

### INCOTERMS

INCOTERMS are aimed to establish a set of international regulations for interpreting the terms most used in International Commerce. On this way the responsibility of each the purchaser and the vendor is very clear established.

- **EXW / EXWORKS**
- **FCA / FREE CARRIER**
- **FAS / FREE ALONG SHIP**
- **FOB / FREE ON BOARD**
- **CFR / COST AND FREIGHT**
- **CIF / COST INSURANCE AND FREIGHT**
- **CPT / CARRIAGE PAID TO**
- **CIP / CARRIAGE AND INSURANCE PAID TO**
- **DAP / DELIVERED AT PLACE**
- **DDP / DELIVERED DUTY PAID**
- **DAT / DELIVERED AT TERMINAL**

#### EXW / EXWORKS

It means that the seller delivers when he places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. factory warehouse, etc.) not cleared for export and not loaded on any collecting vehicle.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.

##### **Buyer's Obligations:**

1. Transport (from seller's premises to port of shipment).
2. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
3. Main Carriage (from port of loading to port of discharge).
4. Delivery (to named place at destination).
5. Insurance.
6. Payment of goods.

#### FCA / FREE CARRIER

It means that seller delivers the goods cleared for export to the carrier nominated by the buyer at the named place.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).

##### **Buyer's Obligations:**

1. Main Carriage (from port of loading to port of discharge).
2. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
3. Delivery (to named place at destination).
4. Insurance.
5. Payment of goods.

#### FAS / FREE ALONG SHIP

It means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Delivery (to named place at destination).
7. Insurance.
8. Payment of goods.

#### FOB / FREE ON BOARD

It means that the seller delivers when the goods pass the ship's rail at the named port of shipment.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).

##### **Buyer's Obligations:**

1. Main Carriage (from port of loading to port of discharge).
2. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
3. Delivery (to named place at destination).
4. Insurance.
5. Payment of goods.

#### CFR / COST AND FREIGHT

It means that the seller must pay the cost and freight necessary to bring the goods to the named port of destination, but the risk of loss 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.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Delivery (to named place at destination).
3. Insurance.
4. Payment of goods.

#### CIF / COST INSURANCE AND FREIGHT

It means that the seller must pay the cost and freight necessary to bring the goods to the named port of destination also has to procure marine insurance.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Insurance.

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Delivery (to named place at destination).
3. Payment of goods.

#### CPT / CARRIAGE PAID TO

It means that 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 destination.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment)
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Delivery (to named place at destination).

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Payment of goods.

#### CIP / CARRIAGE AND INSURANCE PAID TO

Means that 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 seller contracts for insurance and pays the insurance premium.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Delivery (to named place at destination).
7. Insurance.

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Payment of goods.

#### DAP / DELIVERED AT PLACE

Means that 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 at destination.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Delivery (to named place at destination).

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Payment of goods.

#### DDP / DELIVERED DUTY PAID

It means that 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.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Delivery (to named place at destination).
7. Insurance.

##### **Buyer's Obligations:**

1. Payment of goods.

#### DAT / DELIVERED AT TERMINAL

It means that the vendor has the responsibility to discharge the cargo at the terminal of destination that the purchaser has indicated in the contract.

##### **Seller's Obligations:**

1. Goods commercial invoice documents required.
2. Packing.
3. Transport (from seller's premises to port of shipment).
4. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
5. Main Carriage (from port of loading to port of discharge).
6. Insurance.

##### **Buyer's Obligations:**

1. Customs formalities (clearance, duties, taxes and payment of charges connected with passing of the goods through customs).
2. Delivery (to named place at destination).
3. Payment of goods.