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# INCOTERMS 2000

## FOREWORD

By *Maria Livanos Cattai, Secretary General of ICC*

The global economy has given businesses broader access than ever before to markets all over the world. Goods are sold in more countries in larger quantities, and in greater variety. But as the volume and complexity of international sales increase, so do possibilities for misunderstandings and costly disputes when sales contracts are not adequately drafted.

Incoterms the official ICC rules for the interpretation of trade terms facilitate the conduct of international trade. Reference to Incoterms 2000 in a sales contract defines clearly the parties' respective obligations and reduces the risk of legal complications.

Since the creation of Incoterms by ICC in 1936, this undisputed worldwide contractual standard has been regularly updated to keep pace with the development of international trade. Incoterms 2000 take account of the recent spread of customs-free zones, the increased use of electronic communications in business transactions, and changes transport practices. Incoterms 2000 offer a simpler and clearer presentation of the 13 definitions, all of which have been revised.

The broad expertise of ICC's Commission on International Commercial Practice, whose membership is drawn from all parts of the world and all trade sectors, ensures that Incoterms 2000 respond to business needs everywhere. ICC would like to express its gratitude to the members of the commission, chaired by Prof. Fabio Bortolotti (Italy), its Working Party on Trade Terms chaired by Prof. Jan Ramberg (Sweden), and to the drafting group which led by Prof. Charles Debattista (Chairman - UK), Robert De Roy (Belgium), Philippe Rapatout (France), Jens Bredow (Germany) and Frank Reynolds (US).

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## 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 destination)**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)**EXW****EX WORKS**

(... named place)

•"Ex works" means that the seller delivers when he places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. works factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle.

This term thus represents the minimum obligation for the seller and the buyer has to bear all costs and risks involved in taking the goods from the seller's premises.

However, if the parties wish the seller to be responsible for the loading of the goods on departure and to bear the risks and all the costs of such loading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used when the buyer cannot carry out the export formalities directly or indirectly. In such circumstances, the FCA term formalities directly. In such circumstances the FCA term should be used, provided the seller agrees that he will load at his cost and risk.

**A THE SELLER'S OBLIGATIONS**

**A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

**A2 Licences, authorizations and formalities**

The seller must render the buyer, at the latter's request risk and expense, every assistance in obtaining, where applicable<sup>2</sup> any export licence or other official authorization necessary for the export of the goods.

**A3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>3</sup>.

b) Contract of insurance

No obligation<sup>4</sup>.

**A4 Delivery**

The seller must place the goods at the disposal of the buyer at the named place of delivery, not loaded on any collecting vehicle on the date or within the period agreed or, if no such time is agreed at the usual time for delivery of such goods. If no specific point has been agreed within the named place, and if there are several points available, the seller may select the point at the place of delivery which best suits his purpose.

**A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

**A6 Division of costs**

The seller must, subject to the provisions of B6, pay all costs relating to the goods until such time as they have been delivered in accordance with A4.

**A7 Notice to the buyer**

The seller must give the buyer sufficient notice as to when and where the goods will be placed at his disposal.

**A8 Proof of delivery, transport document or equivalent electronic message**

No obligation<sup>8</sup>.

**A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of placing the goods at the buyer's disposal.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to make the goods of the contract description available unpacked) which is required for the transport of the goods, to the extent that the circumstances relating to the transport (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately.

**A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages issued or transmitted in the country of delivery and/or of origin which the buyer may require for the export and/or import of the goods and, where necessary, for their transit through any

country. The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

## **B THE BUYER'S OBLIGATIONS**

### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any export and import licence or other official authorization and carry out where applicable<sup>5</sup>, all customs formalities for the export of the goods

### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>6</sup>

b) Contract of insurance

No obligation<sup>7</sup>

### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4 and A7/B7.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods

- from the time they have been delivered in accordance with A4; and
- from the agreed date or the expiry date of any period fixed for taking delivery which arise because he fails to give appropriate notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and
- any additional costs incurred by failing either to take delivery of the goods when they have been placed at his disposal, or to give appropriate notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say clearly set aside or otherwise identified as the contract goods; and
- where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon export.

The buyer must reimburse all costs and charges incurred by the seller in rendering assistance in accordance with A2.

### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the place of taking delivery, give the seller sufficient notice thereof.

### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must provide the seller with appropriate evidence of having taken delivery.

### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection, including inspection mandated by the authorities of the country of export.

### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

### **REE CARRIER**

(... named place)

"Free Carrier" means that the seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named place. It should be noted that the chosen place of delivery has an impact on the obligations of loading and unloading the goods at that place. If delivery occurs at the seller's premises, the seller is responsible for loading. If delivery occurs at any other place, the seller is not responsible for unloading.

This term may be used irrespective of the mode of transport, including multimodal transport.

"Carrier" means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes.

If the buyer nominates a person other than a carrier to receive the goods, the seller is deemed to have fulfilled his obligation to deliver the goods when they are delivered to that person.

## **A THE SELLER'S OBLIGATIONS**

### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>1</sup>, all customs formalities necessary for the export of the goods.

### **A3 Contracts of carriage and insurance**

#### a) Contract of carriage

No obligation<sup>2</sup>. However, if requested by the buyer or if it is commercial practice and the buyer does not give an instruction to the contrary in due time, the seller may contract for carriage on usual terms at the buyer's risk and expense. In either case, the seller may decline to make the contract and, if he does, shall promptly notify the buyer accordingly.

#### b) Contract of insurance

No obligation<sup>3</sup>

### **A4 Delivery**

The seller must deliver the goods to the carrier or another person nominated by the buyer, or chosen by the seller in accordance with A3 a), at the named place on the date or within the period agreed for delivery.

Delivery is completed;

a) If the named place is the seller's premises, when the goods have been loaded on the means of transport provided by the carrier nominated by the buyer or another person acting on his behalf.

b) If the named place is anywhere other than a), when the goods are placed at the disposal of the carrier or another person nominated by the buyer, or chosen by the seller in accordance with A3 a) on the seller's means of transport not unloaded.

