

# Incoterms 2000




English

---

[www.if.fi](http://www.if.fi)



# THE TRADE TERMS OF THE INTERNATIONAL CHAMBER OF COMMERCE

<b>WHAT IS A TRADE TERM?</b>	A trade term is a combination of letters or words, which specifies certain obligations within the sales contract.																																																																																																										
<b>WHAT OBLIGATIONS DOES A TRADE TERM SPECIFY?</b>	The trade term specifies the <ul style="list-style-type: none"> <li data-bbox="412 360 962 483">  <b>1. Transfer of risk</b>                      - when the seller has the right to claim for the contract price even if the goods are lost, damaged or short-delivered.                 </li> <li data-bbox="412 539 987 663">  <b>2. Transfer of obligations</b>                      - where and how the seller must make the goods available to the buyer and how the buyer must take delivery of the goods.                 </li> <li data-bbox="979 360 1521 483">  <b>3. Division of costs</b>                      - how the normal costs relating to the export and import of goods should be divided between the seller and the buyer.                 </li> </ul>																																																																																																										
<b>WHAT ARE INCOTERMS?</b>	INCOTERMS are a set of international rules for the interpretation of the 13 trade terms published by the International Chamber of Commerce (ICC).	Responsibilities are simply and clearly defined by referring to one of the ICC INCOTERMS. Thus the risk of misunderstanding and subsequent disputes is eliminated.																																																																																																									
<b>TRADE TERMS AND NAMED POINT OF DELIVERY</b>	After the chosen trade term one should state - the named point where the costs transfer and - "...Incoterms 2000"	For instance "CIF Hamburg Incoterms 2000".																																																																																																									
<b>TRADE TERMS AND MODE OF TRANSPORT</b>	The use of trade terms in connection with different modes of transport in the export and import of goods is described below. <div style="text-align: right; margin-top: 10px;">                     + = recommended                      - = not recommended                 </div> <table border="1" style="margin-top: 20px; width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="text-align: left;">TRADE TERM</th> <th colspan="6">MODE OF TRANSPORT</th> </tr> <tr> <th></th> <th>Sea</th> <th>Road</th> <th>Rail</th> <th>Air</th> <th>Container</th> <th>Combined transport</th> </tr> </thead> <tbody> <tr style="border: 2px solid red;"> <td>EXW</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr style="border: 2px solid black;"> <td>FCA</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr> <td>FAS</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr style="border: 2px solid green;"> <td>FOB</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>CFR</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>CIF</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr style="border: 2px solid green;"> <td>CPT</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr style="border: 2px solid green;"> <td>CIP</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr> <td>DAF</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DES</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DEQ</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DDU</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> <tr style="border: 2px solid blue;"> <td>DDP</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> <td>+</td> </tr> </tbody> </table>		TRADE TERM	MODE OF TRANSPORT							Sea	Road	Rail	Air	Container	Combined transport	EXW	+	+	+	+	+	+	FCA	+	+	+	+	+	+	FAS	+	-	-	-	-	-	FOB	+	-	-	-	-	-	CFR	+	-	-	-	-	-	CIF	+	-	-	-	-	-	CPT	+	+	+	+	+	+	CIP	+	+	+	+	+	+	DAF	-	-	-	-	-	-	DES	+	-	-	-	-	-	DEQ	+	-	-	-	-	-	DDU	+	+	+	+	+	+	DDP	+	+	+	+	+	+
TRADE TERM	MODE OF TRANSPORT																																																																																																										
	Sea	Road	Rail	Air	Container	Combined transport																																																																																																					
EXW	+	+	+	+	+	+																																																																																																					
FCA	+	+	+	+	+	+																																																																																																					
FAS	+	-	-	-	-	-																																																																																																					
FOB	+	-	-	-	-	-																																																																																																					
CFR	+	-	-	-	-	-																																																																																																					
CIF	+	-	-	-	-	-																																																																																																					
CPT	+	+	+	+	+	+																																																																																																					
CIP	+	+	+	+	+	+																																																																																																					
DAF	-	-	-	-	-	-																																																																																																					
DES	+	-	-	-	-	-																																																																																																					
DEQ	+	-	-	-	-	-																																																																																																					
DDU	+	+	+	+	+	+																																																																																																					
DDP	+	+	+	+	+	+																																																																																																					
<b>TRADE TERMS AND CARGO INSURANCE</b>	The need for cargo insurance follows the risk of loss or damage, i.e. each party arranges for insurance for the part of the carriage when the goods are at his risk.	According to the terms CIF and CIP the seller must arrange cargo insurance in favour of the buyer.																																																																																																									



This brochure is our summary of the contents of the trade terms.



