



Incoterms 2000

ICC Official Rules for the interpretation
of Trade Terms

Taken from ICC Incoterms 2000 and adapted by Prof. Marina Meza



Incoterms

Incoterms are internationally accepted commercial terms issued by International Chamber of Commerce (ICC) defining the respective roles of the buyer and seller in the arrangement of transportation and other responsibilities.

Created 1936 - Incoterms 1936

Updated regularly to keep pace with changes and developments in international trade -

1953,1967,1976,1980,1990

Incoterms deals with the complexities of today's global economy



Purpose of Incoterms

Designed for Parties to a Contract

Provides a set of international rules for foreign trade

Reduces uncertainties

Avoids different interpretations in different countries

Additional costs and time can be avoided



THE SELLER'S OBLIGATIONS

- A1 Provision of goods in conformity with the contract
- A2 Licences, authorisations and formalities
- A3 Contract of carriage and insurance
- A4 Delivery
- A5 Transfer of risks
- A6 Division of costs
- A7 Notice to the buyer
- A8 Proof of delivery, transport document or equivalent electronic message
- A9 Checking – packaging – marking
- A10 Other obligations



The Terms

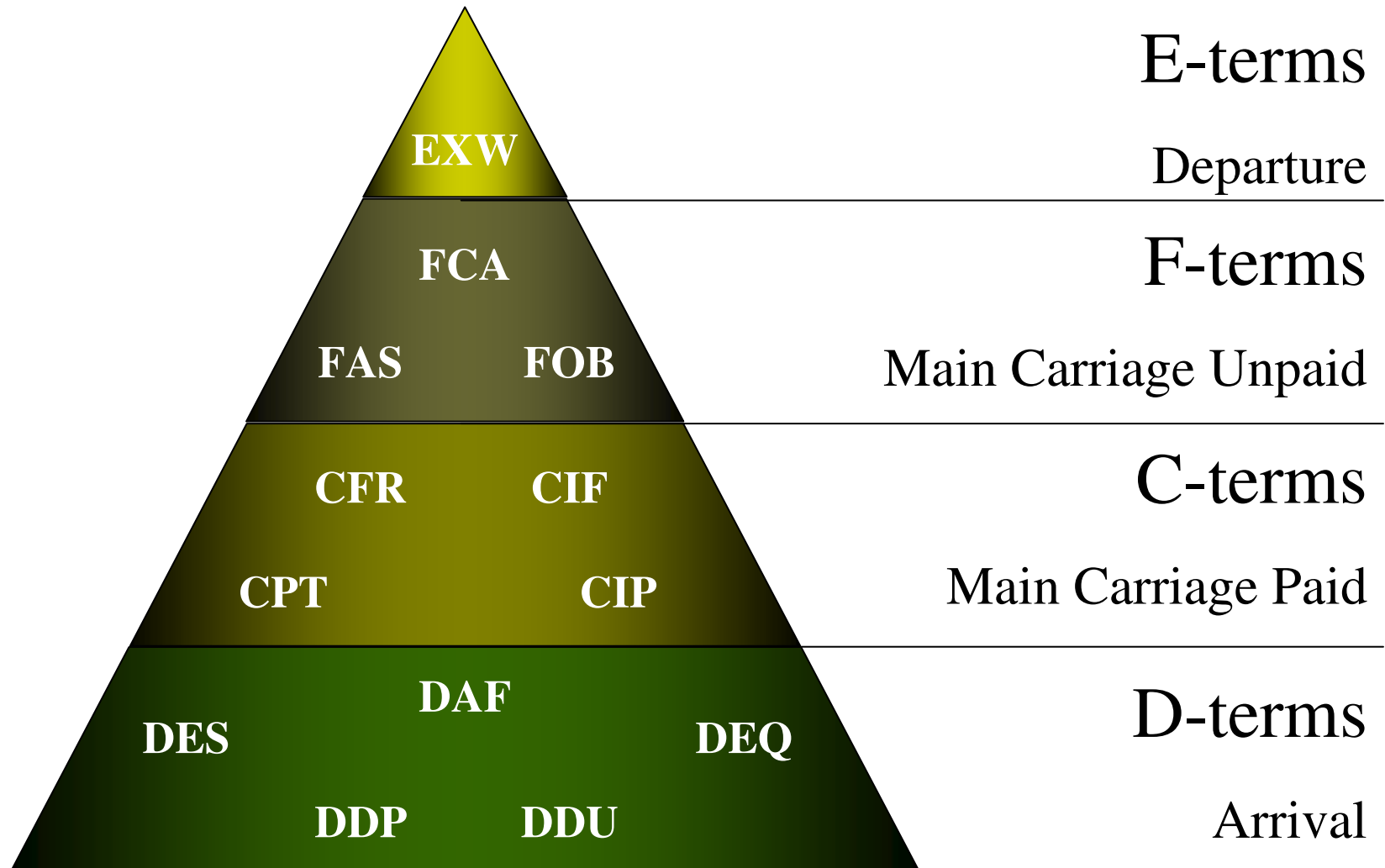
The **“E” Term** is the term in which seller’s obligation is at its minimum

The **“F” Term** require the seller to deliver as instructed by the buyer

The **“C” Term** require the seller to contract for carriage at his expense

The **“D” Term** signifies arrival contracts

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Structure

Group E Departure

EXW Ex Works (.....named place)

Group F Main carriage unpaid

FCA Free Carrier (.....named place)

FAS Free Alongside Ship (.....named port of shipment)

FOB Free On Board (.....named port of shipment)



Group C Main carriage paid

CFR Cost and Freight (.....named port of destination)

CIF Cost, Insurance & Freight (.....named port of destination)

CPT Cost Paid To (.....named port of destination)

CIP Carriage and Insurance paid to (..... .named place of destination)

Group D Arrival

DAF Delivered at Frontier (.....named place)

DES Delivered Ex Ship (.....named port of destination)

DEQ Delivered Ex Quay (.....named port of destination)

DDU Delivered Duty Unpaid (.....named place of destination)

DDP Delivered Duty Paid (.....named place of destination)



Mode of Transport and the appropriate Incoterm 2000

Any mode of transport		
Group E	EXW	Ex Works (... named place)
Group F	FCA	Free Carrier (... named place)
Group C	CPT	Carriage Paid To (... named place of destination)
	CIP	Carriage and Insurance Paid To (... named place of destination)
Group D	DAF	Delivered At Frontier (... named place)
	DDU	Delivered Duty Unpaid (... named place of destination)
	DDP	Delivered Duty Paid (... named place of



Maritime and inland waterway transport only		
Group F	FAS	Free Alongside Ship (... named port of shipment)
	FOB	Free On Board (... named port of shipment)
Group C	CFR	Cost and Freight (... named port of destination)
	CIF	Cost, Insurance and Freight (... named port of destination)
Group D	DES	Delivered Ex Ship (... named port of destination)
	DEQ	Delivered Ex Quay (... named port of destination)



E - Term

Ex Works

Title and risk pass to buyer including payment of all transportation and insurance cost from the seller's door. Used for any mode of transportation.

