

# INCO Terms

Incoterms are standard trade definitions most commonly used in international sales contracts. Devised and published by the International Chamber of Commerce, they are at the heart of world trade.

Among the best known Incoterms are EXW (Ex works), FOB (Free on Board), CIF (Cost, Insurance and Freight), DDU (Delivered Duty Unpaid), and CPT (Carriage Paid To).

ICC introduced the first version of Incoterms - short for "International Commercial Terms" - in 1936. Since then, ICC expert lawyers and trade practitioners have updated them six times to keep pace with the development of international trade.

Most contracts made after 1 January 2000 will refer to the latest edition of Incoterms, which came into force on that date. The correct reference is to "Incoterms 2000". Unless the parties decide otherwise, earlier versions of Incoterms - like Incoterms 1990 - are still binding if incorporated in contracts that are unfulfilled and date from before 1 January 2000.

Versions of Incoterms preceding the 2000 edition may still be incorporated into future contracts if the parties so agree. However, this is course is not recommended because the latest version is designed to bring Incoterms into line with the latest developments in commercial practice.

The English text is the original and official version of Incoterms 2000, which have been endorsed by the United Nations Commission on International Trade Law (UNCITRAL). Authorized translations into 31 languages are available from ICC national committees.

Correct use of Incoterms goes a long way to providing the legal certainty upon which mutual confidence between business partners must be based. To be sure of using them correctly, trade practitioners need to consult the full ICC texts, and to beware of the many unauthorized summaries and approximate versions that abound on the web.

ICC now publishes a brief introduction to Incoterms on a new special section of its website ([www.iccwbo.org/incoterms/id3042/index.html](http://www.iccwbo.org/incoterms/id3042/index.html)) The section does not provide all the answers but will help understanding of what Incoterms are for and how they are organized. We describe how to order Incoterms in the original English version and many of the world's main languages from ICC Publishing in Paris and New York, or ICC national committees around the world.

The site includes for the first time the Preambles to each term, in read-only format. The Preambles explain the areas the terms cover but do not spell out the obligations of buyer and seller - information that can be obtained only by consulting the full published texts of the 13 Incoterms.

As the guardian and originator of Incoterms, ICC has a responsibility to consult regularly all parties interested in international trade to keep Incoterms relevant, efficient and up-to-date. This is a long and costly process for ICC, which is a non-governmental, self-financed organization. The work is financed out of sales of Incoterms 2000 and related publications, which are protected by copyright.

## INCOTERMS 2000

Below summarize the responsibilities of both buyer and seller. This serves as a reference only.

	<b>EXW</b>	<b>FCA</b>	<b>FAS</b>	<b>FOB</b>	<b>CFR</b>	<b>CIF</b>	<b>CPT</b>	<b>CIP</b>	<b>DAF</b>	<b>DES</b>	<b>DEQ</b>	<b>DDQ</b>	<b>DDP</b>
<b>Services</b>	Ex Works	Free Carrier	Free Alongside Ship	Free Onboard Vessel	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered At Frontier	Delivered Ex Ship	Delivered Ex Quay Duty Paid	Delivered Duty Unpaid	Delivered Duty Paid
<b>Warehouse Storage</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Warehouse Labor</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Export Packing</b>	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Loading Charges</b>	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Inland Freight</b>	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Terminal Charges</b>	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Forwarder's Fees</b>	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Loading on Vessel</b>	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Ocean/Air Freight</b>	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Charges Upon Arrival</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
<b>Duty, Taxes &amp; Custom Clearance</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Seller
<b>Delivery to Destination</b>	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller