




INCOTERMS – QUICK REFERENCE GUIDE

Incoterms are the international rules for the interpretation of trade terms used in international trade, formulated by the International Chamber of Commerce.

EXPORTERS COUNTRY Border of country of export								IMPORTERS COUNTRY Border of country of export					
COSTS INCLUDED	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAF	DES	DEQ	DDU	DDP
Packing costs													
Commercial documents													
Inland delivery to first carrier													
Inland delivery to vessel/aircraft													
Wharfage													
Export customs													
Transport documentation*													
Carriage and freight													
Insurance													
Delivery at destination													
Import customs													

	Costs recommended for sea freight only
*	The cost of obtaining an airway bill or bill of lading should still be included in the Free on Board (FOB) value, as they are an essential element of getting the goods on board.

Incoterms acronyms	
CFR - Cost and freight	DDU - Delivered duty unpaid
CIF - Cost, insurance and freight	DEQ - Delivery ex quay
CIP - Carriage and insurance paid to	DES - Delivery ex ship
CPT - Carriage paid to	EXW - Ex works
DAF - Delivered at frontier	FAS - Free alongside ship
DDP - Delivered duty paid	FCA - Free carrier
	FOB - Free on board

Please note: this fact sheet is a general guide only.



List of Incoterms (international commercial terms)

- **CFR** – Cost and Freight - the exporter must deliver the goods at the port of destination selected by the importer. Transport expenses are thus the responsibility of the exporter. The importer bears the expenses of insurance and unloading of the goods. Utilization of this term obliges the exporter to offload the goods for export, and to use only sea and inland waterway transportation.

- **CIF** – Cost, Insurance and Freight – modality equivalent to CFR, except that the insurance costs are born by the exporter. The exporter must deliver the goods aboard ship, at the port of embarkation, with freight and insurance paid. The responsibility of the exporter ceases when the product is offloaded from the ship at the port of destination. This modality may only be used for sea and inland waterway transportation.

- **CIP** – Carriage and Insurance Paid to... – adopts a principle similar to CPT. The exporter, aside from bearing expenses for shipment of the goods and freight to the destination, must also bear expenses of insurance for transport of the goods to the destination indicated. CIP may be used for any mode of transportation, including multimodal.

- **CPT** – Carriage Paid to... – similarly to CFR, this condition stipulates that the exporter must pay expenses relating to the shipment of the goods and international freight to the designated destination. Thus, the risk of loss or damage to the goods, and any increase in costs, are transferred to the importer by the exporter, when the goods are delivered into custody of the transporter. This Incoterm may be used for any mode of transportation.

- **DAF** – Delivered At Frontier - the exporter must deliver the goods at the designated place and location on the frontier, prior to crossing over to the country of destination. This term is used principally in the case of highway or railroad transportation.

- **DDP** – Delivered Duty Paid - The exporter assumes a commitment to deliver the goods, cleared for importation, at the destination point designated by the importer, and to pay all expenses, including taxes and import charges. The exporter is not, however, responsible for unloading the goods. The exporter is also responsible for domestic freight to the destination designated by the importer. This term may be used for any mode of transportation. This is the Incoterm that places the largest degree of responsibility upon the exporter.

- **DDU** – Delivered Duty Unpaid - the exporter must place the goods at the disposal of the importer at the designated place and location abroad. The exporter assumes all expenses and risks for placement of the goods at the named destination, except expenses relating to customs duties, taxes, and other import charges. This term may be used for any mode of transportation.
- **DEQ** – Delivered Ex Quay - the exporter must place the goods, without importation clearance, at the disposal of the importer on the dock at the port of destination. This term is used for sea and inland waterway or multimodal transportation.
- **DES** – Delivered Ex Ship – modality used only for sea and inland waterway transportation. The exporter bears responsibility for placement of goods at the named destination, on board the ship, without importation clearance, and must fully assume all risks and expenses up to that point abroad.
- **EXW** – Ex Works – the goods and invoice are at the importer's disposal, at the exporter's premises. All expenses and any losses or damages after delivery of the goods, including shipping of the goods overseas, are the responsibility of the importer. When requested, exporter must provide assistance to the importer in obtaining documents necessary for shipping the goods. This modality may be used for any mode of transportation.
- **FAS** – Free Along Ship - obligations of the exporter cease upon loading of the goods, cleared for export, on the dock, free, alongside the ship. As of this moment, the importer assumes all risks, and bears all expenses relating to loading of the goods on board the ship. The term is used for sea and inland waterway transportation.
- **FCA** – Free Carrier – the exporter delivers the goods, cleared for export, into custody of the transporter, at a location indicated by the importer, whereupon all responsibilities of the exporter cease. This may apply to any type of transportation, including multimodal.
- **FOB** – Free on Board - the exporter must deliver the goods, cleared for export, on board the ship indicated by the importer, at the port of embarkation. This modality is used for sea and inland waterway transportation. All expenses, up until the loading of the goods on the transport vehicle, are born by of the exporter. The importer is responsible for expenses, and risks of loss or damage to the goods, once delivered on board the ship.