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INCOTERMS refers to a group of standardized trade terms 3 letters commonly used in international contracts of sale of goods. They are used to divide the costs of international business transactions, defining responsibilities between buyer and seller, and reflect current practice in the international freight. It is essential to know these terms before you import or export any item. These are the INCOTERMS updated by the International Chamber of Commerce (ICC for its acronym in English) to date:

<u>EXW</u>	The seller makes the goods available to the buyer at their facilities: factory, warehouse, etc.. All expenses are thereafter by the purchaser. The EXW Incoterms can be used with any kind of transport or a combination of them (known as multimodal transport).
<u>FAS</u>	The seller delivers the goods on the quay of the agreed port of shipment, is next to the boat. The FAS is proper INCOTERM of bulk goods or large load being deposited in specialized port terminals, which are located on the dock. The seller is responsible for the efforts and costs of the office of export (in versions prior to INCOTERMS 2000, the buyer organized export customs clearance). The FAS INCOTERM only used for transport by boat, either sea or river.
<u>FOB</u>	The seller delivers the goods on the ship. The seller contracts for transport through a transient or a receiver, but the cost of transport is assumed by the buyer. The Incoterms FOB is one of the most used in international trade. It should be used for general cargo (drums, coils, containers, etc.) Of goods, bulk unusable. The Incoterms FOB is used exclusively to transport by boat, either sea or river.
<u>FCA</u>	The seller agrees to deliver the goods at an agreed point in the country, which may be the premises of a transient, a railway station ... (This place agreed to deliver the goods usually associated with the carrier spaces). It bears the costs until the goods are located at that point agreed, among others, the customs in the country of origin. The FCA Incoterms can be used with any type of transportation: air, rail, road, and containerized / multimodal transport. However, it is a little used INCOTERM.
<u>CFR</u>	The seller is responsible for all costs, including the main transport, until the goods arrive at the destination port. However, the risk is transferred to the buyer when the goods are loaded on the ship, in the country of origin. It should be used for general cargo not containerized, nor is it appropriate for the bulk. The CFR INCOTERM only used for transport by boat, either sea or river.



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<u>CIF</u>	<p>The seller is responsible for all costs, including transport and insurance leading until the goods arrive at the destination port. Although insurance has hired the vendor, the beneficiary of the insurance is the buyer. As in the previous INCOTERM, CFR, the risk is transferred to the buyer when the goods are loaded on the ship, in the country of origin. The INCOTERMS CIF is one of.</p>
<u>CPT</u>	<p>The seller is responsible for all costs, including the main transport, until the goods to the agreed point in the destination country. However, the risk is transferred to the buyer at the time of delivery of the goods to the carrier in the country. The INCOTERM CPT can be used with any mode of transport including multimodal transport (combination of different types of transport to reach destination).</p>
<u>CIP</u>	<p>The seller is responsible for all costs, including transport and insurance leading until the goods to the agreed point in the destination country. The risk is transferred to the buyer at the time of delivery of the goods to the carrier in the country. Although insurance has hired the vendor, the beneficiary of the insurance is the buyer. The Incoterms CIP can be used with any mode of transport or a combination of them (multimodal transport).</p>
<u>DAT</u>	<p>The INCOTERM DAT is used for all types of transport. It is one of two new Incoterms 2010 with DAP. Replaces INCOTERM DEQ. The seller is responsible for all costs, including transport and insurance leading (not required), until the goods are placed in the terminal set. It also assumes the risks so far.</p>
<u>DAP</u>	<p>The INCOTERM DAP is used for all types of transport. It is one of two new Incoterms 2010 with DAT. INCOTERMS replaces DAF, DES and DDU. The seller is responsible for all costs, including transport and insurance leading (not required) but not costs associated with importing, until the goods are made available to the buyer in a vehicle ready for download. It also assumes the risks so far.</p>
<u>DDP</u>	<p>The seller pays all costs until the goods leave the agreed point in the destination country. The buyer does not perform any type of procedure. The import customs charges are borne by the seller.</p>