




THE TRADE TERMS OF THE INTERNATIONAL CHAMBER OF COMMERCE

WHAT IS A TRADE TERM?	A trade term is a combination of letters or words, which specifies certain obligations within the sales contract.																																																																																																										
WHAT OBLIGATIONS DOES A TRADE TERM SPECIFY?	The trade term specifies the <ul style="list-style-type: none"> <li data-bbox="412 360 962 483">  1. Transfer of risk - when the seller has the right to claim for the contract price even if the goods are lost, damaged or short-delivered. <li data-bbox="412 539 987 663">  2. Transfer of obligations - where and how the seller must make the goods available to the buyer and how the buyer must take delivery of the goods. <li data-bbox="979 360 1521 483">  3. Division of costs - how the normal costs relating to the export and import of goods should be divided between the seller and the buyer. 																																																																																																										
WHAT ARE INCOTERMS?	INCOTERMS are a set of international rules for the interpretation of the 13 trade terms published by the International Chamber of Commerce (ICC).	Responsibilities are simply and clearly defined by referring to one of the ICC INCOTERMS. Thus the risk of misunderstanding and subsequent disputes is eliminated.																																																																																																									
TRADE TERMS AND NAMED POINT OF DELIVERY	After the chosen trade term one should state - the named point where the costs transfer and - "...Incoterms 2000"	For instance "CIF Hamburg Incoterms 2000".																																																																																																									
TRADE TERMS AND MODE OF TRANSPORT	The use of trade terms in connection with different modes of transport in the export and import of goods is described below. <div style="text-align: right; margin-top: 10px;"> + = recommended - = not recommended </div> <table border="1" style="margin: 20px auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="text-align: left;">TRADE TERM</th> <th colspan="6">MODE OF TRANSPORT</th> </tr> <tr> <th></th> <th>Sea</th> <th>Road</th> <th>Rail</th> <th>Air</th> <th>Container</th> <th>Combined transport</th> </tr> </thead> <tbody> <tr style="border: 2px solid red;"> <td>EXW</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr> <td>FCA</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr> <td>FAS</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>FOB</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr style="border: 2px solid green;"> <td>CFR</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>CIF</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr style="border: 2px solid green;"> <td>CPT</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr style="border: 2px solid green;"> <td>CIP</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr> <td>DAF</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DES</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DEQ</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DDU</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr style="border: 2px solid blue;"> <td>DDP</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> </tbody> </table>		TRADE TERM	MODE OF TRANSPORT							Sea	Road	Rail	Air	Container	Combined transport	EXW	+	+	+	+	+	+	FCA	+	+	+	+	+	+	FAS	+	-	-	-	-	-	FOB	+	-	-	-	-	-	CFR	+	-	-	-	-	-	CIF	+	-	-	-	-	-	CPT	+	+	+	+	+	+	CIP	+	+	+	+	+	+	DAF	-	-	-	-	-	-	DES	+	-	-	-	-	-	DEQ	+	-	-	-	-	-	DDU	+	+	+	+	+	+	DDP	+	+	+	+	+	+
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TRADE TERMS AND CARGO INSURANCE	The need for cargo insurance follows the risk of loss or damage, i.e. each party arranges for insurance for the part of the carriage when the goods are at his risk.	According to the terms CIF and CIP the seller must arrange cargo insurance in favour of the buyer.																																																																																																									



This brochure is our summary of the contents of the trade terms.