Ex - Works



-  The green bar shows until which point the exporter should take charge of the documents of the operation 
-  The red bar shows until which point the exporter supports the risks of the operation 
-  The blue bar shows until which point the exporter pays the costs of the operation 



F - Terms

• FCA

• FAS

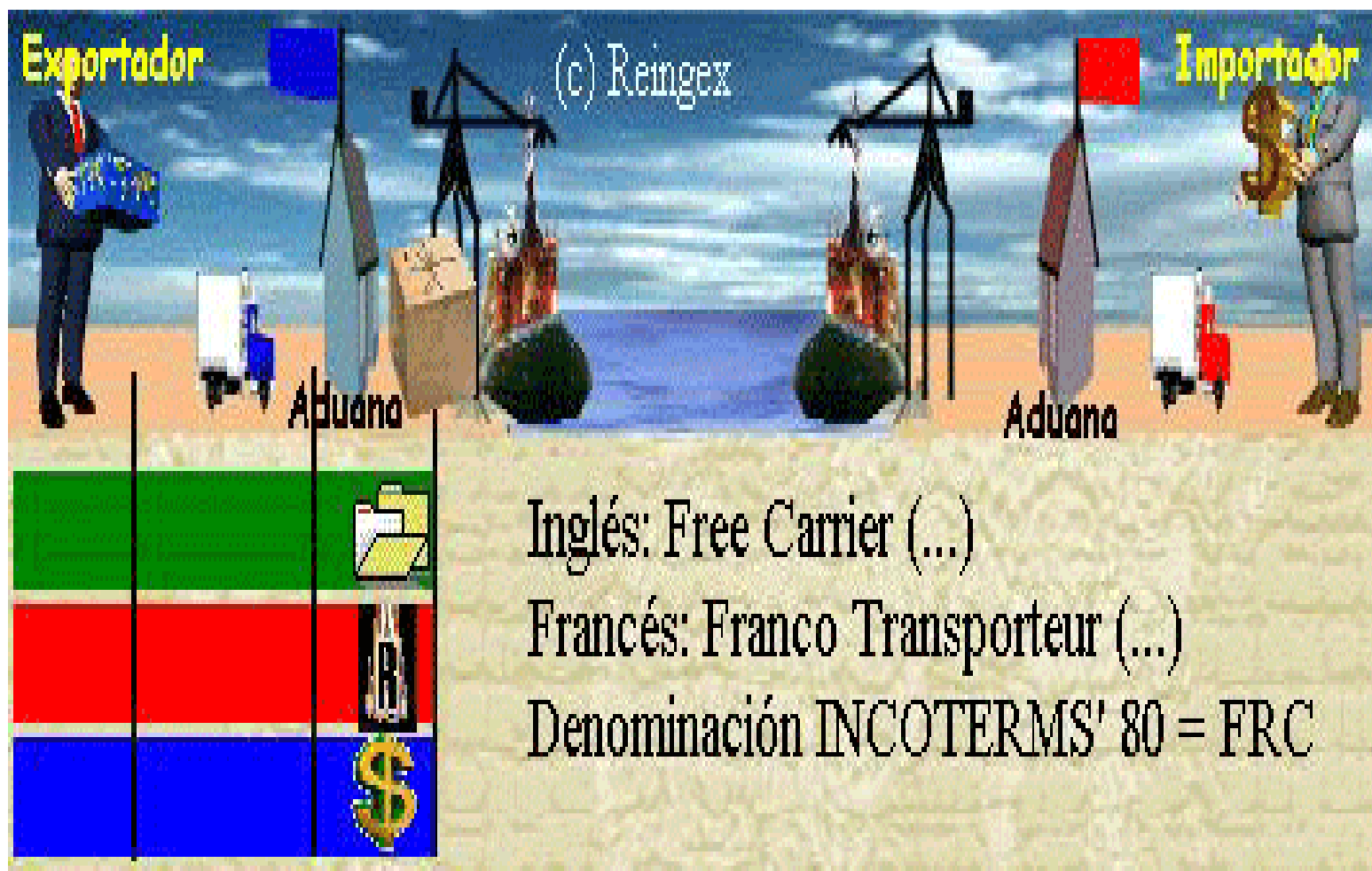
• FOB



Free Carrier

Title and risk pass to buyer including transportation and insurance cost when the seller delivers goods cleared for export to the carrier. Seller is obligated to load the goods on the Buyer's collecting vehicle; it is the Buyer's obligation to receive the Seller's arriving vehicle unloaded.

