



## **INCOTERMS 2013**

### **Incoterms for any Mode or Modes of Transport**

Are a set of three-letter standard trade terms most commonly used in international contracts for the sale of goods. It is essential that you are aware of your terms of trade prior to shipment.

#### **EXW – EX WORKS (... named place of delivery)**

The Seller's only responsibility is to make the goods available at the Seller's premises. The Buyer bears full costs and risks of moving the goods from there to destination.

#### **FCA – FREE CARRIER (... named place of delivery)**

The Seller delivers the goods, cleared for export, to the carrier selected by the Buyer. The Seller loads the goods if the carrier pickup is at the Seller's premises. From that point, the Buyer bears the costs and risks of moving the goods to destination.

#### **CPT – CARRIAGE PAID TO (... named place of destination)**

The Seller pays for moving the goods to destination. From the time the goods are transferred to the first carrier, the Buyer bears the risks of loss or damage.

#### **CIP– CARRIAGE AND INSURANCE PAID TO (... named place of destination)**

The Seller pays for moving the goods to destination. From the time the goods are transferred to the first carrier, the Buyer bears the risks of loss or damage. The Seller, however, purchases the cargo insurance.

#### **DAT – DELIVERED AT TERMINAL (... named terminal at port or place of destination)**

The Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the Buyer's disposal at a named terminal at the named port or place of destination. "Terminal" includes any place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The Seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.



**H.Y.H. International Cargo Services, Inc.**  
*International Freight Forwarder • Customs Broker • Container Freight Station • Bonded Warehouse*  
F.M.C. No. 4146 I.A.T.A No. 01-1-9512/010 C.H.B. 12121  
9107 N.W. 105th Way, Miami, FL 33178  
Tel.: (305) 888-6400 Fax: (305) 883-0888 E-mail: info@hyh-cargo.com



### **DAP – DELIVERED AT PLACE (... named place of destination)**

The Seller delivers when the goods are placed at the Buyer's disposal on the arriving means of transport ready for unloading at the named place of destination. The Seller bears all risks involved in bringing the goods to the named place.

### **DDP – DELIVERED DUTY PAID (... named place)**

The Seller delivers the goods -cleared for import – to the Buyer at destination. The Seller bears all costs and risks of moving the goods to destination, including the payment of Customs duties and taxes.

## **Incoterms for Sea and Inland Waterway Transport**

### **FAS – FREE ALONGSIDE SHIP (... named port of shipment)**

The Seller delivers the goods to the origin port. From that point, the Buyer bears all costs and risks of loss or damage.

### **FOB– FREE ON BOARD (... named port of shipment)**

The Seller delivers the goods on board the ship and clears the goods for export. From that point, the Buyer bears all costs and risks of loss or damage.

### **CFR– COST AND FREIGHT (... named port of destination)**

The Seller clears the goods for export and pays the costs of moving the goods to destination. The Buyer bears all risks of loss or damage.

### **CIF – COST INSURANCE AND FREIGHT (... named port of destination)**

The Seller clears the goods for export and pays the costs of moving the goods to the port of destination. The Buyer bears all risks of loss or damage. The Seller, however, purchases the cargo insurance.



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Incoterm 2010	Export-Customs declaration	Carriage to port of export	Unloading of truck in port of export	Loading charges in port of export	Carriage (Sea Freight/Air Freight) to port of import	Unloading charges in port of import	Loading on truck in port of import	Carriage to place of destination	Insurance	Import customs clearance	Import taxes
EXW	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FCA	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FAS	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FOB	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CFR	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
CIF	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller	Buyer	Buyer
CPT	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer
CIP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
DAT	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
DAP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
DDP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller

### Previous terms from *Incoterms 2000* eliminated from *Incoterms 2010*

#### **DAF – Delivered at Frontier (named place of delivery)**

This term can be used when the goods are transported by rail and road. The seller pays for transportation to the named place of delivery at the frontier. The buyer arranges for customs clearance and pays for transportation from the frontier to his factory. The passing of risk occurs at the frontier.

#### **DES – Delivered Ex Ship**

Where goods are delivered ex ship, the passing of risk does not occur until the ship has arrived at the named port of destination and the goods made available for unloading to the buyer. The seller pays the same freight and insurance costs as he would under a CIF arrangement. Unlike CFR and CIF terms, the seller has agreed to bear not just cost, but also Risk and Title up to the arrival of the vessel at the named port. Costs for unloading the goods and any duties, taxes, etc. are for the Buyer. A commonly used term in shipping bulk commodities, such as coal, grain, dry chemicals; and where the seller either owns or has chartered, their own vessel.

#### **DEQ – Delivered Ex Quay (named port of delivery)**

This is similar to DES, but the passing of risk does not occur until the goods have been unloaded at the port of discharge.

#### **DDU – Delivered Duty Unpaid (named place of destination)= Equivalent Incoterms 2010 DAP - Delivered at Place**

This term means that the seller delivers the goods to the buyer to the named place of destination in the contract of sale. A transaction in international trade where the seller is responsible for making a safe delivery of goods to a named destination, paying all transportation expenses but not the duty. The seller bears the risks and costs associated with supplying the goods to the delivery location, where the buyer becomes responsible for paying the duty and other customs clearing expenses.