriage. Seller must clear the goods for export. This term can only be used for ocean transport.

CPT – Carriage Paid To

The seller delivers the goods to the carrier nominated by him, but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. The buyer bears all costs occurring after the goods have been so delivered. The seller must clear the goods for export. This term may be used irrespective of the mode of transport (including multimodal).

CIP – Carriage and Insurance Paid

Same as CPT with the exception that the seller also must procure insurance against the buyer's risk of loss or damage to the goods during the carriage. This term may be used for any mode of transportation.

DPU – Delivered At Place Unloaded → New for 2020

The seller is responsible for carriage, delivering the goods to the specified place and for unloading. Risk transfers to the buyer once the goods are unloaded from the arriving means of transport.

The place of delivery - and therefore unloading - should be specified as precisely as possible. Ideally, the place should be specified to a point within a location, e.g. Loading Dock 2 at the customer's premises, and not just the street address.

DAP – Delivered At Place (named place of destination)

Seller pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer.

DDP – Delivered Duty Paid

This term represents maximum obligation to the seller. This term should not be used if the seller is unable to directly or indirectly to obtain the import license. The terms means the same as the DDU term with the exception that the seller also will bear all costs & risks of carrying out customs formalities including the payment of duties, taxes & customs fees.

Remarks

- Risk = The risk of loss of or damages to the goods will be transferred from seller (shipper) to buyer (consignee)
- Only CIF and CIP place an obligation on anyone to purchase cargo insurance. However, it is usually a good idea for the seller (shipper) or buyer (consignee) to purchase insurance to protect against risk
- For FCA, delivery occurs at sellers' premises or terminal
- CPT / CIP risk passes from seller to buyer when the goods are delivered to the first carrier