Free Carrier

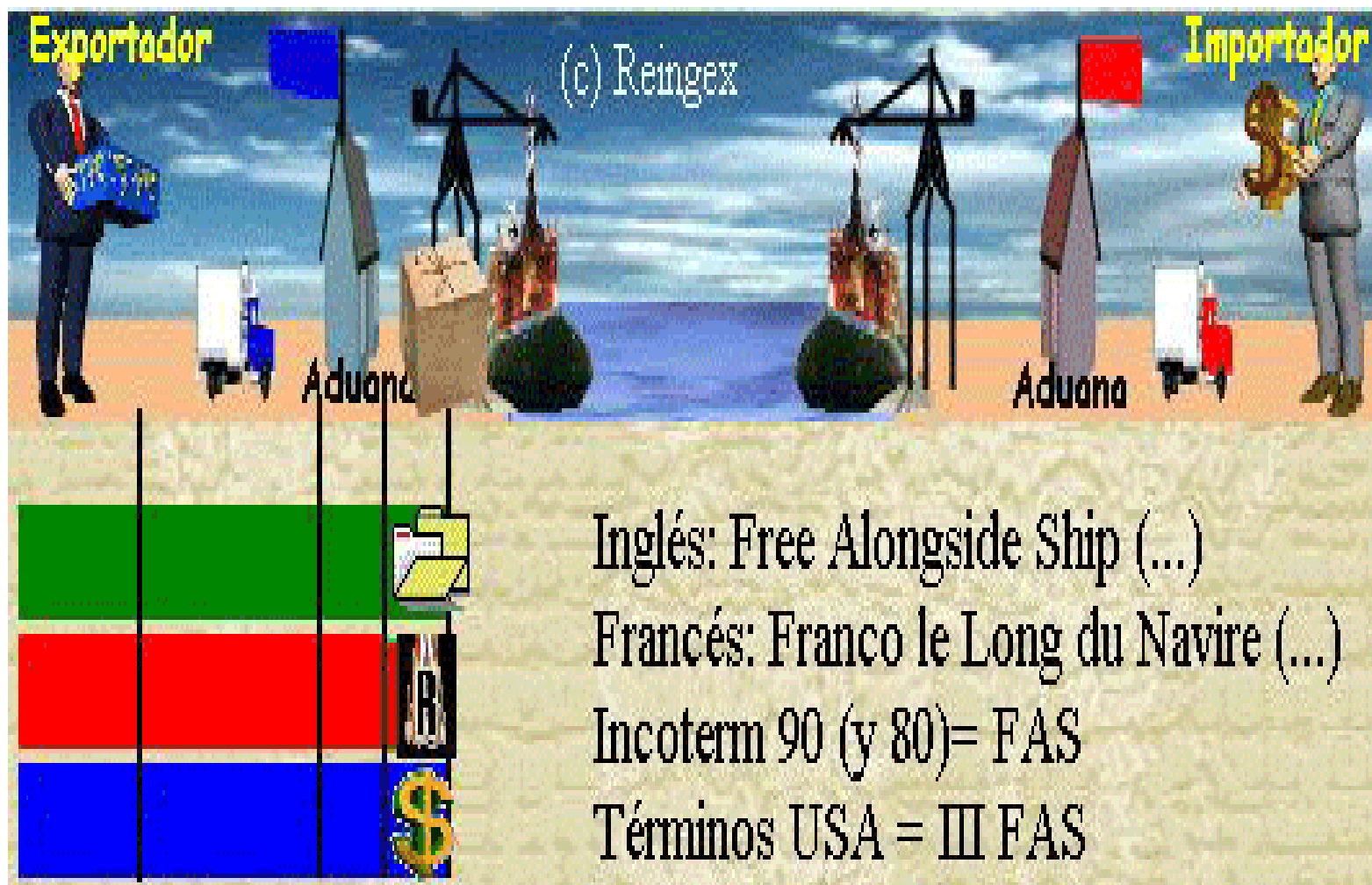




Free Alongside Ship

Title and risk pass to buyer including payment of all transportation and insurance cost once delivered alongside ship by the seller. Used for sea or inland waterway transportation. The export clearance obligation rests with the seller.

Free Alongside Ship

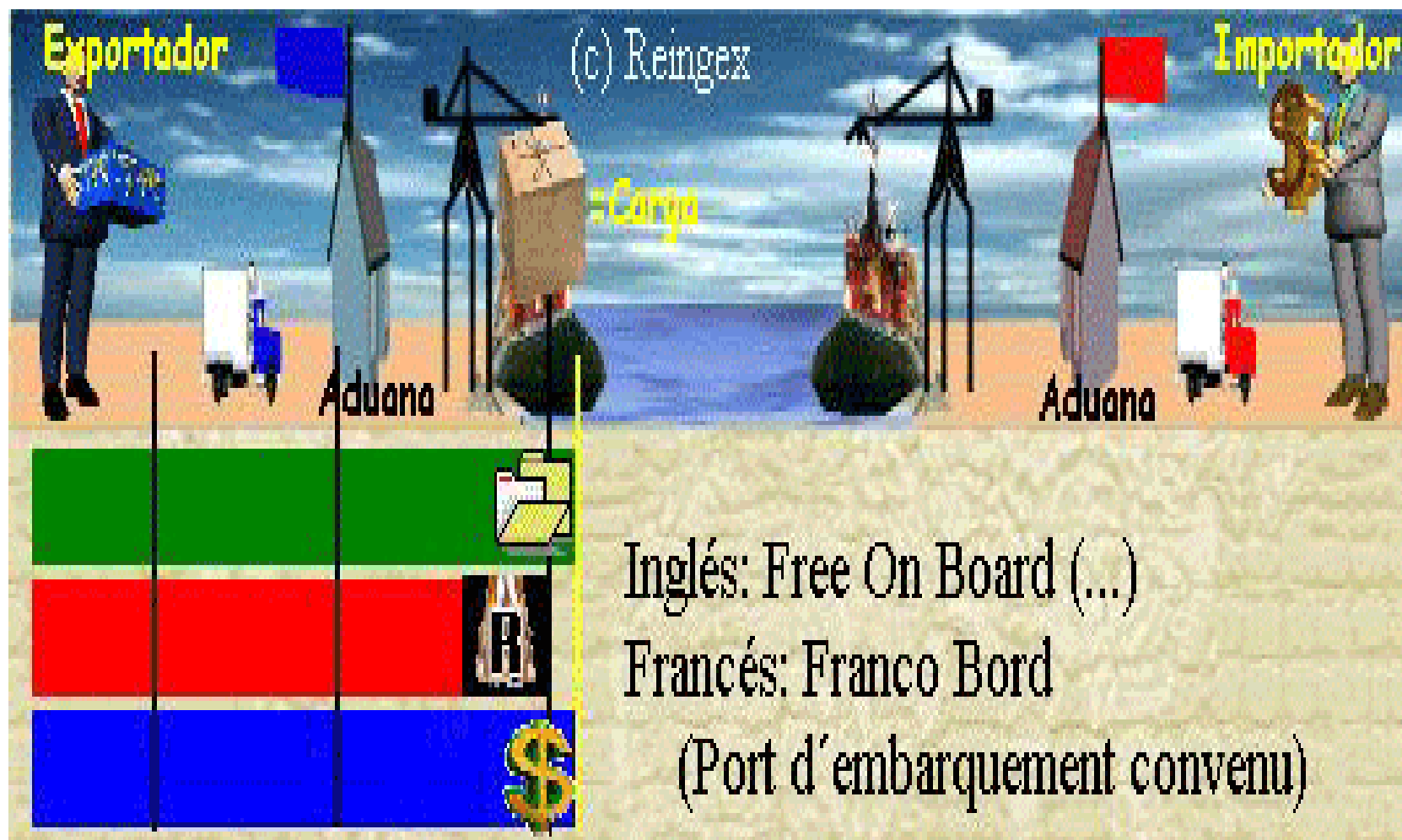




Free on Board

Title and risk pass to buyer including payment of all transportation and insurance cost once delivered on board the ship by the seller. Used for sea or inland waterway transportation.