If no specific point has been agreed within the named place, and if there are several points available, the seller may select the point at the place of delivery which best suits his purpose.

Failing precise instructions from the buyer, the seller may deliver the goods for carriage in such a manner as the transport mode and/or the quantity and/or nature of the goods may require.

#### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4

#### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>6</sup>, the costs of customs formalities as well as all duties, taxes or other charges payable upon export.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4. Should the carrier fail to take delivery in accordance with A4 at the time agreed, the seller must notify the buyer accordingly.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the usual proof of delivery of the goods in accordance with A4.

Unless the document referred to in the preceding paragraph is the transport document, the seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining a transport document for the contract of carriage (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document).

When the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to send the goods of the contract description unpacked) which is required for the transport of the goods, to the extent that the circumstances relating to the transport (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately.

**A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of delivery and/or of origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

**B THE BUYER'S OBLIGATIONS****B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

**B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out where applicable<sup>4</sup>, all customs formalities for the import of the goods and for their transit through any country.

**B3 Contracts of carriage and insurance**

a) Contract of carriage The buyer must contract at his own expense for the carriage of the goods from the named place, except when the contract of carriage is made by the seller as provided for in A3 a).

b) Contract of insurance

No obligation<sup>5</sup>.

**B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

**B5 Transfer or risks**

The buyer must bear all risks of loss of or damage to the goods

- from the time they have been delivered in accordance with A4; and
- from the agreed date or the expiry date of any agreed period for delivery which arise either because he fails to nominate the carrier or another person in accordance with A4, or because the carrier or the party nominated by the buyer fails to take the goods into his charge at the agreed time, or because the buyer fails to give appropriate notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

**B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and
- any additional costs incurred, either because he fails to nominate the carrier or another person in accordance with A4 or because the party nominated by the buyer fails to take the goods into his charge at the agreed time, or because he has failed to give appropriate notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

- where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country.

### **B7 Notice to the seller**

The buyer must give the seller sufficient notice of the name of the party designated in A4 and, where necessary, specify the mode of transport, as well as the date or period for delivering the goods to him and, as the case may be, the point within the place where the goods should be delivered to that party.

### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the proof of delivery in accordance with A8.

### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith and in contracting for carriage in accordance with A3 a).

The buyer must give the seller appropriate instructions whenever the seller's assistance in contracting for carriage is required in accordance with A3 a).

## **FAS**

### **FREE ALONGSIDE SHIP**

(... named port of shipment)

"Free Alongside Ship" means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that moment.

The FAS term requires the seller to clear the goods for export.

THIS IS A REVERSAL FROM PREVIOUS INCOTERMS VERSIONS WHICH REQUIRED THE BUYER TO ARRANGE FOR EXPORT CLEARANCE.

However, if the parties wish the buyer to clear the goods for export, this should be made clear by adding explicit wording to this effect in the contract of sale<sup>1</sup>.

This term can be used only for sea or inland waterway transport.

### **A THE SELLER'S OBLIGATIONS**

#### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

#### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>2</sup>, all customs formalities necessary for the export of the goods.

#### **A3 Contracts of carriage and insurance**



a) Contract of carriage

No obligation<sup>3</sup>.

b) Contract of insurance

No obligation<sup>4</sup>.

#### **A4 Delivery**

The seller must place the goods alongside the vessel nominated by the buyer at the loading place named by the buyer at the named port of shipment on the date or within the agreed period and in the manner customary at the port.

#### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

#### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>7</sup>, the costs of customs formalities as well as all duties, taxes, and other charges payable upon export.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered alongside the nominated vessel.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the usual proof of delivery of the goods in accordance with A4.

Unless the document referred to in the preceding paragraph is the transport document, the seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining a transport document (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document).

When the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraphs may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to ship the goods of the contract description unpacked) which is required for the transport of the goods, to the extent that the circumstances relating to the transport (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately,

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of shipment and/or of origin

which the buyer may require for the import of the goods and, where necessary, for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

## **B THE BUYER'S OBLIGATIONS**

### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out where applicable<sup>5</sup>, all customs formalities for the import of the goods and for their transit through any country.

### **B3 Contracts of carriage and insurance**

#### a) Contract of carriage

The buyer must contract at his own expense for the carriage of the goods from the named port of shipment.

#### b) Contract of insurance

No obligation<sup>6</sup>.

### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods

- from the time they have been delivered in accordance with A4; and
- from the agreed date or the expiry date of the agreed period for delivery which arise because he fails to give notice in accordance with B7, or because the vessel nominated by him fails to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and
- any additional costs incurred, either because the vessel nominated by him has failed to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, or because the buyer has failed to give appropriate notice in accordance with B7 provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and
- where applicable<sup>8</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country.

### **B7 Notice to the seller**

The buyer must give the seller sufficient notice of the vessel name, loading point and required delivery time.

**B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the proof of delivery in accordance with A8.

**B9 Inspection of goods**

The buyer must pay the costs of any pre - shipment inspection, except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith

**FOB**  
**FREE ON BOARD**  
(... named port of shipment)

"Free on Board" means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that point. The FOB term requires the seller to clear the goods for export. This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the FCA term should be used.

**A THE SELLER'S OBLIGATIONS**

**A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

**A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>1</sup>, all customs formalities necessary for the export of the goods.

**A3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>2</sup>.

b) Contract of insurance

No obligation<sup>3</sup>.

**A4 Delivery**

The seller must deliver the goods on the date or within the agreed period at the named port of shipment and in the manner customary at the port on board the vessel nominated by the buyer.

**A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have passed the ship's rail at the named port of shipment.

#### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have passed the ship's rail at the named port of shipment; and
- where applicable<sup>6</sup>. the costs of customs formalities necessary for export as well as all duties, taxes, and other charges payable upon export.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the usual proof of delivery in accordance with A4.

