Shipping Obligation

International Incoterms (In order of preference) **ALONGSIDE ALONGSIDE BUYER SELLER** 1st CARRIER SHIP/PLANE SHIP/PLANE **PORT EN ROUTE** PORT **DDP- Delivered Duty Paid** Final Destination **DPU- Delivered at Place Unloaded** Final Destination **DAP- Delivered at Place** Destination-Airport/Port **CIP- Carriage & Insuarance Paid To** Destination-Airport/Port **CPT- Cost Paid To** Destination-Airport/Port CIF*- Cost, Insurance, Freight Port of Destination **CFR*- Cost & Freight** Port of Destination FOB*- Free on Board Goods Loaded on Ship FAS*- Free Alongside Ship FCA-Goods Arrived Beside Ship "Not Loaded" **Free Carrier** Agreed Place **EXW- Ex Works** Agreed Place

Please reference descriptions for full information



International Shipping Term (Incoterm) Definitions

DDP- Delivered Duty Paid - Seller delivers the goods, cleared for import, and pays all duties at the named place of destination. Except for cargo insurance, the purchaser of which varies by situation, the transportation of goods is fully paid for and managed by the seller, placing the maximum responsibility on the seller.

DPU- Delivered at Place Unloaded - Seller delivers and unloads goods at the named place of destination. From its packaging to transportation, to agreed-upon destination, to unloading the goods upon arrival is paid for by the seller. The product's buyer is only responsible for paying its import duties, taxes, and fees.

DAP- Delivered at Place - Seller delivers the goods, ready for unloading, at the named place of destination. Similar to DPU, but places the responsibility of unloading goods at the destination on the buyer. The buyer of a product is only responsible for paying import duties, taxes, and fees.

CIP- Carriage & Insurance Paid to - Similar to CPT, the burden of responsibility on the seller up until products reach the buyer's designated destination terminal, but with the additional stipulation that the seller will take care of all cargo insurance costs.

CPT- Carriage Paid to - The seller pays freight for the carriage of goods to the named destination until the goods reach an agreed-upon destination. Once the goods are handed over to a carrier at that destination, the buyer then assumes all risk.

CIF- Cost, Insurance and Freight - Similar to CFR, the seller handles transportation to the port of origin, for loading the goods onto the vessel, and also pays for insurance to the named destination port. Applicable only to sea/waterway-faring goods.

CFR- Cost and Freight - The seller delivers goods onboard the vessel (marine vessel only) and pays freight costs to the named destination port. It is critical to note that while CFR assigns responsibility for transportation to the destination port to the seller, the seller is not liable for that portion of the journey. That risk transfers to the buyer upon onboarding of goods at port of origin.

FOB- Free on Board - Seller arranges for packaging, transportation to port, and safe loading onto its selected marine vessel, paying all fees, duties, and taxes. After freight is loaded onto the transporting ship, the responsibility transfers to the buyer for all subsequent arrangements and additional charges.

FAS- Free Alongside Ship - Seller delivers when the goods are placed alongside the vessel named port of shipment; the seller of cargo must pay for the movement of goods from the moment it leaves their facility until it is safely situated alongside its selected vessel for loading. The risk transfers to the buyer at this point, and the buyer is responsible for the main portion of transit and all subsequent steps in delivery.

FCA- Free Carrier - Seller delivers the goods, cleared for export, to the carrier selected by the buyer at the named place. The seller of the freight will pay for charges and arrangements up to the moment it arrives at the export location stipulated by the buyer. Once the goods are handed over to the carrier, the risk transfers to the buyer. Limited responsibility from the seller.

EXW- Ex Works - Seller delivers when goods are placed at the buyer's disposal, not cleared for export, and not loaded onto any vehicle. The buyer must then arrange and pay for all associated arrangements and charges. The seller is solely responsible for packaging and making the goods available for pickup. The seller has the least amount of risk and responsibility.