

**EXW** - EX WORKS (... named place) "Ex works" means the seller's only responsibility is to make the goods available at the seller's premises, i.e., the works or factory. The seller is not responsible for loading the goods on the vehicle provided by the buyer unless otherwise agreed. The buyer bears the full costs and risk involved in bringing the goods from there to the desired destination. Ex works represents the minimum obligation of the seller.

**FCA** - FREE CARRIER (... named place) This term has been designed to meet the requirements of multimodal transport, such as container or roll-on, roll-off traffic by trailers and ferries. It is based on the same name principle as F.O.B. (free on board), except the seller fulfills its obligations when the goods are delivered to the custody of the carrier at the named place. If no precise place can be named at the time of the contract of sale, the parties should refer to the place where the carrier should take the goods into its charge. The risk of loss or damage to the goods is transferred from seller to buyer at that time and not at the ship's rail. The term "carrier" means any person by whom or in whose name a contract of carriage by road, rail, air, sea, or a combination of modes has been made. When a seller has been furnished a bill of lading, way bill or carrier's receipt, the seller duly fulfills its obligation by presenting such a document issued by a carrier.

**FAS** - FREE ALONGSIDE SHIP (... named port of shipment) "F.A.S." or "free alongside ship" requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. Unlike F.O.B., F.A.S. requires the buyer to clear the goods for export and pay the cost of loading the goods.

**FOB** - FREE ON BOARD (... named port of shipment) Under "F.O.B." or "free on board," the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss or damage to the goods is transferred to the buyer when the goods pass the ship's rail (i.e., off the dock and placed on the ship). The seller pays the cost of loading the goods.

**CFR** - COST AND FREIGHT (... named port of destination) "CFR" requires the seller to pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods, as well as any cost increases, are transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. Insurance is the buyer's responsibility.

**CIF** - COST, INSURANCE AND FREIGHT (... named port of destination) "CIF" is CFR. with the additional requirement that the seller procure transport insurance against the risk of loss or damage to goods. The seller must contract with the insurer and pay the insurance premium. Insurance is generally more important in international shipping than domestic shipping, because U.S. laws generally hold a common carrier to be liable for lost or damaged goods.

**CPT** - CARRIAGE PAID TO (... named place of destination) This term means the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage to the goods and any cost increases transfers from the seller to the buyer when the goods have been delivered to the custody of the first carrier, and not at the ship's rail. Accordingly, "freight/carriage paid to" can be used for all modes of transportation, including container or roll-on roll-off traffic by trailers and ferries. When the seller is required to furnish a bill of lading, way bill, or carrier receipt, the seller duly fulfills its obligation by presenting such a document issued by the person contracted with for carriage to the main destination.

**CIP** - CARRIAGE AND INSURANCE PAID TO (... named place of destination) This term is the same as "freight/carriage paid to (CPT)" but with the additional requirement that the seller has to procure transport insurance against the risk of loss or damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.

**DDP** - DELIVERED DUTY PAID (... named place of destination) represents the seller's maximum obligation. The term "DDP." is generally followed by words indicating the buyer's premises. It notes that the seller bears all risks and all costs until the goods are delivered. This term can be used irrespective of the mode of transport. If the parties wish to make clear that the seller is not responsible for certain costs, additional word should be added (for example, "delivered duty paid exclusive of VAT and/or taxes").

**DAT** - DELIVERED AT TERMINAL (... named terminal at port or place of destination) means that the 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 terminal at the named port of 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. DAT requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import, pay any import duty or carry out any import customs formalities.

**DAP** - DELIVERED AT PLACE (... named place of destination) means that the 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. The seller bears all risks involved in bringing the goods to the named place. DAP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import, pay any import duty or carry out any import customs formalities.