

INCOTERMS



INCOTERMS

THE 3 MOST COMMON INCOTERMS

EXW – Ex-Works

- Buyer assumes almost all costs and risk throughout the shipping process
- Seller's only job is making sure the buyer can access the goods
- Once the buyer has access, it's all down to them (including loading the goods)

Risk transfers from seller to buyer:

At the seller's warehouse, offices or wherever the goods are being collected from.

DAP – Delivered At Place

- Seller covers the costs and risk of transporting goods to an agreed address
- Goods are classed as delivered when they're at the address and ready to be unloaded
- Export and import responsibilities are the same as DAT

Risk transfers from seller to buyer:

When goods are ready for unloading at the agreed address

DDP – Delivered Duty Paid

- Seller takes almost all responsibility throughout the shipping process
- They cover all costs and risk of transporting goods to the agreed address
- Seller also makes sure goods are ready for unloading, fulfils export and import responsibilities and pays any duties

Risk transfers from seller to buyer:

When goods are ready for unloading at the agreed address.

INCOTERMS

THE OTHER INCOTERMS

CIP – Carriage And Insurance Paid To

- Same seller responsibilities as CPT with one difference: the seller also pays for insuring the goods
- Seller is only obliged to purchase the minimum possible cover
- If the buyer wants more comprehensive insurance, they have to organise it themselves

Risk transfers from seller to buyer:

When the buyer's carrier receives the goods.

DAT – Delivered At Terminal

- Seller is responsible for the costs and risk of delivering the goods to an agreed terminal
- The terminal could be an airport, warehouse, road or container yard
- Seller organises customs clearance and unloads the goods at the terminal
- Buyer sorts import clearance and any related duties

Risk transfers from seller to buyer:

At the terminal.

FCA – Free Carrier

- It's the seller's job to get the goods to the buyer's carrier at an agreed location
- Seller is also required to clear goods for export

Risk transfers from seller to buyer:

When the buyer's carrier receives the goods.

CPT – Carriage Paid To

- Same seller responsibilities as FCA with one difference: the seller covers delivery costs
- As with FCA, it's the seller's responsibility to clear goods for export

Risk transfers from seller to buyer:

When the buyer's carrier receives the goods. EXW – Ex-Works.

FAS – Free Alongside Ship

- Seller assumes all costs and risk until goods have been delivered next to the ship
- Buyer then takes over risk and takes care of export and import clearance

Risk transfers from seller to buyer:

When goods have been delivered next to the ship.

FOB – Free On Board

- Seller assumes all costs and risk until goods have been delivered on board the ship
- They also sort out export clearance
- Buyer assumes all responsibilities as soon as the goods are on board

Risk transfers from seller to buyer:

When goods have been delivered onto the ship.

CFR – Cost And Freight

- Seller has the same responsibilities as FOB but must also pay the cost of bringing the goods to the port
- As with FOB, the buyer assumes all responsibilities as soon as the goods are on board

Risk transfers from seller to buyer:

When goods are on the ship.

CIF – Cost, Insurance And Freight

- Seller has the same obligations as CFR but must also cover insurance costs
- As with CIF, they're only required to purchase the minimum cover
- If the buyer requires more comprehensive insurance, they have to pay for it themselves

Risk transfers from seller to buyer:

When the goods are on the ship.



Oyj Ahola Transport Abp

P.O.Box 550 · FI-67701 KARLEBY

Phone +358 (0)20 74 75 111 · Fax +358 (0)20 74 75 222

www.aholatransport.com