

INCOTERMS 2010 - 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 11 INCOTERMS.

	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
SERVICE	Ex Works (named place)	Free Carrier (to carrier at named origin place)	Free Alongside Ship (at named origin port) <i>Sea only</i>	Free Onboard Vessel (at named origin port) <i>sea only</i>	Cost & Freight (To named destination port) <i>sea only</i>	Cost Insurance & Freight (To named destination port) <i>sea only</i>	Carriage Paid To (To named destination place)	Carriage Insurance Paid To (To named destination place)	Delivered At Terminal (To named destination point)	Delivered at Place (to named place of destination)	Delivered Duty Paid (named place of destination)
Warehouse Storage	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Warehouse Labor	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export cleared	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder's Fees	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading On Vessel/Aircraft	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean/Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Charges On Arrival At Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery To Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

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International Trade Management ...it says it all

Incoterms- Seller/Buyer Risks, Costs and Obligations Transfer



EXW (EX WORKS)



FCA (FREE CARRIER)



CPT (CARRIAGE PAID TO)



CIP (CARRIAGE AND INSURANCE PAID TO)



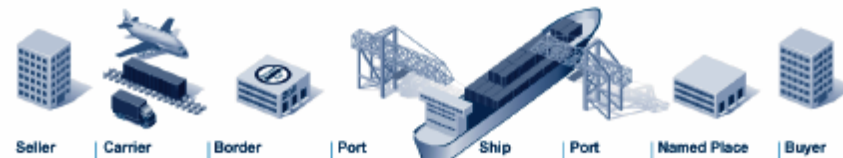
DAT (DELIVERED AT TERMINAL)

Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination.



DAP (DELIVERED AT PLACE)

Seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.



DDP (DELIVERED DUTY PAID)



FAS (FREE ALONGSIDE SHIP)



FOB (FREE ON BOARD)



CFR (COST AND FREIGHT)



CIF (COST, INSURANCE AND FREIGHT)



- The risk is borne by the seller
- The risk is borne by the buyer
- The costs are borne by the seller
- The costs are borne by the buyer
- Transport insurance is the responsibility of the seller
- Transport insurance is the responsibility of the buyer
- Clauses for sea and inland water transport



International Trade Management *...it says it all*