Unless the document referred to in the preceding paragraph is the transport document, the seller must render the buyer, at the latter's request risk and expense, every assistance in obtaining a transport document for the contract of carriage (for example, a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, or a multimodal transport document).

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to ship the goods of the contract description unpacked) which is required for the transport of the goods to the extent that the circumstances relating to the transport (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately.

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of shipment and/or of origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

### **B THE BUYER'S OBLIGATIONS**

#### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

#### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable<sup>4</sup>, all customs formalities for the import of the goods and, where necessary, for their transit through any country.

### **B3 Contracts of carriage and insurance**

#### a) Contract of carriage

The buyer must contract at his own expense for the carriage of the goods from the named port of shipment.

#### b) Contract of insurance

No obligation<sup>5</sup>.

### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods

- from the time they have passed the ship's rail at the named port of shipment; and

- from the agreed date or the expiry date of the agreed period for delivery which arise because he fails to give notice in accordance with B7, or because the vessel nominated by him fails to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have passed the ship's rail at the named port of shipment; and

- any additional costs incurred, either because the vessel nominated by him fails to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, or because the buyer has failed to give appropriate notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

- where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country.

### **B7 Notice to the seller**

The buyer must give the seller sufficient notice of the vessel name, loading point and required delivery time.

### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the proof of delivery in accordance with A8.

### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith

CFR

### **COST AND FREIGHT**

(... named port of destination)

"Cost and Freight" means that the seller delivers when the goods pass the ship's rail in the port of shipment.

The seller must pay the costs and freight necessary to bring goods to the named port of destination BUT the risk of loss of or damage to the goods as well as any additional costs due to events occurring after the time of delivery, are transferred from the seller to the buyer.

The CFR term requires the seller to clear the goods for export.

This term can be used only for sea and inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the CPT term should be used.

## **A THE SELLER'S OBLIGATIONS**

### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>1</sup>, all customs formalities necessary for the export of the goods.

### **A3 Contracts of carriage and insurance**

#### a) Contract of carriage

The seller must contract on usual terms at his own expense for the carriage of the goods to the named port of destination by the usual route in a seagoing vessel (or inland waterway vessel as the case may be) of the type normally used for the transport of goods of the contract description.

#### b) Contract of insurance

No obligation<sup>2</sup>.

### **A4 Delivery**

The seller must deliver the goods on board the vessel at the port of shipment on the date or within the agreed period.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have passed the ship's rail at the port of shipment.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4; and

- the freight and all other costs resulting from A3 a), including the costs of loading the goods on board and any charges for unloading at the agreed port of discharge which were for the seller's account under the contract of carriage; and

- where applicable<sup>6</sup>, the costs of customs formalities necessary for export as well as all duties, taxes and other charges payable upon export, and for their transit through any country if they were for the seller's account under the contract of carriage.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4 as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take the goods.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must at his own expense provide the buyer without delay with the usual transport document for the agreed port of destination.

This document (for example a negotiable bill of lading, a non-negotiable sea waybill or an inland waterway document) must cover the contract goods, be dated within the period agreed for shipment, enable the buyer to claim the goods from the carrier at the port of destination and, unless otherwise agreed, enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer (the negotiable bill of lading) or by notification to the carrier.

When such a transport document is issued in several originals, a full set of originals must be presented to the buyer.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraphs may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to ship the goods of the contract description unpacked) which is required for the transport of the goods arranged by him. Packaging is to be marked appropriately.

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8), issued or transmitted in the country of shipment and/or of origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

### **B THE BUYER'S OBLIGATIONS**

#### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

#### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable<sup>3</sup>, all customs formalities for the import of the goods and for their transit through any country.

### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>4</sup>.

b) Contract of insurance

No obligation<sup>5</sup>.

### **B4 Taking delivery**

The buyer must accept delivery of the goods when they have been delivered in accordance with A4 and receive them from the carrier at the named port of destination.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have passed the ship's rail at the port of shipment.

The buyer must, should he fail to give notice in accordance with B7, bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the period fixed for shipment provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must, subject to the provisions of A3 a), pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and
- all costs and charges relating to the goods whilst in transit until their arrival at the port of destination, unless such costs and charges were for the seller's account under the contract of carriage; and
- unloading costs including lighterage and wharfage charges, unless such costs and charges were for the seller's account under the contract of carriage; and
- all additional costs incurred if he fails to give notice in accordance with B7, for the goods from the agreed date or the expiry date of the period fixed for shipment, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and
- where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and, where necessary, for their transit through any country unless included within the cost of the contract of carriage.

### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time for shipping the goods and/or the port of destination, give the seller sufficient notice thereof.

### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the transport document in accordance with A8 if it is in conformity with the contract.

### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.



**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

**CIF****COST INSURANCE AND FREIGHT**

(... named port of destination)

"Cost, Insurance and Freight" means that the seller delivers when the goods pass the ship's rail in the port of shipment.

The seller must pay the costs and freight necessary to bring the goods to the named port of destination BUT the risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time of delivery, are transferred from the seller to the buyer. However, in CIF the seller also has to procure marine insurance against the buyer's risk of loss of or damage to the goods during the carriage.

Consequently, the seller contracts for insurance and pays the insurance premium. The buyer should note that under the CIF term the seller is required to obtain insurance only on minimum cover<sup>1</sup>. Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements.

The CIF term requires the seller to clear the goods for export.

This term can be used only for sea and inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the CIP term should be used.

**A THE SELLER'S OBLIGATIONS****A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

**A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>2</sup>, all customs formalities necessary for the export of the goods.

**A3 Contracts of carriage and insurance****a) Contract of carriage**

The seller must contract on usual terms at his own expense for the carriage of the goods to the named port of destination by the usual route in a seagoing vessel (or inland waterway vessel as the case may be) of the type normally used for the transport of goods of the contract description.

**b) Contract of insurance** The seller must obtain at his own expense cargo insurance as agreed in the contract, such that the buyer, or any other person having an insurable interest in the goods, shall be entitled to claim directly from the insurer and provide the buyer with the insurance policy or other evidence of insurance cover.