Free on Board





Responsibility Chart E/F	Group E (Departure)	Group F (Main Carriage Not Paid By Seller)		
	EXW Ex Works (...named place)	FCA Free Carrier (...named place)	FAS Free Alongside Ship (...named port of shipment)	FOB Free On Board (...named port of shipment)
Service	Responsibility & charges	Responsibility & charges	Responsibility & charges	Responsibility & charges
Warehouse storage at origin	Seller	Seller	Seller	Seller
Warehouse labour charge at point	Seller	Seller	Seller	Seller
Export Packing at Point of Origin	Seller	Seller	Seller	Seller
Loading at Point of Origin	Buyer	Seller	Seller	Seller
Inland Freight	Buyer	Buyer	Seller	Seller
Port Receiving Charged	Buyer	Buyer	Seller	Seller
Forwarders fee	Buyer	Buyer	Seller	Seller
Loading on Ocean Carrier	Buyer	Buyer	Buyer	Seller
Ocean /Air Freight	Buyer	Buyer	Buyer	Buyer
Charges in Arrival port	Buyer	Buyer	Buyer	Buyer
Custom Duties and Taxes Abroad	Buyer	Buyer	Buyer	Buyer
Delivery Charges at final destination	Buyer	Buyer	Buyer	Buyer

C - Terms

• CFR

• CPT

• CIF

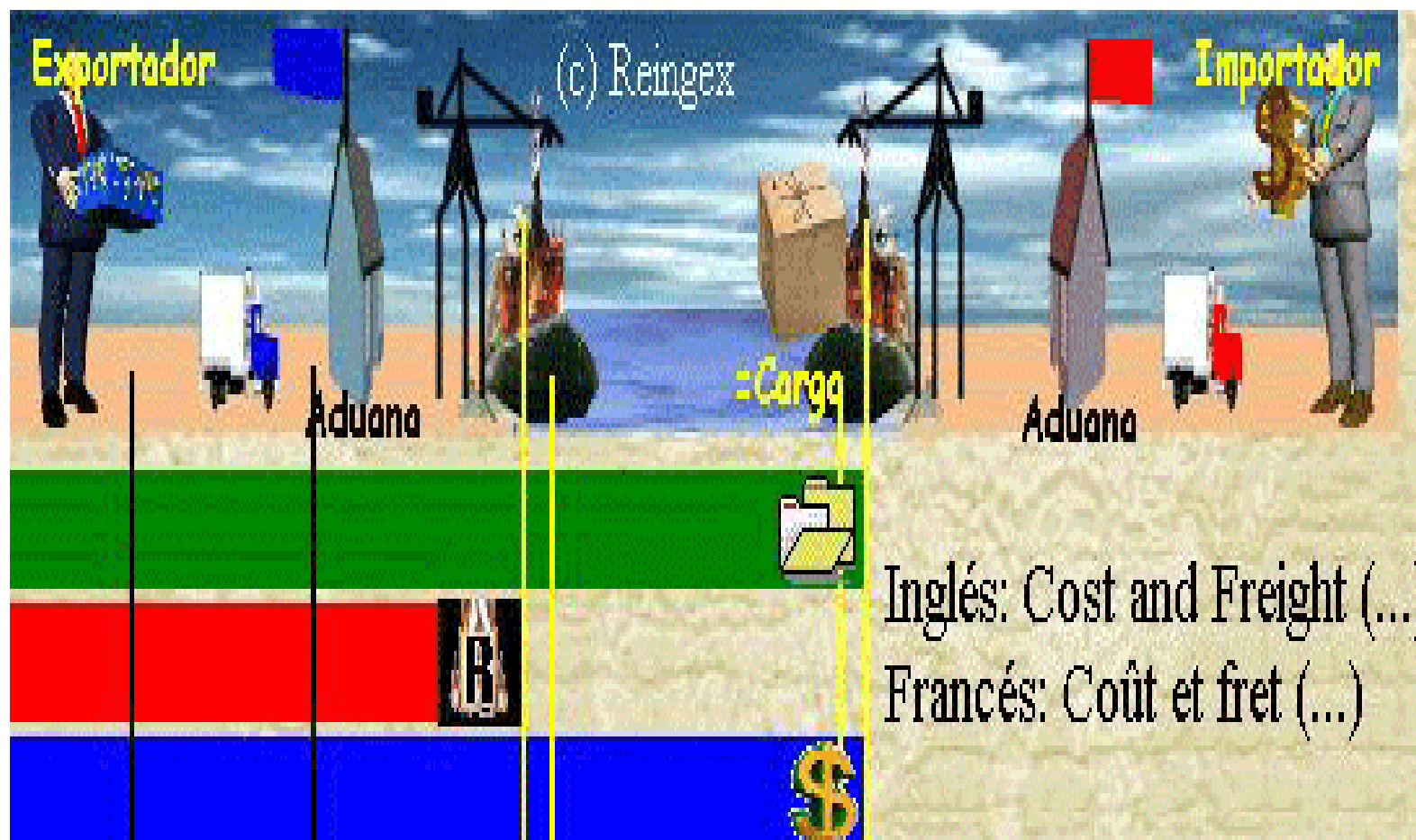
• CIP



Cost and Freight

Title, risk and insurance cost pass to buyer when delivered on board the ship by seller who pays the transportation cost to the destination port. Used for sea or inland waterway transportation.

