

# INCOTERMS 2000

## Chart of Responsibility

When negotiating an international sales contract, both parties need to pay as much attention to the terms of sale as to the sales price. To make it as clear as possible, an international set of trade terms (INCOTERMS) has been adopted by most countries that defines exactly the responsibilities and risks of both the buyer and seller including while the merchandise is in transit.

The following chart summarizes the responsibilities of both the buyer and seller for each of the current 13 INCOTERMS. In addition, a definition for each term is included at the bottom of the page.

	<u>EXW</u>	<u>FCA</u>	<u>FAS</u>	<u>FOB</u>	<u>CFR</u>	<u>CIF</u>	<u>CPT</u>	<u>CIP</u>	<u>DAF</u>	<u>DES</u>	<u>DEQ</u>	<u>DDU</u>	<u>DDP</u>
<b>SERVICES</b>	<b>Ex Works</b>	<b>Free Carrier</b>	<b>Free Alongside Ship</b>	<b>Free Onboard Vessel</b>	<b>Cost &amp; Freight</b>	<b>Cost Insurance &amp; Freight</b>	<b>Carriage Paid To</b>	<b>Carriage Insurance Paid To</b>	<b>Delivered At Frontier</b>	<b>Delivered Ex Ship</b>	<b>Delivered Ex Quay Duty Unpaid</b>	<b>Delivered Duty Unpaid</b>	<b>Delivered Duty Paid</b>
<b>Warehouse Storage</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Warehouse Labor</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Export Packing</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Loading Charges</b>	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Inland Freight</b>	Buyer	Buyer/Seller*	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Terminal Charges</b>	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Forwarder's Fees</b>	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Loading On Vessel</b>	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Ocean/Air Freight</b>	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Charges On Arrival At Destination</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Buyer	Buyer	Seller	Seller	Seller
<b>Duty, Taxes &amp; Customs Clearance</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
<b>Delivery To Destination</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

\* There are actually two FCA terms: FCA Seller's Premises where the seller is responsible *only* for loading the goods and *not* responsible for inland freight; and FCA Named Place (International Carrier) where the seller *is* responsible for inland freight.

## The 13 INCOTERMS

**EXW** - Ex-Works, named place where shipment is available to the buyer, not loaded. The seller will not contract for any transportation.

**FCA** - Free Carrier, unloaded at the seller's dock OR a named place where shipment is available to the international carrier or agent, not loaded. This term can be used for any mode of transport.

**FAS** - Free Alongside Ship, named ocean port of shipment. Ocean shipments that are NOT containerized.

**FOB** - Free On Board vessel, named ocean port of shipment. This term is used for ocean shipments only where it is important that the goods pass the ship's rail.

**CFR** - Cost and Freight, Named ocean port of destination. This term is used for ocean shipments that are not containerized.

**CIF** - Cost, Insurance and Freight, named ocean port of destination. This term is used for ocean shipments that are not containerized.

**CPT** - Carriage Paid To, named place or port of destination. This term is used for air or ocean containerized and roll-on roll-off shipments.

**CIP** - Carriage and Insurance Paid To, named place or port of destination. This term is used for air or ocean containerized and roll-on roll-off shipments.

**DAF** - Delivered At Frontier, named place of destination, by land, not unloaded. This term is used for any mode of transportation but must be delivered by land.

**DES** - Delivered Ex-Ship, named port of destination, not unloaded. This term is used for ocean shipments only.

**DEQ** - Delivered Ex-Quay, named port of destination, unloaded, not cleared. This term is used for ocean shipments only.

**DDU** - Delivered Duty Unpaid, named place of destination, not unloaded, not cleared. This term is used for any mode of transportation.

**DDP** - Delivered Duty Paid, named place of destination, not unloaded, cleared. This term is used for any mode of transportation.

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