EXW EX WORKS	THE GOODS HAVE BEEN PLACED AT THE DISPOSAL OF THE BUYER
FCA FREE CARRIER	THE GOODS HAVE BEEN DELIVERED TO THE CARRIER
FAS FREE ALONGSIDE SHIP	DELIVERED ALONGSIDE THE SHIP
FOB FREE ON BOARD	THE GOODS HAVE PASSED THE SHIP'S RAIL
CFR COST AND FREIGHT	THE GOODS HAVE PASSED THE SHIP'S RAIL
CIF COST, INSURANCE AND FREIGHT	THE GOODS HAVE PASSED THE SHIP'S RAIL
CPT CARRIAGE PAID TO	THE GOODS HAVE BEEN DELIVERED TO THE CARRIER
CIP CARRIAGE AND INSURANCE PAID TO	THE GOODS HAVE BEEN DELIVERED TO THE CARRIER
DAF DELIVERED AT FRONTIER	THE GOODS HAVE BEEN PLACED AT THE DISPOSAL OF THE BUYER ON THE MEANS OF TRANSPORT AT THE NAMED FRONTIER
DES DELIVERED EX SHIP	READY FOR UNLOADING AT NAMED PORT OF DESTINATION
DEQ DELIVERED EX QUAY	DELIVERED ON THE QUAY AT NAMED PORT OF DESTINATION
DDU DELIVERED DUTY UNPAID	PLACED AT THE DISPOSAL OF THE BUYER ON ANY ARRIVING MEANS OF TRANSPORT DUTY UNPAID
DDP DELIVERED DUTY PAID	PLACED AT THE DISPOSAL OF THE BUYER DUTY PAID AND NOT UNLOADED AT THE NAMED PLACE OF DESTINATION

- LEGEND**
- = THE RISK OF LOSS TRANSFERS (THE NEED FOR INSURANCE)
 - = THE MAIN OBLIGATIONS TRANSFER
 - = THE BURDEN OF COSTS TRANSFERS
 - E** - ACCORDING TO AN E-TERM, THE SELLER PLACES THE GOODS AT THE DISPOSAL OF THE BUYER
 - F** - ACCORDING TO A F-TERM, THE SELLER DELIVERS THE GOODS TO THE CARRIER NAMED BY THE BUYER
 - C** - ACCORDING TO A C-TERM, THE SELLER CONTRACTS FOR CARRIAGE AND DELIVERS THE GOODS INTO THE CUSTODY OF THE CARRIER
 - D** - ACCORDING TO A D-TERM, THE SELLER CONTRACTS FOR CARRIAGE AND DELIVERS THE GOODS AT THE NAMED PLACE OF DESTINATION

THE SELLER MUST

EXW	<ul style="list-style-type: none"> - provide appropriate packing and marking - place the goods at the disposal of the buyer at the named place of delivery - on request assist the buyer with the export documentation 	
FCA	<ul style="list-style-type: none"> - provide appropriate packing and marking - load the goods on the means of transport nominated by the buyer (delivery at the seller's premises) or place the goods at the disposal of the carrier nominated 	<ul style="list-style-type: none"> by the buyer, not unloaded, in the seller's means of transport (delivery at the depot or elsewhere) - carry out the export procedures and provide the buyer with the document received for the delivery of the goods
FAS	<ul style="list-style-type: none"> - provide appropriate packing and marking - place the goods at the disposal of the buyer alongside the ship - carry out the export procedures 	<ul style="list-style-type: none"> - provide the buyer with the document received for the delivery of the goods
FOB	<ul style="list-style-type: none"> - provide appropriate packing and marking - deliver the goods on board the ship at the port of shipment - carry out the export procedures 	<ul style="list-style-type: none"> - provide the buyer with the document received for the delivery of the goods
CFR	<ul style="list-style-type: none"> - provide appropriate packing and marking - contract for the carriage and pay the freight to the port of destination - deliver the goods on board the ship at the port of shipment 	<ul style="list-style-type: none"> - carry out the export procedures - provide the buyer with the transport document without delay
CIF	<ul style="list-style-type: none"> - provide appropriate packing and marking - contract for the carriage and pay the freight to the port of destination - deliver the goods on board the ship at the port of shipment 	<ul style="list-style-type: none"> - carry out the export procedures - contract and pay for agreed cargo insurance in favour of the buyer - provide the buyer with the transport document and cargo insurance document without delay
CPT	<ul style="list-style-type: none"> - provide appropriate packing and marking - contract for the carriage and pay the freight to the place of destination - deliver the goods to the carrier 	<ul style="list-style-type: none"> - carry out the export procedures - provide the buyer with the transport document without delay
CIP	<ul style="list-style-type: none"> - provide appropriate packing and marking - contract for the carriage and pay the freight to the place of destination - deliver the goods to the carrier 	<ul style="list-style-type: none"> - carry out the export procedures - contract and pay for agreed cargo insurance in favour of the buyer - provide the buyer with the transport document and cargo insurance document without delay
DAF	<ul style="list-style-type: none"> - provide appropriate packing and marking - place the goods at the disposal of the buyer on the arriving means of transport at the frontier not unloaded 	<ul style="list-style-type: none"> - carry out the export procedures - provide the buyer with the document received for the delivery of the goods
DES	<ul style="list-style-type: none"> - provide appropriate packing and marking - carry out the export procedures - place the goods at the disposal of the buyer on board the ship at the named port of destination 	<ul style="list-style-type: none"> - provide the buyer with the document received for the delivery of the goods
DEQ	<ul style="list-style-type: none"> - provide appropriate packing and marking - carry out the export procedures - place the goods at the disposal of the buyer on the quay at the named port of destination 	<ul style="list-style-type: none"> - provide the buyer with the document received for the delivery of the goods
DDU	<ul style="list-style-type: none"> - provide appropriate packing and marking - carry out the export procedures 	<ul style="list-style-type: none"> - place the goods at the disposal of the buyer at the named place of destination not unloaded - provide the buyer with the document received for the delivery of the goods
DDP	<ul style="list-style-type: none"> - provide appropriate packing and marking - carry out the export and import procedures 	<ul style="list-style-type: none"> - place the goods at the disposal of the buyer at the named place of destination not unloaded