The insurance shall be contracted with underwriters or an insurance company of good repute and, failing express agreement to the contrary, be in accordance with minimum cover of the Institute Cargo Clauses (Institute of London Underwriters) or any similar set of clauses. The duration of insurance cover shall be in accordance with B5

and B4. When required by the buyer, the seller shall provide at the buyer's expense war, strikes, riots and civil commotion risk insurances if procurable. The minimum insurance shall cover the price provided in the contract plus ten per cent (i.e. 110%) and shall be provided in the currency of the contract.

#### **A4 Delivery**

The seller must deliver the goods on board the vessel at the port of shipment on the date or within the agreed period.

#### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have passed the ship's rail at the port of shipment.

#### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- the freight and all other costs resulting from A3 a), including the costs of loading the goods on board; and
- the costs of insurance resulting from A3 b); and
- any charges for unloading at the agreed port of discharge which were for the seller's account under the contract of carriage; and
- where applicable<sup>6</sup>, the costs of customs formalities necessary for export as well as all duties, taxes and other charges payable upon export, and for their transit through any country if they were for the seller's account under the contract of carriage.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4 as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take the goods.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must, at his own expense provide the buyer without delay with the usual transport document for the agreed port of destination.

This document (for example a negotiable bill of lading, a non-negotiable sea waybill or an inland waterway document) must cover the contract goods, be dated within the period agreed for shipment, enable the buyer to claim the goods from the carrier at the port of destination and, unless otherwise agreed, enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer (the negotiable bill of lading) or by notification to the carrier.

When such a transport document is issued in several originals, a full set of originals must be presented to the buyer.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraphs may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to ship the goods of the contract description unpacked) which is required for the transport of the goods arranged by him. Packaging is to be marked appropriately.

### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8), issued or transmitted in the country of shipment and/or of origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country. The seller must provide the buyer, upon request, with the necessary information for procuring any additional insurance.

## **B THE BUYER'S OBLIGATIONS**

### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable<sup>3</sup>, all customs formalities for the import of the goods and for their transit through any country.

### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>4</sup>.

b) Contract of insurance

No obligation<sup>5</sup>.

### **B4 Taking delivery**

The buyer must accept delivery of the goods when they have been delivered in accordance with A4 and receive them from the carrier at the named port of destination.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have passed the ship's rail at the port of shipment.

The buyer must, should he fail to give notice in accordance with B7 bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the period fixed for shipment provided however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must, subject to the provisions of A3, pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and

- all costs and charges relating to the goods whilst in transit until their arrival at the port of destination, unless such costs and charges were for the seller's account under the contract of carriage; and

- unloading costs including lighterage and wharfage charges unless such costs and charges were for the seller's account under the contract of carriage; and

- all additional costs incurred if he fails to give notice in accordance with B7, for the goods from the agreed date or the expiry date of the period fixed for shipment, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

• where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and, where necessary, for their transit through any country unless included within the cost of the contract of carriage.

**B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time for shipping the goods and/or the port of destination, give the seller sufficient notice thereof.

**B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the transport document in accordance with A8 if it is in conformity with the contract.

**B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

The buyer must provide the seller, upon request, with the necessary information for procuring insurance.

**CPT  
CARRIAGE PAID TO**

(... named place of destination)

"Carriage paid to..." means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears all risks and any other costs occurring after the goods have been so delivered.

"Carrier" means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport, by rail, road, air, sea, inland waterway or by a combination of such modes.

If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier.

The CPT term requires the seller to clear the goods for export.

This term may be used irrespective of the mode of transport including multimodal transport.

**A THE SELLER'S OBLIGATIONS**

**A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

**A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>1</sup>, all customs formalities necessary for the export of the goods.

**A3 Contracts of carriage and insurance**

## a) Contract of carriage

The seller must contract on usual terms at his own expense for the carriage of the goods to the agreed point at the named place of destination by a usual route and in a customary manner. If a point is not agreed or is not determined by practice, the seller may select the point at the named place of destination which best suits his purpose.

## b) Contract of insurance

No obligation<sup>2</sup>.

**A4 Delivery**

The seller must deliver the goods to the carrier contracted in accordance with A3 or, if there are subsequent carriers to the first carrier, for transport to the agreed point at the named place on the date or within the agreed period.

**A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

**A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4 as well as the freight and all other costs resulting from A3 a), including the costs of loading the goods and any charges for unloading at the place of destination which were for the seller's account under the contract of carriage; and
- where applicable<sup>6</sup>, the costs of customs formalities necessary for export as well as all duties, taxes or other charges payable upon export, and for their transit through any country if they were for the seller's account under the contract of carriage.

**A7 Notice to the buyer**

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4 as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take the goods.

**A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense, if customary, with the usual transport document or documents (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document) for the transport contracted in accordance with A3.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

**A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to send the goods of the contract description unpacked) which is required for the transport of the goods arranged by him. Packaging is to be marked appropriately.

**A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or of origin which the buyer may require for the import of the goods and for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

**B THE BUYER'S OBLIGATIONS****B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

**B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable<sup>3</sup>, all customs formalities for the import of the goods and for their transit through any country.

**B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>4</sup>.

b) Contract of insurance

No obligation<sup>5</sup>.

**B4 Taking delivery**

The buyer must accept delivery of the goods when they have been delivered in accordance with A4 and receive them from the carrier at the named place.

**B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4.

The buyer must, should he fail to give notice in accordance with B7, bear all risks of the goods from the agreed date or the expiry date of the period fixed for delivery provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

**B6 Division of costs**

The buyer must, subject to the provisions of A3 a), pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and

- .all costs and charges relating to the goods whilst in transit until their arrival at the agreed place of destination, unless such costs and changes were for the seller's account under the contract of carriage, and

- unloading costs unless such costs and charges were for the seller's account under the contract of carriage; and

- .all additional costs incurred if he fails to give notice in accordance with B7, for the goods from the agreed date or the expiry date of the period fixed for dispatch, provided, however, that the goods have been duly appropriated to the contract, that is to say clearly set aside or otherwise identified as the contract goods; and

•where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country unless included within the cost of the contract of carriage.

