



# INCOTERMS®

*Effective January 1, 2011*

ACRONYM	TERM	DEFINITION / EXPLANATION
EXW	Ex Works	Goods are "delivered" and risk transfers to the buyer when the seller places the goods at the disposal of the buyer at a named place.
FCA	Free Carrier	Goods loaded arrive are delivered and risk transfers either when the goods are on the buyer's transport or when the seller's transport at the named 'place'.
FAS	Free Alongside Ship	Goods are delivered and risk transfers when goods are placed alongside the ship at the named port.
FOB	Free On Board	Goods are delivered and risk transfers when goods are loaded on board the vessel.
CPT	Carriage Paid To	Goods are delivered and risk transfers when loaded on board main carriage arranged by the seller. Buyer assumes risk for shipment when loaded on board main carriage arranged by the seller.
CIP	Carriage and Insurance Paid to	Goods are delivered and risk transfers when loaded on main carriage arranged by seller, all-risk insurance naming the buyer as insured. Buyer assumes risk for shipment when loaded on board main carriage arranged by the seller.
CFR	Cost and Freight	Goods are delivered and risk transfers when loaded on board main carriage arranged by the seller. Buyer assumes risk for shipment when loaded on board main carriage arranged by the seller.
CIF	Cost, Insurance and Freight	Goods are delivered and risk transfers when loaded on main carriage arranged by seller, FPA insurance naming the buyer as insured. Buyer assumes risk for shipment when loaded on board main carriage arranged by the seller.
DAP	Delivered At Place	Goods are delivered and risk is transferred when goods arrive at named destination available for unloading.
DPU	Delivered Duty Unpaid	Goods are delivered and risk transfers when goods arrive and are unloaded at the named destination.
DDP	Delivered Duty Paid	Goods are delivered and risk transfers when goods arrive, import customs cleared, at the named destination available for unloading.

Incoterms, also referred to as Terms of Sale, stand for International Commercial Terms. Incoterms define the terms of shipment and delivery, as well as the transfer of risk, between the buyer and seller.

In proper use, the Incoterm must be stated with the specific place plus "Incoterms 2020." The named place is where the seller's cost ends and is also the seller's delivery point with the exception of the "C" terms.