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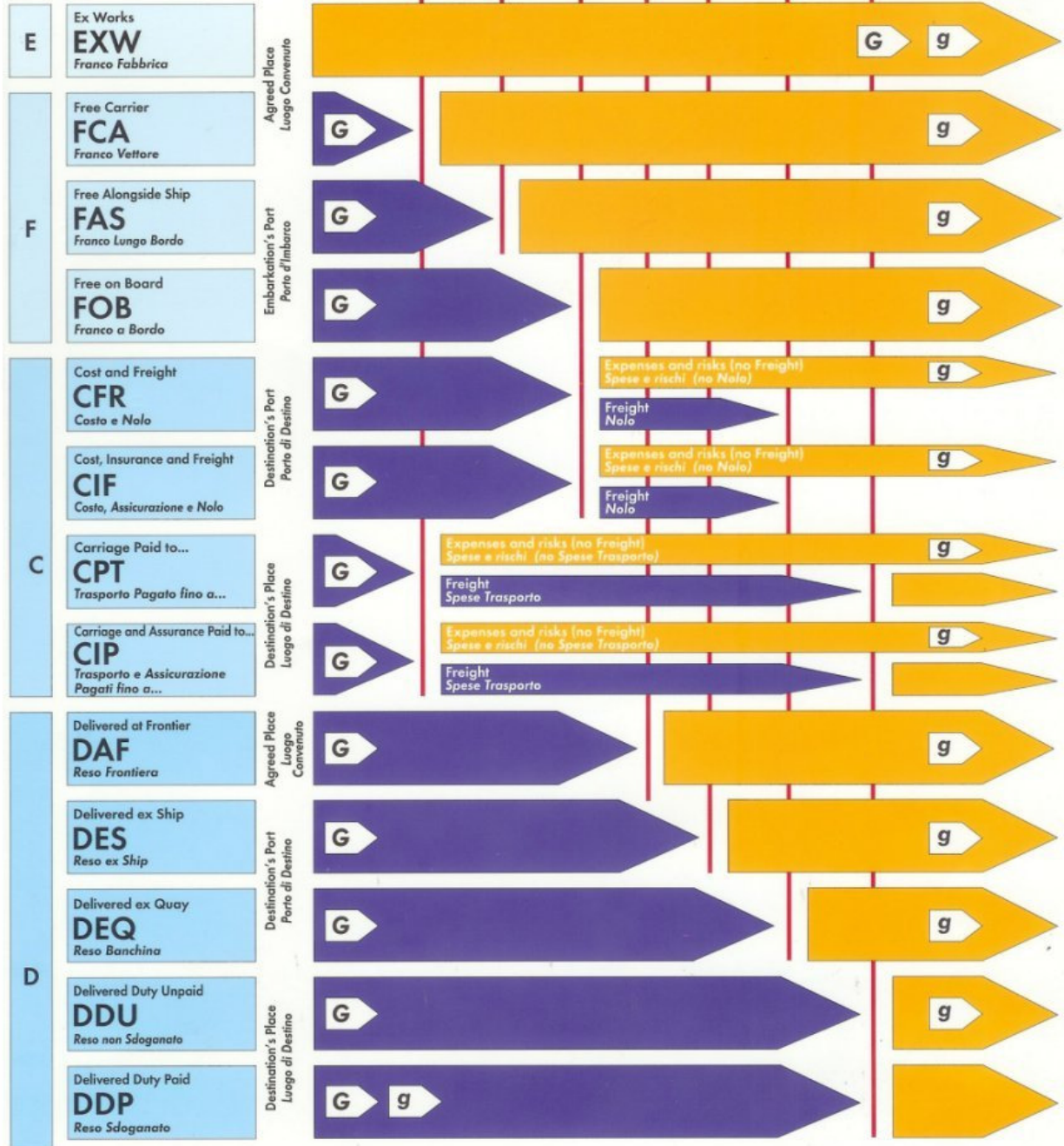
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THE BUYER MUST