**B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time for dispatching the goods and/or the destination, give the seller sufficient notice thereof.

**B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the transport document in accordance with A8 if it is in conformity with the contract.

**B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

## CIP

### CARRIAGE AND INSURANCE PAID TO

(... named place of destination)

"Carriage and Insurance paid to..." means that the seller delivers the goods to the carrier nominated by him, but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears all risks and any additional costs occurring after the goods have been so delivered. However, in CIP the seller also has to procure insurance against the buyer's risk of loss of or damage to the goods during the carriage.

Consequently, the seller contracts for insurance and pays the insurance premium.

The buyer should note that under the CIP term the seller is required to obtain insurance only on minimum cover<sup>1</sup>. Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements.

"Carrier" means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport, by rail, road, air, sea, inland waterway or by a combination of such modes.

If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier.

The CIP term requires the seller to clear the goods for export.

This term may be used irrespective of the mode of transport, including multimodal transport.

## A THE SELLER'S OBLIGATIONS

### A1 Provision of goods in conformity with the contract

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization and carry out, where applicable<sup>2</sup>, all customs formalities necessary for the export of the goods.

### **A3 Contracts of carriage and insurance**

#### a) Contract of carriage

The seller must contract on usual terms at his own expense for the carriage of the goods to the agreed point at the named place of destination by a usual route and in a customary manner. If a point is not agreed or is not determined by practice, the seller may select the point at the named place of destination which best suits his purpose.

#### b) Contract of insurance

The seller must obtain at his own expense cargo insurance as agreed in the contract, such that the buyer, or any other person having an insurable interest in the goods, shall be entitled to claim directly from the insurer and provide the buyer with the insurance policy or other evidence of insurance cover.

The insurance shall be contracted with underwriters or an insurance company of good repute and, failing express agreement to the contrary, be in accordance with minimum cover of the Institute Cargo Clauses (Institute of London Underwriters) or any similar set of clauses. The duration of insurance cover shall be in accordance with B5 and B4. When required by the buyer, the seller shall provide at the buyer's expense war, strikes, riots and civil commotion risk insurances if procurable. The minimum insurance shall cover the price provided in the contract plus ten per cent (i.e. 110%) and shall be provided in the currency of the contract.

### **A4 Delivery**

The seller must deliver the goods to the carrier contracted in accordance with A3 or, if there are subsequent carriers to the first carrier, for transport to the agreed point at the named place on the date or within the agreed period.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- all costs relating to the goods until such time as they have been delivered in accordance with A4 as well as the freight and all other costs resulting from A3 a), including the costs of loading the goods and any charges for unloading at the place of destination which were for the seller's account under the contract of carriage; and
- the costs of insurance resulting from A3 b); and
- where applicable<sup>6</sup>, the costs of customs formalities necessary for export as well as all duties, taxes or other charges payable upon export, and for their transit through any country if they were for the seller's account under the contract of carriage.

### **A7 Notice to the buyer**



The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4, as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take the goods.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense, if customary, with the usual transport document or documents (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document) for the transport contracted in accordance with A3.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to send the goods of the contract description unpacked) which is required for the transport of the goods arranged by him. Packaging is to be marked appropriately.

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or of origin which the buyer may require for the import of the goods and for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring any additional insurance.

### **B THE BUYER'S OBLIGATIONS**

#### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

#### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable<sup>3</sup>, all customs formalities for the import of the goods and for their transit through any country.

#### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>4</sup>.

b) Contract of insurance

No obligation<sup>5</sup>.

#### **B4 Taking delivery**

The buyer must accept delivery of the goods when they have been delivered in accordance with A4 and receive them from the carrier at the named place.

#### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the good from the time they have been delivered in accordance with A4.

The buyer must, should he fail to give notice in accordance with B7 bear all risks of the goods from the agreed date or the expiry date of the period fixed for delivery provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must, subject to the provisions of A3 a), pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and

- all costs and charges relating to the goods whilst in transit until their arrival at the agreed place of destination, unless such costs and charges were for the seller's account under the contract of carriage; and

- unloading costs unless such costs and charges were for the seller's account under the contract of carriage; and all additional cost incurred if he fails to give notice in accordance with B7, for the goods from the agreed date or the expiry date of the period fixed for dispatch, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

- where applicable<sup>7</sup>, all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country unless included within the cost of the contract of carriage.

### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time for dispatching the goods and/or the destination, give the seller sufficient notice thereof.

### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the transport document in accordance with A8 if it is in conformity with the contract.

### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

The buyer must provide the seller, upon request, with the necessary information for procuring any additional insurance.

## **DAF DELIVERED AT FRONTIER (... named place)**

"Delivered at Frontier" means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named point and place at the frontier, but before

the customs border of the adjoining country. The term "frontier" may be used for any frontier including that of the country of export. Therefore, it is of vital importance that the frontier in question be defined precisely by always naming the point and place in the term.

However, if the parties wish the seller to be responsible for the unloading of the goods from the arriving means of transport and to bear the risks and costs of unloading, this should be made clear by adding explicit wording to this effect in the contract of sale<sup>1</sup>.

This term may be used irrespective of the mode of transport when goods are to be delivered at a land frontier. When delivery is to take place in the port of destination, on board a vessel or on the quay (wharf), the DES or DEQ terms should be used.

## **A THE SELLER'S OBLIGATIONS**

### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorization and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization or other document necessary for placing the goods at the buyer's disposal.

The seller must carry out, where applicable<sup>2</sup>, all customs formalities necessary for the export of the goods to the named place of delivery at the frontier and for their transit through any country.

