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# Incoterms® 2010

Published by the International Chamber of Commerce, Incoterms rules define the responsibilities of buyers and sellers for the delivery of goods under international sales contracts. They are the authoritative rules for determining how costs, risks and responsibilities are allocated to the parties in a transaction. Incoterms rules are regularly incorporated into sales contracts worldwide and have become part of the daily language of trade.

The 11 Incoterms rules are presented in two distinct classes: Rules for Any Mode or Modes of Transport and Rules for Sea and Inland Waterway Transport. Below are summaries of the 11 Incoterms rules. Full and detailed definitions for each rule can be found in [Incoterms 2010](#), which is available at [www.iccwbo.org](http://www.iccwbo.org). An official ICC copy of [Incoterms 2010](#) should be consulted prior to quoting or using any Incoterms rule.

## *Rules for any mode or modes of transport:*

**EXW (Ex Works)** – Seller delivers (without loading) the goods at the disposal of the buyer at the seller's premises. EXW represents the minimum obligation for the seller.

**FCA (Free Carrier)** – Seller delivers the goods to the carrier at the seller's premises. FCA requires the seller to clear the goods for export; however, the seller has no obligation to clear the goods for import, pay any import duty or carry out any import customs formalities.

**CPT (Carriage Paid To)** – Seller delivers the goods to the carrier at an agreed place and the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

**CIP (Carriage & Insurance Paid To)** – Seller delivers the goods to the carrier at an agreed place and the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during carriage.

**DAT (Delivered At Terminal)** – Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination.

**DAP (Delivered At Place)** – Seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

**DDP (Delivered Duty Paid)** – Seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

## *Rules for Sea and Inland Waterway Transport:*

**FAS (Free Along-side Ship)** – Seller delivers when the goods are placed alongside the vessel nominated by the buyer at the named port of shipment. The risk of loss or damage to the goods passes to the buyer when the goods are alongside the ship.

**FOB (Free On Board)** – Seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the good already so delivered. The risk of loss or damage to the goods passes to the buyer when the goods are on board the vessel.

**CFR (Cost And Freight)** – Seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

**CIF (Cost Insurance and Freight)** – Seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight as well as insurance cover against the buyer's risk of loss or damage to the goods during the carriage.



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# Incoterms® 2010 Reference Chart

		Seller/ Exporter Premises	Export Formalities	Named Place of Terminal	Loading Port of Shipment	Onboard Ship/Rail/ Plane	Discharging Port of Arrival	Named Place of Terminal	Import Formalities	Buyer/ Importer Premises
<b>EXW</b>	Cost									
	Risk									
<b>FCA</b>	Cost									
	Risk									
<b>FAS</b>	Cost									
	Risk									
<b>FOB</b>	Cost									
	Risk									
<b>CFR</b>	Cost									
	Risk									
<b>CIF</b>	Cost									
	Risk									
<b>CPT</b>	Cost									
	Risk									
<b>CIP</b>	Cost									
	Risk									
<b>DAT</b>	Cost									
	Risk									
<b>DAP</b>	Cost									
	Risk									
<b>DDP</b>	Cost									
	Risk									

Seller



Buyer



Rule only applies to sea and  
inland waterway transport