Cost and Freight

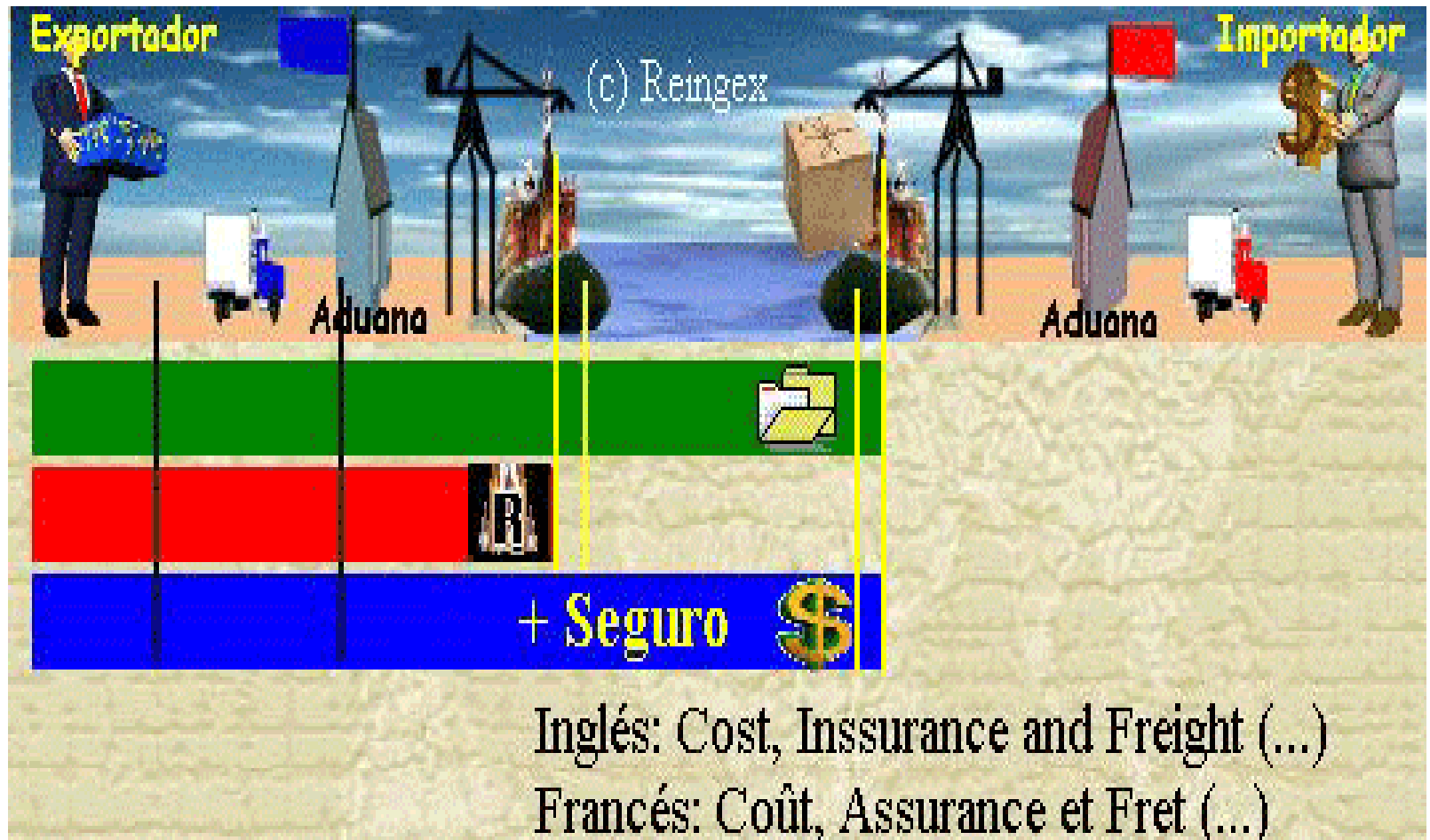




Cost, Insurance and Freight

Title and risk pass to buyer when delivered on board the ship by seller who pays transportation and insurance cost to destination port. Used for sea or inland waterway transportation.

Cost, Insurance and Freight

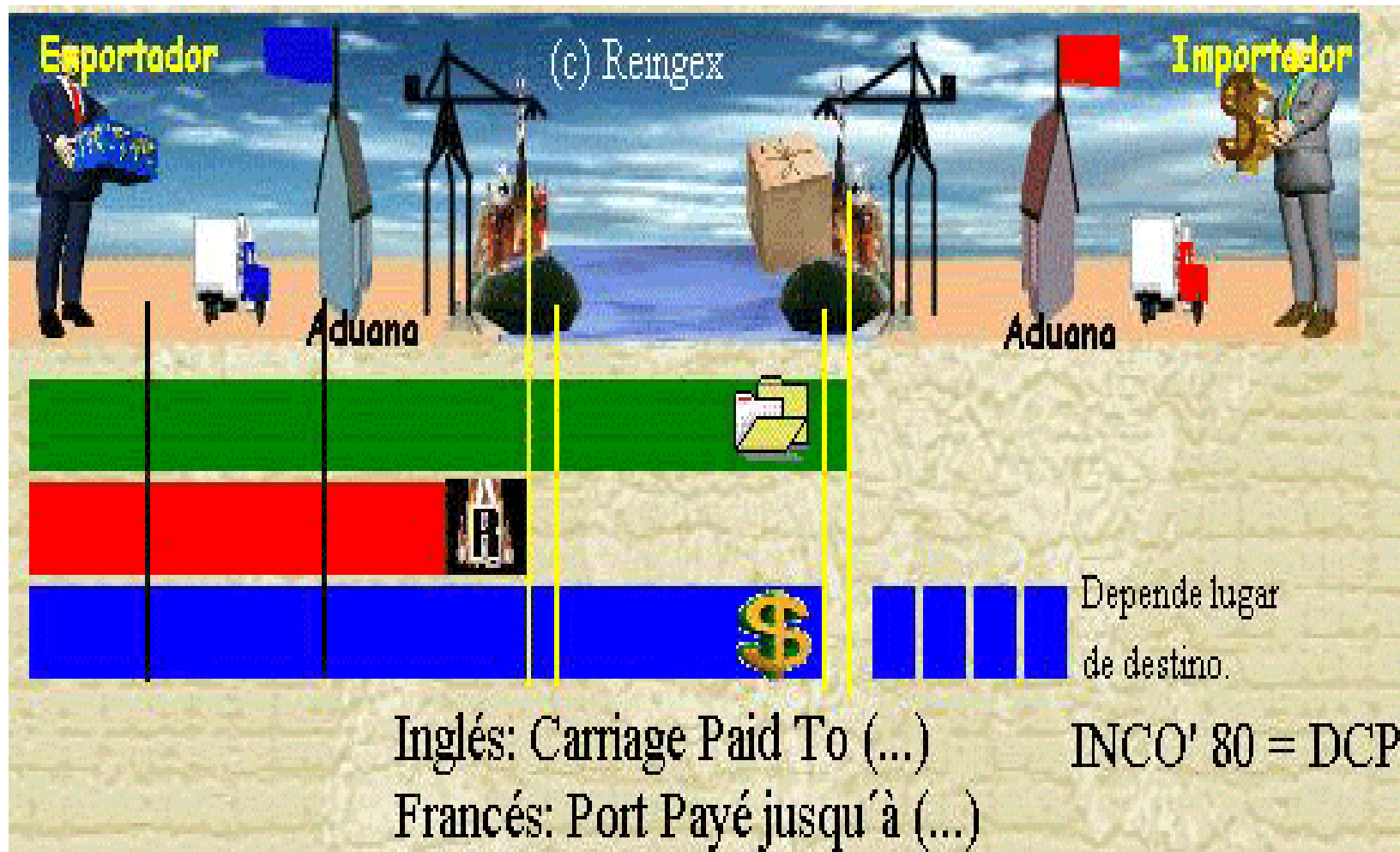




Carriage Paid To

Title, risk and insurance cost pass to buyer when delivered to carrier by seller who pays transportation cost to destination. Used for any mode of transportation.