### **A3 Contracts of carriage and insurance**

#### **a) Contract of carriage**

i) The seller must contract at his own expense for the carriage of the goods to the named point, if any, at the place of delivery at the frontier. If a point at the named place of delivery at the frontier is not agreed or is not determined by practice, the seller may select the point at the named place of delivery which best suits his purpose.

ii) However, if requested by the buyer, the seller may agree to contract on usual terms at the buyer's risk and expense for the on going carriage of the goods beyond the named place at the frontier to the final destination in the country of import named by the buyer. The seller may decline to make the contract and, if he does, shall promptly notify the buyer accordingly.

#### **b) Contract of insurance**

No obligation<sup>3</sup>.

### **A4 Delivery**

The seller must place the goods at the disposal of the buyer on the arriving means of transport not unloaded at the named place of delivery at the frontier on the date or within the agreed period.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- in addition to the costs resulting from A3 a), all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>7</sup>, the costs of customs formalities necessary for export as well as all duties, taxes or other charges payable upon export of the goods and for their transit through any country prior to delivery in accordance with A4.

#### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice of the dispatch of the goods to the named place at the frontier as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take delivery of the goods.

#### **A8 Proof of delivery, transport document or equivalent electronic message**

i) The seller must provide the buyer at the seller's expense with the usual document or other evidence of the delivery of the goods at the named place at the frontier in accordance with A3 a)

ii) The seller must, should the parties agree on on-going carriage beyond the frontier in accordance with A3 a) ii), provide the buyer at the latter's request, risk and expense, with the through document of transport normally obtained in the country of dispatch covering on usual terms the transport of the goods from the point of dispatch in that country to the place of final destination in the country of import named by the buyer.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging • marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4. The seller must provide at his own expense packaging (unless it is agreed or usual for the particular trade to deliver the goods of the contract description unpacked) which is required for the delivery of the goods at the frontier and for the subsequent transport to the extent that the circumstances (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately.

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country. The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

### **B THE BUYER'S OBLIGATIONS**

#### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

#### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization or other documents and carry out, where applicable<sup>4</sup>, all customs formalities necessary for the import of the goods, and for their subsequent transport

#### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>5</sup>.

b) Contract of insurance

No obligation<sup>6</sup>.

#### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

#### **B5 Transfer or risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4.

The buyer must, should he fail to give notice in accordance with B7, bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the agreed period for delivery provided, however that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

#### **B6 Division of costs**

The buyer must pay

. all costs relating to the goods from the time they have been delivered in accordance with A4, including the expenses of unloading necessary to take delivery of the goods from the arriving means of transport at the named place of delivery at the frontier;

. all additional costs incurred if he fails to take delivery of the goods when they have been delivered in accordance with A4, or to give notice in accordance with B7, provided, however, that the goods have been appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

- where applicable<sup>8</sup>, the cost of customs formalities as well as all duties, taxes and other charges payable upon import of the goods and for their subsequent transport.

#### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the point of taking delivery at the named place, give the seller sufficient notice thereof.

#### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the transport document and/or other evidence of delivery in accordance with A8.

#### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

#### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

If necessary, according to A3 a) ii), the buyer must provide the seller at his request and the buyer's risk and expense with the exchange control authorization, permits, other documents or certified copies thereof, or with the address of the final destination of the goods in the country of import for the purpose of obtaining the through document of transport or any other document contemplated in A8 ii).

## **DES**

### **DELIVERED EX SHIP**

(... named port of destination)

"Delivered Ex Ship" means that the seller delivers when the goods are placed at the disposal of the buyer on board the ship not cleared for import at the named port of destination. The seller has to bear all the costs and risks involved in bringing the goods to the named port of destination before discharging. If the parties wish the seller to bear the costs and risks of discharging the goods, then the DEQ term should be used.

This term can be used only when the goods are to be delivered by sea or inland waterway or multimodal transport on a vessel in the port of destination.

#### **A THE SELLER'S OBLIGATIONS**

##### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

##### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization or other documents and carry out, where applicable<sup>1</sup>, all customs formalities necessary for the export of the goods and for their transit through any country.

##### **A3 Contracts of carriage and insurance**

###### a) Contract of carriage

The seller must contract at his own expense for the carriage of the goods to the named point, if any, at the named port of destination. If a point is not agreed or is not determined by practice, the seller may select the point at the named port of destination which best suits his purpose.

###### b) Contract of insurance

No obligation<sup>2</sup>.

##### **A4 Delivery**

The seller must place the goods at the disposal of the buyer on board the vessel at the unloading point referred to in A3 a), in the named port of destination on the date or within the agreed period, in such a way as to enable them to be removed from the vessel by unloading equipment appropriate to the nature of the goods.

##### **A5 Transfer of risk**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

##### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- in addition to costs resulting from A3 a), all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>6</sup>, the costs of customs formalities necessary for export as well as all duties, taxes or other charges payable upon export of the goods and for their transit through any country prior to delivery in accordance with A4.

**A7 Notice to the buyer**

The seller must give the buyer sufficient notice of the estimated time of arrival of the nominated vessel in accordance with A4 as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take delivery of the goods.

**A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the delivery order and/or the usual transport document (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, or a multimodal transport document) to enable the buyer to claim the goods from the carrier at the port of destination.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (ED) message.

**A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to deliver the goods of the contract description unpacked) which is required for the delivery of the goods. Packaging is to be marked appropriately.

**A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or of origin which the buyer may require for the import of the goods.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

**B THE BUYER'S OBLIGATIONS****B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

**B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization and carry out, where applicable, all customs formalities necessary for the import of the goods.

**B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>4</sup>.

b) Contract of insurance

No obligation<sup>5</sup>.

**B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

**B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4.

The buyer must, should he fail to give notice in accordance with B7, bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the agreed period for delivery provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

#### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4, including the expenses of discharge operations necessary to take delivery of the goods from the vessel; and
- all additional costs incurred if he fails to take delivery of the goods when they have been placed at his disposal in accordance with A4, or to give notice in accordance with B7, provided, however, that the goods have been appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and
- where applicable<sup>7</sup>, the costs of customs formalities as well as all duties, taxes and other charges payable upon import of the goods and for their subsequent transport.

#### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the point of taking delivery in the named port of destination, give the seller sufficient notice thereof.

#### **B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the delivery order or the transport document in accordance with A8.

#### **B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

#### **B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

## **Q**

### **DELIVERED EX QUAY**

#### **(... named port of destination)**

"Delivered Ex Quay" means that the seller delivers when the goods are placed at the disposal of the buyer not cleared for import on the quay (wharf) at the named port of destination. The seller has to bear costs and risks involved in bringing the goods to the named port of destination and discharging the goods on the quay (wharf). The DEQ term requires the buyer to clear the goods for import and to pay for all formalities, duties, taxes and other charges upon import.

THIS IS A REVERSAL FROM PREVIOUS INCOTERMS VERSIONS WHICH REQUIRED THE SELLER TO ARRANGE FOR IMPORT CLEARANCE.



If the parties wish to include in the seller's obligations all or part of the costs payable upon import of the goods, this should be made clear by adding explicit wording to this effect in the contract of sale<sup>1</sup>.

This term can be used only when the goods are to be delivered by sea or inland waterway or multimodal transport on discharging from a vessel onto the quay (wharf) in the port of destination. However if the parties wish to include in the seller's obligations the risks and costs of the handling of the goods from the quay to another place (warehouse, terminal, transport station, etc.) in or outside the port, the DDU or DDP terms should be used.

## **A THE SELLER'S OBLIGATIONS**

### **A1 Provision of goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence or other official authorization or other documents and carry out, where applicable<sup>2</sup>, all customs formalities necessary for the export of the goods, and for their transit through any country.

### **A3 Contracts of carriage and insurance**

a) Contract of carriage The seller must contract at his own expense for the carriage of the goods to the named quay (wharf) at the named port of destination. If a specific quay (wharf) is not agreed or is not determined by practice, the seller may select the quay (wharf) at the named port of destination which best suits his purpose.

b) Contract of insurance

No obligation<sup>3</sup>.

### **A4 Delivery**

The seller must place the goods at the disposal of the buyer on the quay (wharf) referred to in A3 a), on the date or within the agreed period.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- in addition to costs resulting from A3 a), all costs relating to the goods until such time as they are delivered on the quay (wharf) in accordance with A4; and
- where applicable<sup>7</sup>, the costs of customs formalities necessary for export as well as all duties, taxes and other charges payable upon export of the goods and for their transit through any country prior to delivery.

### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice of the estimated time of arrival of the nominated vessel in accordance with A4, as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take delivery of the goods.

### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the delivery order and/or the usual transport document (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document or a multimodal transport document) to enable him to take the goods and remove them from the quay (wharf).

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

#### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to deliver the goods of the contract description unpacked) which is required for the delivery of the goods. Packaging is to be marked appropriately.

#### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or of origin which the buyer may require for the import of the goods. The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

### **B THE BUYER'S OBLIGATIONS**

#### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

#### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization or other documents and carry out, where applicable<sup>4</sup>, all customs formalities necessary for the import of the goods.

#### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>5</sup>.

b) Contract of insurance

No obligation<sup>6</sup>.

#### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

#### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4.

The buyer must should he fail to give notice in accordance with B7 bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the agreed period for delivery provided however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

#### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4, including any costs of handling the goods in the port for subsequent transport or storage in warehouse or terminal; and
- all additional costs incurred if he fails to take delivery of the goods when they have been placed at his disposal in accordance with A4, or to give notice in accordance with B7, provided, however, that the goods have been appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and
- where applicable<sup>8</sup>, the cost of customs formalities as well as all duties, taxes and other charges payable upon import of the goods and for their subsequent transport.

**B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the point of taking delivery in the named port of destination, give the seller sufficient notice thereof.

**B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the delivery order or transport document in accordance with A8.

**B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

**DDU****DELIVERED DUTY UNPAID**

(... named place of destination)

"Delivered Duty Unpaid" means that the seller delivers the goods to the buyer, not cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear the costs and risks involved in bringing the goods thereto, other than, where applicable<sup>1</sup>, any "duty" (which term includes the responsibility for and the risks of the carrying out of customs formalities, and the payment of formalities, customs duties, taxes and other charges) for import in the country of destination. Such "duty" has to be borne by the buyer as well as any costs and risks caused by his failure to clear the goods for import in time. However, if the parties wish the seller to carry out customs formalities and bear the costs and risks resulting therefrom as well as some of the costs payable upon import of the goods, this should be made clear by adding explicit wording to this effect in the contract of sale<sup>2</sup>. This term may be used irrespective of the mode of transport but when delivery is to take place in the port of destination on board the vessel or on the quay (wharf), the DES or DEQ terms should be used.

**A THE SELLER'S OBLIGATIONS****A1 Provision of the goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

### **A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export licence and other official authorization or other documents and carry out, where applicable<sup>3</sup>, all customs formalities necessary for the export of the goods and for their transit through any country.

### **A3 Contracts of carriage and insurance**

a) Contract of carriage The seller must contract at his own expense for the carriage of the goods to the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination which best suits his purpose.

b) Contract of insurance

No obligation<sup>4</sup>.

### **A4 Delivery**

The seller must place the goods at the disposal of the buyer, or at that of another person named by the buyer, on any arriving means of transport not unloaded, at the named place of destination on the date or within the period agreed for delivery.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- in addition to costs resulting from A3 a), all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>8</sup>, the costs of customs formalities necessary for export as well as all duties, taxes and other charges payable upon export and for their transit through any country prior to delivery in accordance with A4.

### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice of the dispatch of the goods as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take delivery of the goods.

### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense the delivery order and/or the usual transport document (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document) which the buyer may require to take delivery of the goods in accordance with A4/B4. Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of

delivering the goods in accordance with A4. The seller must provide at his own expense packaging (unless it is usual for the particular trade to deliver the goods of the contract description unpacked) which is required for the delivery of the goods. Packaging is to be marked appropriately.

