

INCOTERMS 2010

Incoterms: The preferred delivery terms for foreign trade

01 January 2011, a new set of Incoterms is in place which is revised every 10 years to ensure complying with the world's trade practices.

The new change will see Incoterms divided into two categories

- Terms for Any Mode Transport
- Terms for Sea and Inland Waterway Transport

Two new Incoterms is being introduced which is replaced DAP, SED, DEQ and DDU

- DAP - Deliverd At Place
- DAT - Deliverd At Terminal

The table below explain the new Incoterms and who is responsible for paymment at eachh stage.

Any Mode Transport

	<u>EXW</u>	<u>FCA</u>	<u>CPT</u>	<u>CIP</u>	<u>DAT</u>	<u>DAP</u>	<u>DDP</u>
	Ex work	Free Carrier	Carriage Paid To	Carriage Insurance Paid To	Delivery At Terminal	Delivery At Place	Delivery Duty Paid
Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Insurance	Buyer	Buyer	Buyer	Seller	Buyer	Buyer	Buyer
Loading on Vessel	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Freight	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Arrival Charges	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller
Delivery to Terminal	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller
Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery to Dest	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

Sea and Inland Waterway

<u>FAS</u>	<u>FOB</u>	<u>CFR</u>	<u>CIF</u>
Free Alongside Ship	Free Onboard	Cost & Freight	Cost, Insurance & Freight
Seller	Seller	Seller	Seller
Seller	Seller	Seller	Seller
Seller	Seller	Seller	Seller
Buyer	Seller	Seller	Seller
Buyer	Buyer	Buyer	Seller
Buyer	Seller	Seller	Seller
Buyer	Buyer	Buyer	Buyer
Buyer	Buyer	Buyer	Buyer
Buyer	Buyer	Buyer	Buyer
Buyer	Buyer	Buyer	Buyer

EXW	<i>The seller fulfills the obligation to deliver when he has made the goods available at his premises (i.e., works, factory, warehouse, etc.) to the buyer. In particular, the seller is not responsible for loading the goods on the vehicle provided by the buyer or for clearing the goods for export, unless otherwise agreed. The buyer bears all costs and risks involved in taking the goods from the seller's premises to the desired destination. This term thus represents the minimum obligation for the seller. Term applies to air, rail, road, and containerized/multimodal transport.</i>
FCA	<i>The seller clears the goods for export and hands them over into the custody of the first carrier (named by the buyer) at the named place. Term applies to air, rail, road, and containerized/multimodal transport.</i>
CPT	<i>The seller must pay for carriage of the freight to the named point of destination. Risk passes when the goods are handed over to the first carrier. Term applies to air, rail, road, and containerized/multimodal transport.</i>
CIP	<i>Seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier. Term applies to air, rail, road, and containerized/multimodal transport.</i>
DAT	<i>The seller bears the cost of transport and the risks until the goods are left unloaded at the terminal that the parties had agreed upon. "Terminal" includes any place, whether covered or not, such as a quay, warehouse, container yard or road, or rail or air cargo terminal. Term applies to air, rail, road, and containerized/multimodal transport.</i>
DAP	<i>The seller bears all transport costs and the risk up to delivery. "Delivery" takes place when the goods are at the disposal of the buyer on the arriving means of transport, ready for unloading at the named place of destination. Term applies to air, rail, road, and containerized/multimodal transport.</i>
DDP	<i>The seller pays for all transportation costs and bears all risk until the goods have been delivered. Seller pays the duty. This term should NOT be used interchangeably with the term "Free Domicile." Term applies to air, rail, road, and containerized/multimodal transport.</i>
FAS	<i>The seller must place the goods alongside the ship at the named port. The seller must clear the goods for export—a change from the 2000 version of Incoterms®. Term applies to maritime transport only.</i>

FOB	<i>As a common trade term, the seller must load the goods on board the ship nominated by the buyer. Cost and risk transfer once goods are placed on board the ship for transport—an Incoterms® change as of 2000. The seller must clear the goods for export. Term applies to maritime transport only.</i>
CFR	<i>The seller must pay the costs and freight to bring the goods to the port of destination. However, the risk transfers to the buyer once the goods have crossed the ship's rail. Term applies to maritime transport only.</i>
CIF	<i>The seller must pay the costs and freight to bring the goods to the port of destination. However, the risk transfers to the buyer once the goods have crossed the ship's rail. The shipper must also procure and pay for insurance for the buyer. Term applies to maritime transport only.</i>