Carriage Paid To

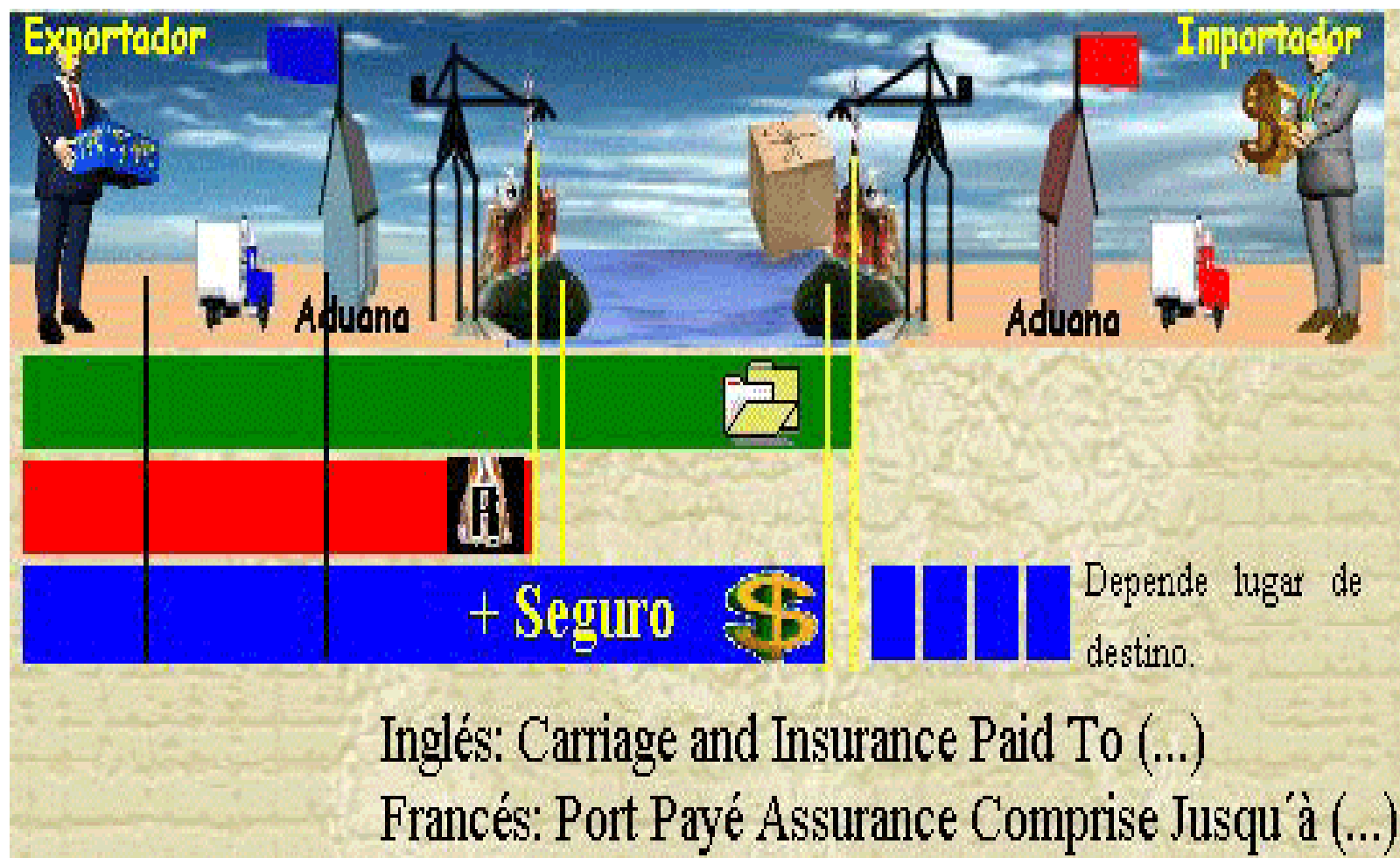




Carriage and Insurance Paid To

Title and risk pass to buyer when delivered to carrier by seller who pays transportation and insurance cost to destination. Used for any mode of transportation.

Carriage and Insurance Paid To





Responsibility Chart C	Group C (Main Carriage Paid By Seller)			
	CFR Cost & Freight (...named port of destination)	CIF Cost Insurance Freight (...named port of destination)	CPT Carriage Paid to (...named place of destination)	CIP Carriage Insurance Paid to (...named place of destination)
Service	Responsibility & charges	Responsibility & charges	Responsibility & charges	Responsibility & charges
Warehouse storage at origin	Seller	Seller	Seller	Seller
Warehouse labour charge at point	Seller	Seller	Seller	Seller
Export Packing at Point of Origin	Seller	Seller	Seller	Seller
Loading at Point of Origin	Seller	Seller	Seller	Seller
Inland Freight	Seller	Seller	Seller	Seller
Port Receiving Charged	Seller	Seller	Seller	Seller
Forwarders fee	Seller	Seller	Seller	Seller
Loading on Ocean Carrier	Seller	Seller	Seller	Seller
Ocean / Air Freight	Seller	Seller	Seller	Seller
Charges in Arrival port	Buyer	Buyer	Seller	Seller
Custom Duties and Taxes Abroad	Buyer	Buyer	Buyer	Buyer
Delivery Charges at final destination	Buyer	Buyer	Buyer	Buyer

D - Terms

• DAF

• DES

• DEQ

• DDU

• DDP



Delivered at frontier

Title, risk and responsibility for import clearance pass to buyer when delivered to named border point by seller. Used for any mode of transportation.





Delivered Ex Ship

Title, risk, responsibility for vessel discharge and import clearance pass to buyer when seller delivers goods on board the ship to destination port. Used for sea or inland waterway transportation.



Inglés: Delivered ex Ship (...)

Francés: Rendu Ex Ship (...)