# THE SELLER MUST

<b>EXW</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- place the goods at the disposal of the buyer at the named place of delivery</li> <li>- on request assist the buyer with the export documentation</li> </ul>	
<b>FCA</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- load the goods on the means of transport nominated by the buyer (delivery at the seller's premises) or place the goods at the disposal of the carrier nominated</li> </ul>	<ul style="list-style-type: none"> <li>by the buyer, not unloaded, in the seller's means of transport (delivery at the depot or elsewhere)</li> <li>- carry out the export procedures and provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>FAS</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- place the goods at the disposal of the buyer alongside the ship</li> <li>- carry out the export procedures</li> </ul>	<ul style="list-style-type: none"> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>FOB</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- deliver the goods on board the ship at the port of shipment</li> <li>- carry out the export procedures</li> </ul>	<ul style="list-style-type: none"> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>CFR</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- contract for the carriage and pay the freight to the port of destination</li> <li>- deliver the goods on board the ship at the port of shipment</li> </ul>	<ul style="list-style-type: none"> <li>- carry out the export procedures</li> <li>- provide the buyer with the transport document without delay</li> </ul>
<b>CIF</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- contract for the carriage and pay the freight to the port of destination</li> <li>- deliver the goods on board the ship at the port of shipment</li> </ul>	<ul style="list-style-type: none"> <li>- carry out the export procedures</li> <li>- contract and pay for agreed cargo insurance in favour of the buyer</li> <li>- provide the buyer with the transport document and cargo insurance document without delay</li> </ul>
<b>CPT</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- contract for the carriage and pay the freight to the place of destination</li> <li>- deliver the goods to the carrier</li> </ul>	<ul style="list-style-type: none"> <li>- carry out the export procedures</li> <li>- provide the buyer with the transport document without delay</li> </ul>
<b>CIP</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- contract for the carriage and pay the freight to the place of destination</li> <li>- deliver the goods to the carrier</li> </ul>	<ul style="list-style-type: none"> <li>- carry out the export procedures</li> <li>- contract and pay for agreed cargo insurance in favour of the buyer</li> <li>- provide the buyer with the transport document and cargo insurance document without delay</li> </ul>
<b>DAF</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- place the goods at the disposal of the buyer on the arriving means of transport at the frontier not unloaded</li> </ul>	<ul style="list-style-type: none"> <li>- carry out the export procedures</li> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>DES</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- carry out the export procedures</li> <li>- place the goods at the disposal of the buyer on board the ship at the named port of destination</li> </ul>	<ul style="list-style-type: none"> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>DEQ</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- carry out the export procedures</li> <li>- place the goods at the disposal of the buyer on the quay at the named port of destination</li> </ul>	<ul style="list-style-type: none"> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>DDU</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- carry out the export procedures</li> </ul>	<ul style="list-style-type: none"> <li>- place the goods at the disposal of the buyer at the named place of destination not unloaded</li> <li>- provide the buyer with the document received for the delivery of the goods</li> </ul>
<b>DDP</b>	<ul style="list-style-type: none"> <li>- provide appropriate packing and marking</li> <li>- carry out the export and import procedures</li> </ul>	<ul style="list-style-type: none"> <li>- place the goods at the disposal of the buyer at the named place of destination not unloaded</li> </ul>

© Copyright 2003 If P&C Insurance Company Ltd. All rights reserved. Errors and omissions excepted.

No part of this leaflet may be translated and/or reproduced or copied in any form or by any means

– graphic, electronic, or mechanical, including photocopying, recording, taping or information and retrieval system – without written permission of If P&C Insurance Company Ltd.

**Incoterms** – Incoterms is a trademark registered by the International Chamber of Commerce, ICC and Incoterms 2000 is protected by copyright. ICC and its Finnish Section have reserved all rights to use the Incoterms trademark and they retain the right to publish the Incoterms 2000 terms in any form without the ICC's or its Finnish Section's express permission. The brochure is for guideline purposes only and is meant to be used together with the original Incoterms 2000 publication. The original Incoterms 2000 trade terms in different language versions can be obtained from ICC, Finland: [www.iccfin.fi](http://www.iccfin.fi).

# THE BUYER MUST

- take delivery of the goods and contract for the carriage to the final destination	<b>EXW</b>
- take delivery of the goods, loaded, on the means of transport (delivery at seller's premises) or take delivery of the goods on the arriving means of transport, not unloaded, and carry out unloading, storage, and loading of the goods (delivery at depot or elsewhere) - carry out import procedures and contract of carriage to the final destination	<b>FCA</b>
- take delivery of the goods alongside the ship - carry out the import procedures and the carriage to the final destination	<b>FAS</b>
- take delivery of the goods on board the ship at the port of shipment - carry out the import procedures and the carriage to the final destination	<b>FOB</b>
- accept delivery of goods at the port of shipment and receive them from the carrier at the port of destination - carry out the import procedures and the carriage to the final destination	<b>CFR</b>
- agree on the cargo insurance with the seller - accept delivery of goods at the port of shipment and receive them from the carrier at the port of destination - carry out the import procedures and the carriage to the final destination	<b>CIF</b>
- accept delivery of goods at the place of dispatch and receive them from the carrier at the place of destination - carry out the import procedures and the carriage to the final destination	<b>CPT</b>
- agree on the cargo insurance with the seller - accept delivery of goods at the place of dispatch and receive them from the carrier at the place of destination - carry out the import procedures and the carriage to the final destination	<b>CIP</b>
- take delivery of the goods on the arriving means of transport, not unloaded - carry out the unloading of the goods from the means of transport of the seller, storage, import procedures and carriage to the final destination	<b>DAF</b>
- take delivery of the goods on board at the port of destination - carry out the unloading of the goods - carry out the import procedures and carriage to the final destination from the named port of discharge	<b>DES</b>
- take delivery of the goods on the quay at the port of destination - carry out the import procedures and the carriage to the final destination	<b>DEQ</b>
- take delivery of the goods at the final destination - carry out the unloading of the goods - carry out the import procedures	<b>DDU</b>
- take delivery of the goods at the final destination - carry out the unloading of the goods	<b>DDP</b>