

INCOTERM

	Checking Packaging Marking	Loading	Export Formalities	Inland Freight To Main Carrier	Origin Terminal Charges	Main Carrier Loading	Air / Sea Freight	Main Carrier Unloading	Destination Terminal Charges	Import Formalities	Import Duty / Tax	Destination Delivery	
All Modes Including Multimodal	EXW (Ex Works) Named Place	Buyers Cost	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	FCA (Free Carrier) Named Place	Sellers Cost	Sellers Risk	Buyers Risk (Note 1)	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	CPT (Carriage Paid To) Named Place at Destination	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk (Note 3)	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	CIP (Carriage & Insurance Paid To) Named Place at Destination	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk (Note 3)	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	DAT (Delivered at Terminal) Named Terminal at Port or Place of Destination	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	DAP (Delivered at Place) Named Place at Destination	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	
	DDP (Delivered Duty Paid) Named Place of Delivery	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	
	Sea and Inland Waterway Only	FAS (Free Alongside Ship) Named Port of Departure	Sellers Cost	Sellers Risk	Buyers Risk (Note 2)	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk
		FOB (Free On Board) Named Port of Departure	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk
		CFR (Cost and Freight) Named Port of Destination	Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk
CIF (Cost Insurance & Freight) Named Port of Destination		Sellers Cost	Sellers Risk	Sellers Risk	Sellers Risk	Sellers Risk	Buyers Risk (Note 3)	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	Buyers Risk	

Key



Under CIP and CIF terms the seller must obtain, at its own expense, cargo insurance at a level that meets the minimum coverage as provided by Clauses (C) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses. Since this level of insurance may not be adequate, sellers and buyers should consider a higher level of insurance when using these terms.

- Note 1** Under FCA Terms, the named place may be the sellers premise where the Buyer would be responsible for the inland freight or another named place beyond the sellers premise where the Seller would be responsible for the inland freight.
- Note 2** When the goods are in a containers, it is customary for the seller to hand the goods over to the carrier at the terminal and not alongside the vessel. In such situations, the FCA Incoterm should be used.
- Note 3** Charges can be for the account of the Seller or Buyer, depending on the Contract of Carriage.

2010

Incoterms were first introduced in 1936 and provided a common interpretation of the various trade terms that were being used at that time. Following this initial introductions, Incoterms have been revised 7 times to reflect international commercial practice. This interpretation of a standardized set of rules is makes it possible to clearly outline the transfer of costs and risks associated with the carriage of the goods from the seller to the buyer and establish responsibilities for export and import formalities. Incoterms should not be considered contracts for the sale of goods. If the buyer and seller desire to use incoterms to define the transfer of costs and risk, they should include the agreed to Incoterm in the sales/purchase agreement and identify the incoterm version being used, for example, Incoterms 2010.

This guide was designed to give a graphic representation of the Sellers and Buyers cost and risks associated with the incoterms listed. Swam & Hercules Global Logistics (SHGL) does not warrant the accuracy and completeness of this document. The parties are well advised to read the International Chamber of Commerce (ICC) Publication 720E (ICC Guide to Incoterms 2010) for more detailed explanation and interpretation of these terms.