<ul style="list-style-type: none">- take delivery of the goods and contract for the carriage to the final destination	EXW
<ul style="list-style-type: none">- take delivery of the goods, loaded, on the means of transport (delivery at seller's premises) or take delivery of the goods on the arriving means of transport, not unloaded, and carry out unloading, storage, and loading of the goods (delivery at depot or elsewhere)- carry out import procedures and contract of carriage to the final destination	FCA
<ul style="list-style-type: none">- take delivery of the goods alongside the ship- carry out the import procedures and the carriage to the final destination	FAS
<ul style="list-style-type: none">- take delivery of the goods on board the ship at the port of shipment- carry out the import procedures and the carriage to the final destination	FOB
<ul style="list-style-type: none">- accept delivery of goods at the port of shipment and receive them from the carrier at the port of destination- carry out the import procedures and the carriage to the final destination	CFR
<ul style="list-style-type: none">- agree on the cargo insurance with the seller- accept delivery of goods at the port of shipment and receive them from the carrier at the port of destination- carry out the import procedures and the carriage to the final destination	CIF
<ul style="list-style-type: none">- accept delivery of goods at the place of dispatch and receive them from the carrier at the place of destination- carry out the import procedures and the carriage to the final destination	CPT
<ul style="list-style-type: none">- agree on the cargo insurance with the seller- accept delivery of goods at the place of dispatch and receive them from the carrier at the place of destination- carry out the import procedures and the carriage to the final destination	CIP
<ul style="list-style-type: none">- take delivery of the goods on the arriving means of transport, not unloaded- carry out the unloading of the goods from the means of transport of the seller, storage, import procedures and carriage to the final destination	DAF
<ul style="list-style-type: none">- take delivery of the goods on board at the port of destination- carry out the unloading of the goods- carry out the import procedures and carriage to the final destination from the named port of discharge	DES
<ul style="list-style-type: none">- take delivery of the goods on the quay at the port of destination- carry out the import procedures and the carriage to the final destination	DEQ
<ul style="list-style-type: none">- take delivery of the goods at the final destination- carry out the unloading of the goods- carry out the import procedures	DDU
<ul style="list-style-type: none">- take delivery of the goods at the final destination- carry out the unloading of the goods	DDP



INCOTERMS 2000



Basic Groups - Seller's Obligations / Categorie Fondamentali - Obblighi Venditore

Ex Works - Franco Fabbrica
Free - Franco

Carriage - Trasporto
Delivered - Consegnato

G Export Clearance Sdoganamento in Esportazione
g Import Clearance Sdoganamento in Importazione

SELLER - VENDITORE

Expenses and risks
Spese e rischi

BUYER - COMPRATORE

Expenses and risks
Spese e rischi