+ Seguro

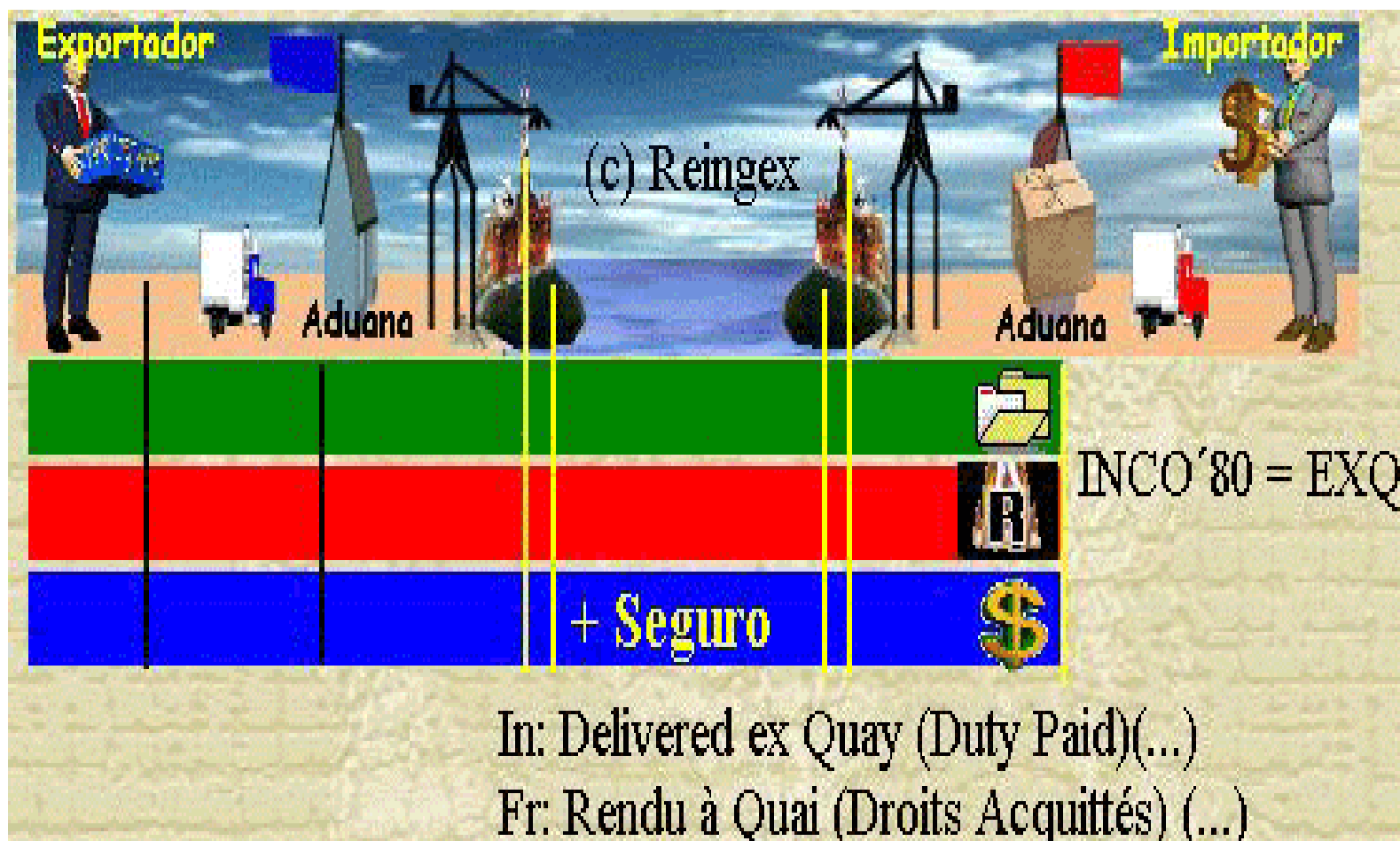




Delivered Ex Quay

Title and risk pass to buyer when delivered on board the ship at the destination point by the seller who delivers goods on dock at destination point cleared for import. Used for sea or inland waterway transportation.

