

INCO TERMS 2010
Paul Jarzombek

This presentation is intended to give a general overview of INCOTERMS 2010, and is not to be used as a legal guide to establishing Terms of Sale.

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INCOTERMS 2010

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Purpose

- For the interpretation of international terms of sale / adds clarity
- Accepted by governments, legal authorities & practitioners worldwide
- They closely correspond to the U.N. Convention on contracts for the international sale of goods
- International Chamber of Commerce

INCOTERMS 2010

- Obligations for Cost & Risk of Shipping Goods From Buyer to Seller
- Provides Clarity for Determining each party's Responsibility

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INCOTERMS 2010

- Created by: THE INTERNATIONAL CHAMBER OF COMMERCE
- 1936 - First Created by the ICC
- 2010 - Latest Revision
- Created to provide a set of International rules for the interpretation of Foreign Trade Terms

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GROUPS

- E Terms/ Departure
- F Terms/Main Carriage Unpaid
- C Terms/Main Carriage Paid
- D Terms/ Arrival

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INCOTERMS 2010


- EXW/ Ex-Works
- FCA/Free Carrier
- FAS/Free Along Side
- FOB/Free on Board



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INCOTERMS 2010


- CFR/ Cost and Freight(Sea)
- CIF/Cost,Insurance&Freight (Sea)
- CPT/Carriage Paid to:
- CIP/Carriage & Insurance Paid to:



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2010 Revision

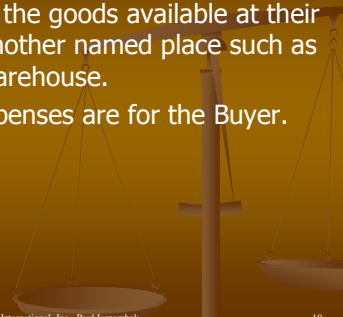
- All "D" Terms Removed & Replaced by
- DAT
 - Delivered at Terminal (All Modes)
- DAP
 - Delivered at Place (All Modes)
- DDP
 - Delivered Duty Paid



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EXW Ex-Works

- Shipper makes the goods available at their premises, or another named place such as a factory, or warehouse.
- All shipping Expenses are for the Buyer. Freight Collect



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FAS/ Free Alongside Ship

- The Seller delivers when the goods are placed at a Port of Exit, alongside the Vessel.
- Additional Heavy Lift or Specialty loading are the Financial Burden of the Buyer.
- Only Sea Freight



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FCA /Free Carrier

- Seller delivers the goods to a carrier at a named place, cleared for export, typically at a Port of Exit.
- The buyer nominates or agrees to a named carrier to receive the goods.
- This is used for any shipping mode.



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FOB/ Free on Board

- Seller delivers when the goods pass the ship's rail at the Port of Exit.
- Only Sea Freight

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CFR/ Cost and Freight

- Seller delivers when the goods are loaded on the Vessel and arrive at the named Port of Destination.
- Cost of Goods and Freight to a Foreign Destination
- Only for Sea Freight

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CIF/ Cost, Insurance & Freight

- Seller delivers the goods to a Foreign Destination also providing for Insurance for the Goods and the Perils of the Sea.
- Norm: CIF+10% /Insurance Coverage
- Only for Sea Freight


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CPT/Carriage Paid To:

- Seller delivers the goods to a carrier and pays for the freight to the Foreign Destination.
- Any Mode



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CIP/Carriage & Insurance Paid To:


- Seller provides delivery to a Foreign Destination Port of Entry and also provides Insurance Coverage.
- Any Mode



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DAT/Delivered at Terminal

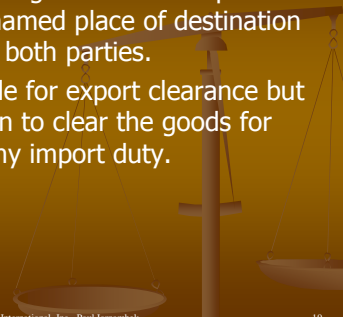
- Seller provides delivery to a terminal where the goods are unloaded from the arriving means of transport.
- "Terminal" includes any place such as a quay, warehouse, container yard, or rail, road, or air cargo terminal.
- Seller responsible for export clearance but has no obligation to clear the goods for import or pay any import duty.
- Any Mode



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DAP/Delivered at Place

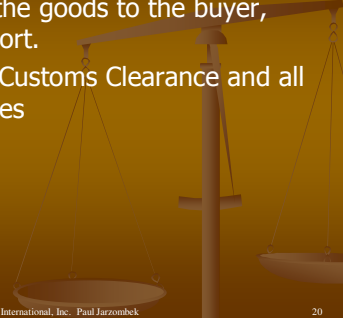
- Seller delivers the goods at the disposal of the buyer to a named place of destination agreed upon by both parties.
- Seller responsible for export clearance but has no obligation to clear the goods for import or pay any import duty.
- Any Mode



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DDP/Delivered Duty Paid

- Seller delivers the goods to the buyer, cleared for import.
- Seller pays for Customs Clearance and all Duties and Taxes
- Any Mode



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