### **A10 Other obligations**

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of dispatch and/or of origin which the buyer may require for the import of the goods. The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

## **B THE BUYER'S OBLIGATIONS**

### **B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

### **B2 Licences, authorizations and formalities**

The buyer must obtain at his own risk and expense any import licence or other official authorization or other documents and carry out, where applicable<sup>5</sup>, all customs formalities necessary for the import of the goods.

### **B3 Contracts of carriage and insurance**

a) Contract of carriage

No obligation<sup>6</sup>.

b) Contract of insurance

No obligation<sup>7</sup>.

### **B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

### **B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4. The buyer must, should he fail to fulfil his obligations in accordance with B2, bear all additional risks of loss of or damage to the goods incurred thereby. The buyer must, should he fail to give notice in accordance with B7, bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the agreed period for delivery provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

### **B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and

- all additional costs incurred if he fails to fulfil his obligations in accordance with B2, or to give notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods; and

- where applicable<sup>9</sup>, the costs of customs formalities as well as all duties, taxes and other charges payable upon import of the goods.

### **B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the point of taking delivery at the named place, give the seller sufficient notice thereof.

**B8 Proof of delivery, transport document or equivalent electronic message**

The buyer must accept the appropriate delivery order or transport document in accordance with A8.

**B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

**DDP**

**DELIVERED DUTY PAID**

(... named place of destination)

"Delivered Duty Paid" means that the seller delivers the goods to the buyer, cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear all the costs and risks involved in bringing the goods thereto including, where applicable<sup>1</sup>, any "duty" (which term includes the responsibility for and the risks of the carrying out of customs formalities and the payment of formalities, customs duties, taxes and other charges) for import in the country of destination.

Whilst the EXW term represents the minimum obligation for the seller, DDP represents the maximum obligation.

This term should not be used if the seller is unable directly or indirectly to obtain the import licence.

However, if the parties wish to exclude from the seller's obligations some of the costs payable upon import of the goods (such as value-added tax: VAT), this should be made clear by adding explicit wording to this effect in the contract of sale<sup>2</sup>.

If the parties wish the buyer to bear all risks and costs of the import, the DDL term should be used.

This term may be used irrespective of the mode of transport but when delivery is to take place in the port of destination on board the vessel or on the quay (wharf), the DES or DEQ terms should be used.

**A THE SELLER'S OBLIGATIONS**

**A1 Provision of the goods in conformity with the contract**

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity which may be required by the contract.

**A2 Licences, authorizations and formalities**

The seller must obtain at his own risk and expense any export and import licence and other official authorization or other documents and carry out, where applicable<sup>3</sup>, all

customs formalities necessary for the export of the goods, for their transit through any country and for their import.

### **A3 Contracts of carriage and insurance**

#### a) Contract of carriage

The seller must contract at his own expense for the carriage of the goods to the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination which best suits his purpose.

#### b) Contract of insurance

No obligation<sup>4</sup>.

### **A4 Delivery**

The seller must place the goods at the disposal of the buyer, or at that of another person named by the buyer, on any arriving means of transport not unloaded at the named place of destination on the date or within the period agreed for delivery.

### **A5 Transfer of risks**

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have been delivered in accordance with A4.

### **A6 Division of costs**

The seller must, subject to the provisions of B6, pay

- in addition to costs resulting from A3 a), all costs relating to the goods until such time as they have been delivered in accordance with A4; and
- where applicable<sup>8</sup>, the costs of customs formalities necessary for export and import as well as all duties, taxes and other charges payable upon export and import of the goods, and for their transit through any country prior to delivery in accordance with A4.

### **A7 Notice to the buyer**

The seller must give the buyer sufficient notice of the dispatch of the goods as well as any other notice required in order to allow the buyer to take measures which are normally necessary to enable him to take delivery of the goods.

### **A8 Proof of delivery, transport document or equivalent electronic message**

The seller must provide the buyer at the seller's expense with the delivery order and/or the usual transport document (for example a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document) which the buyer may require to take delivery of the goods in accordance with A4/B4.

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

### **A9 Checking - packaging - marking**

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of delivering the goods in accordance with A4.

The seller must provide at his own expense packaging (unless it is usual for the particular trade to deliver the goods of the contract description unpacked) which is required for the delivery of the goods. Packaging is to be marked appropriately.

**A10 Other obligations**

The seller must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in B10 and reimburse those incurred by the buyer in rendering his assistance herewith.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

**B THE BUYER'S OBLIGATIONS****B1 Payment of the price**

The buyer must pay the price as provided in the contract of sale.

**B2 Licences, authorizations and formalities**

The buyer must render the seller at the latter's request, risk and expense, every assistance in obtaining, where applicable<sup>5</sup>, any import licence or other official authorization necessary for the import of the goods.

**B3 Contract of carriage and insurance**

a) Contract of carriage

No obligation<sup>6</sup>.

b) Contract of insurance

No obligation<sup>7</sup>.

**B4 Taking delivery**

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

**B5 Transfer of risks**

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with A4.

The buyer must, should he fail to fulfil his obligations in accordance with B2, bear all additional risks of loss of or damage to the goods incurred thereby.

The buyer must, should he fail to give notice in accordance with B7, bear all risks of loss of or damage to the goods from the agreed date or the expiry date of the agreed period for delivery provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

**B6 Division of costs**

The buyer must pay

- all costs relating to the goods from the time they have been delivered in accordance with A4; and

- all additional costs incurred if he fails to fulfil his obligations in accordance with B2, or to give notice in accordance with B7, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

**B7 Notice to the seller**

The buyer must, whenever he is entitled to determine the time within an agreed period and/or the point of taking delivery at the named place, give the seller sufficient notice thereof.

**B8 Proof of delivery, transport document or equivalent electronic message**



The buyer must accept the appropriate delivery order or transport document in accordance with A8.

**B9 Inspection of goods**

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

**B10 Other obligations**

The buyer must render the seller, at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages issued or transmitted in the country of import which the seller may require for the purpose of making the goods available to the buyer in accordance therewith.