Delivered Ex Quay

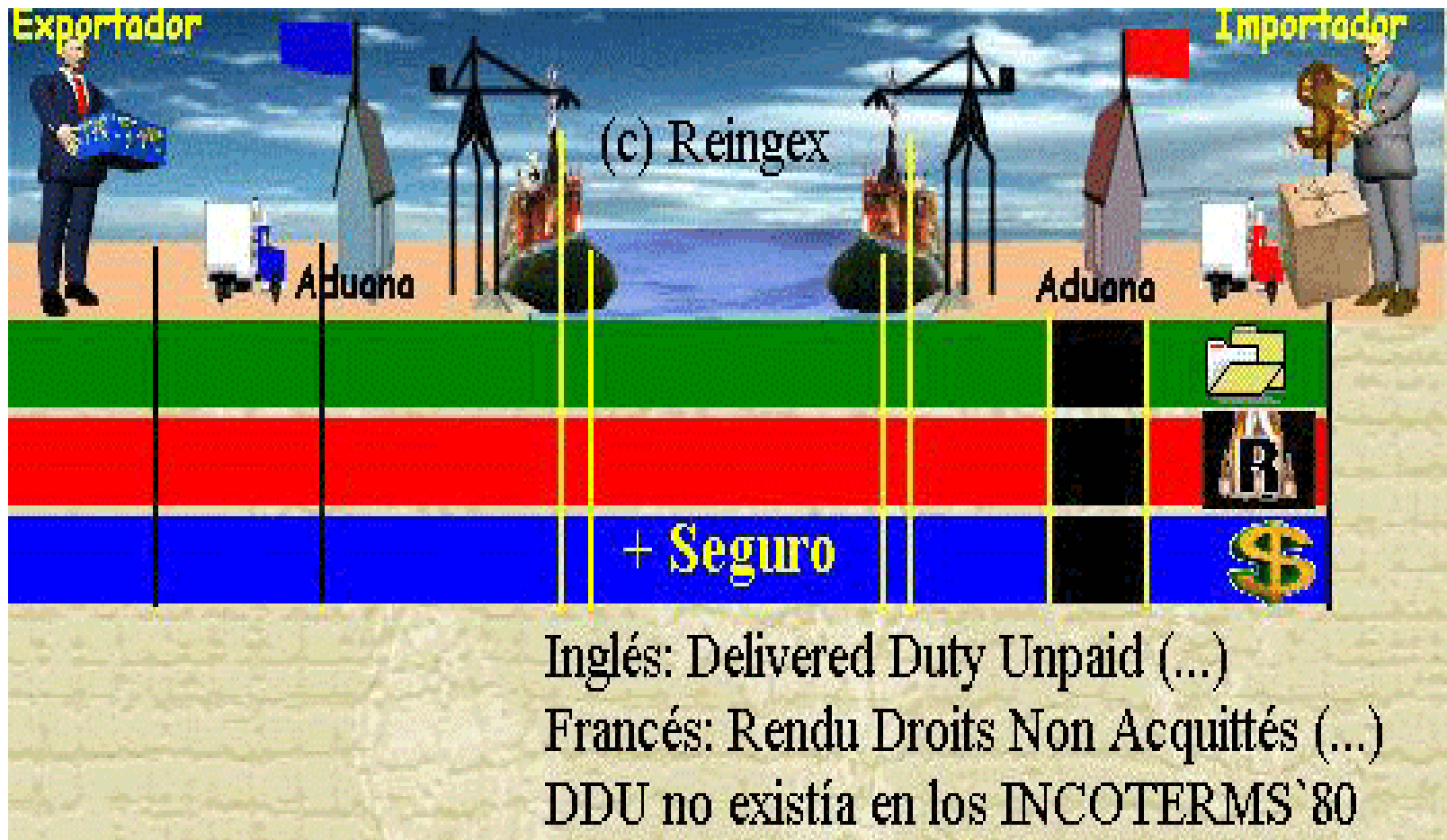




Delivered Duty Unpaid

Title, risk and responsibility of import clearance pass to buyer when seller delivers goods to named destination point. Used for any mode of transportation. Buyer is obligated for import clearance.

Delivered Duty Unpaid

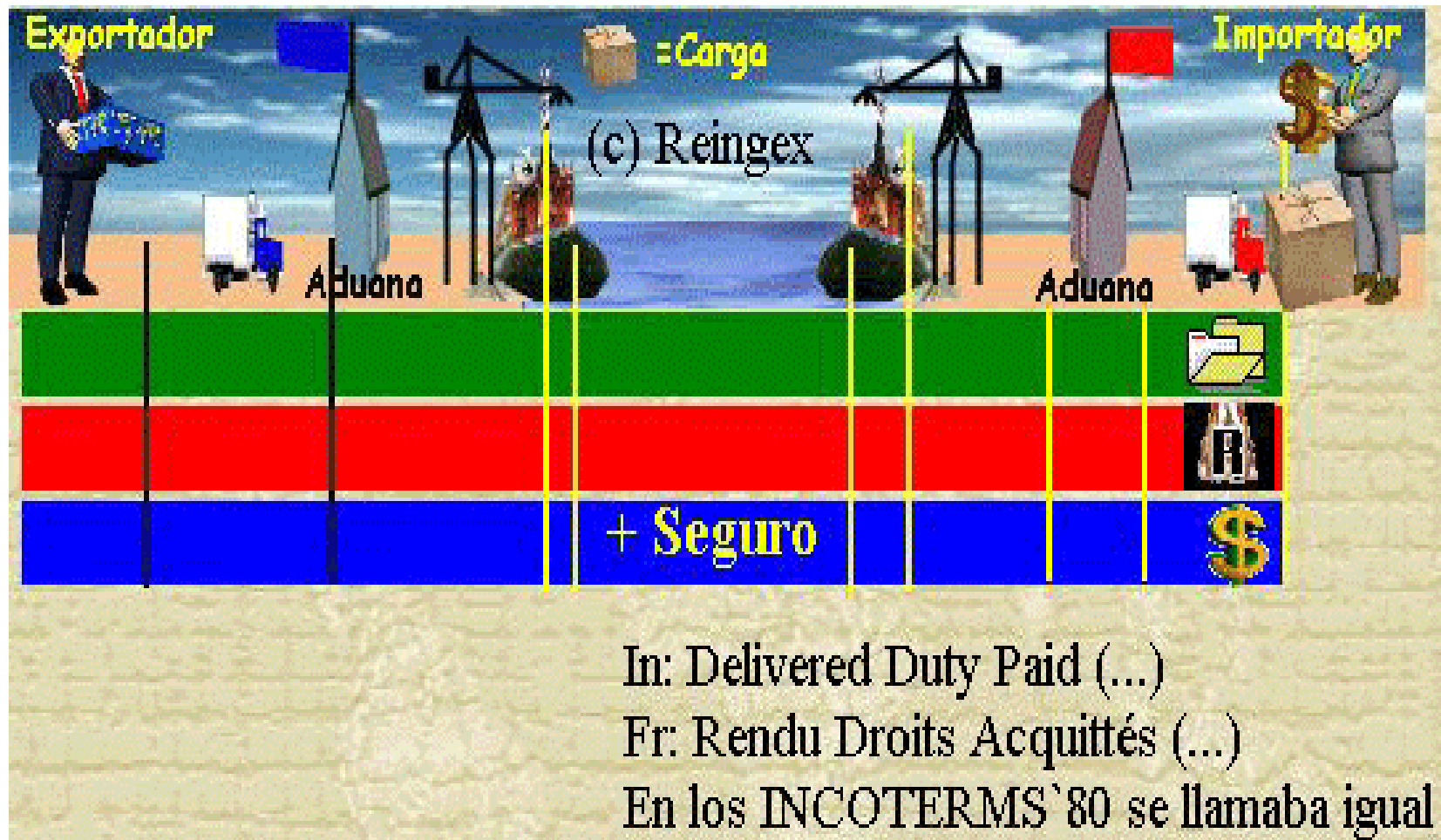




Delivered Duty Paid

Title and risk pass to buyer when delivered at the destination point by the seller who hands in goods cleared for import. Used for sea or inland waterway transportation.

Delivered Duty Paid





Responsibility Chart D	Group D (Arrival)				
	DAF Delivery At Frontier (...named port of destination)	DES Delivery Ex Ship (...named port of destination)	DEQ Delivery Ex-Quay (...named place of destination)	DDU Delivery Duty Unpaid (...named place of destination)	DDP Delivery Duty Paid (...named place of destination)
Service	Responsibility & charges	Responsibility & charges	Responsibility & charges	Responsibility & charges	Responsibility & charges
Warehouse storage at origin	Seller	Seller	Seller	Seller	Seller
Warehouse labour charge at point	Seller	Seller	Seller	Seller	Seller
Export Packing at Point of Origin	Seller	Seller	Seller	Seller	Seller
Loading at Point of Origin	Seller	Seller	Seller	Seller	Seller
Inland Freight	Seller	Seller	Seller	Seller	Seller
Port Receiving Charged	Seller	Seller	Seller	Seller	Seller
Forwarders fee	Seller	Seller	Seller	Seller	Seller
Loading on Ocean Carrier	Seller	Seller	Seller	Seller	Seller
Ocean /Air Freight	Seller	Seller	Seller	Seller	Seller
Charges in Arrival port	Seller	Buyer	Seller	Seller	Seller
Custom Duties and Taxes Abroad	Buyer	Buyer	Seller	Buyer	Seller
Delivery Charges at final destination	Buyer	Buyer	Buyer	Seller	Seller



Incoterms 2000 Flowchart

