

WHAT ARE INCOTERMS?

INCOTERMS are a set of three-letter standard trade terms most commonly used in international contracts for the sale of goods. It is essential that you are aware of your terms of trade prior to shipment.

EXW (EX WORKS)

EX Works EXW named place Incoterms® 2010 — This term may be used for either domestic or international trade.

FCA (FREE CARRIER)

Free Carrier FCA named place Incoterms® 2010 — This term may be used whatever mode or modes of transport will be used.

CPT (CARRIAGE PAID TO)

Carriage Paid To CPT named place Incoterms® 2010 — This term may be used whatever mode or modes of transport will be used.

CIP (CARRIAGE & INSURANCE PAID)

Carriage and Insurance Paid CIP to named place Incoterms® 2010 — This term may be used whatever mode or modes of transport will be used.

DAT (DELIVERED AT TERMINAL)

Delivered at Terminal DAT named place Incoterms® 2010 — This term may be used regardless of the mode or modes of carriage to be used.

DAP (DELIVERED AT PLACE)

Delivered at Place DAP named place Incoterms® 2010 — This term may be used whatever mode or modes of transport will be used.

DDP (DELIVERED DUTY PAID)

Delivered Duty Paid DDP named place of destination Incoterms® 2010 — This term may be used whatever mode or modes of transport may be used.

FAS (FREE ALONGSIDE SHIP)

Free Alongside Ship FAS named port of shipment Incoterms® 2010 — The seller delivers the goods when they are placed alongside the vessel nominated

FOB (FREE ON BOARD)

Free On Board FOB named port of shipment Incoterms® 2010 — There is a significant change from the meaning of this term in former revisions of

CFR (COST & FREIGHT)

Cost and Freight CFR named port of destination Incoterms® 2010 — This rule is intended for use only when carriage is by sea or inland waterway.

CIF (COST INSURANCE & FREIGHT)

Cost Insurance and Freight CIF named port of destination Incoterms® 2010 — This term is to be used only when carriage is by sea or inland waterway.