

Obligation as to insurance, transfer of risk and costs as per Incoterms 2010

The latest version INCOTERMS 2010 Rules came into effect on the 01 January 2011. The new edition will include 11 terms compared with 13 in the previous edition. The following terms have been deleted from the list: “DAF”, “DES”, “DEQ” and “DDU”. And two new terms have been added: “DAT” and “DAP”.

The INCOTERMS Rules are used in international and domestic contracts for the sale of goods. They help parties to avoid misunderstandings by clearly identifying the obligations of the buyer and seller.

	Clearing the goods for exportation	Clearing the goods for import	Contract of transportation	Place of destination	Transfer of risk S->B	Transfer of cost S->B	Transport insurance	Group
EXW	B	B	B	Works of the S	Named place of delivery			E
FCA	S	B	B	Place of transfer to the carrier	Named place of delivery			F
FAS	S	B	B	Alongside ship in the port of shipment	Named place of delivery			
FOB	S	B	B	Ship in the port of shipment	Ship's rail			
CFR	S	B	S	Ship in the port of shipment	Ship's rail	Named port of destination		C
CIF	S	B	S	Ship in the port of shipment	Ship's rail	Named port of destination	Minimum cover	
CPT	S	B	S	Place of transfer to the first carrier	Named place of delivery	Named place of destination		
CIP	S	B	S	Place of transfer to the first carrier	Named place of delivery	Named place of destination	Minimum cover	
DAT	S	B	S	Named terminal/place	Named terminal/place, unloaded			D
DAP	S	B	S	Named place	Named place of destination, ready for unloading			
DDP	S	S	S	Named place of destination	Named place of destination			

S=Seller / B=Buyer

E=Departure term

F=Main carriage unpaid

C=Main carriage paid

D=arrival term

Group E: The seller has to deliver the goods at the disposal of the buyer at the seller's premises.

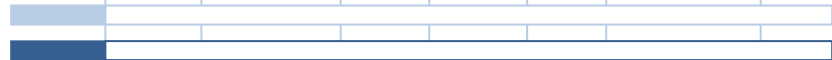
Group F: The goods are delivered to a carrier, nominated by the buyer at the seller's premises or another named place.

Group C: The seller contracts and pays the carriage until the named place/port of destination. The buyer bears the risk of transport on the main transport.

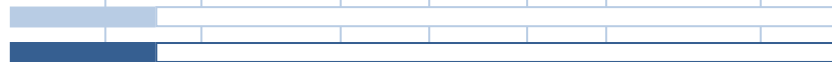
Group D: The seller bears all costs and risk until the named place of destination.

The responsibility for the seller is the smallest in Group E, gets bigger in Group F and C and reaches the maximum in Group D (with DDP). For the buyer it's inverse.

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EXW (EX WORKS)



FCA (FREE CARRIER)



CPT (CARRIAGE PAID TO)



CIP (CARRIAGE AND INSURANCE PAID TO)



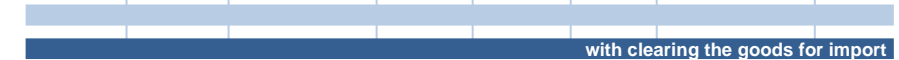
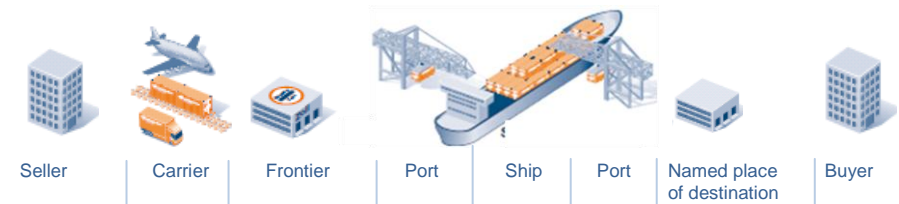
DAT (DELIVERED AT TERMINAL)

The seller bears cost and risk until the named terminal/place of destination, including the unloading of the arriving means of transport.



DAP (DELIVERED AT PLACE)

The seller bears cost and risk until the named place of destination, ready for unloading on the arriving means of transport.



DDP (DELIVERED DUTY PAID)



FAS (FREE ALONGSIDE SHIP)



FOB (FREE ON BOARD)



CFR (COST AND FREIGHT)



CIF (COST, INSURANCE AND FREIGHT)

	Seller bears risk		Buyer bears risk
	Seller bears cost		Buyer bears cost
	Seller must obtain transport insurance		Rules for sea and inland waterway transportation