



# FREIGHT FORWARDING & PROJECT LOGISTICS

## Use of Terminology

### **Air Waybill**

- A bill of lading issued by an airline.

### **House Air Waybill (hawb)**

- Air waybill issued by freight forwarder in the country of origin covering a consignment for delivery to the forwarder's agent in the destination country.

### **Bill of Lading**

- Document issued by the carrier that serves as a receipt of goods, an evidence of the contract of carriage and, in the case of maritime transport, a title to the goods.

### **Clean Bill of Lading**

- Bill of lading with the indication (Clean On Board) that the goods were received in apparent good order and condition, without damages or other irregularities.

### **Ocean Bill of Lading (marine bill of lading)**

- A bill of lading issued by ocean carrier.

### **Bonded Warehouse**

- Warehouse authorized by customs for storage of goods on which payment of duties is deferred until goods are transferred to the local market. UCH warehouse can also store temporary duty free imported goods provided they will be re-exported within a specific time period.

### **Break Bulk**

- Meaning to separate a composite load into individual shipments and route to different destinations. It may refer to shipment not containerized.

### **CFR Cost and Freight (named port of destination)**

- Maritime and inland waterway only; seller delivers when the goods pass the ship's rail at the port of export. The seller pays cost and freight for bringing the goods to the foreign port, and clears the goods for export.

### **C.I.F. Cost, Insurance and Freight (named port of destination)**

- Maritime and inland waterway only; seller delivers when the goods pass the ship's rail at the port of export. The seller pays cost and freight for bringing the goods to the foreign port, obtains insurance against the buyer's risk of loss or damage, and clears the goods for export.

### **C.I.P. Carriage and Insurance Paid to (named place of destination)**

- Any mode of transport; seller delivers the goods to a carrier it nominates but also pays the cost of bringing the goods to the named destination. The seller also obtains insurance against the buyer's risk of loss or damage during carriage and clears the goods for export.

### **C.O.G.S.A.**

#### **Carriage of Goods by Sea Act 1936 U.S.**

- Statute that governs the acts that a carrier is responsible for and defines the terms used in shipping. The act provides that the ship owner's liability will be: limited to \$500.00 per shipping package- and it stipulates a one- year time limit for filing suit against the carrier. This act automatically applies to international ocean movements but not to domestic ocean transits unless the carrier agrees to be bound.

#### **C.P.T. CPT Carriage Paid to (named place of destination)**

- Any mode of transport; seller delivers goods to carrier it nominates and pays costs of bringing goods to the named destination. The seller also clears the goods for export.

#### **CAD-Cash Against Documents**

- The shipper send the documents attached to a draft for collection to his bank with instructions to deliver it to the drawee only against his payment or acceptance of the draft.

### **Cargo**

- Goods – merchandise or commodities of every description which may be carried aboard a vessel- in consideration of the freight charged; does not include provisions and stores for use on board.

### **Carrier**

- Any freight company whatever the transportation means. Could refer to steamship, trucking, airline, or railroad company.

#### **Cash In Advance (C. I. A.)**

- Payment at sight of all or part of the shipment by the buyer prior shipment of goods by the shipper. Required by the seller when dealing with new customers and in the case of small trial orders. This practice is used in some specific sectors (30 or 50 % cash advance) and represent the highest level of risks for the buyer.

#### **Certificate of Manufacture**

- A statement sometimes notarized by a producer - usually also the seller - or merchandiser that indicates the goods have been manufactured and are at the disposal of the buyer.

#### **Certificate of Origin**

- Document certifying the country in which the product was manufactured, and in certain cases may include such information as the local material and labor content of the product. This document is sometimes required by some foreign countries for tariff purposes (certificate of origin form A for example will allow exemption or reduction of import duties for some products manufactured in emerging countries). Applications of the most favored nation tariff relies on rules of origin and therefore will require the presentation of such certificate. The signature of the Consul of the country to which the goods will be shipped may be necessary.

### **Chamber of Commerce, Regional**

•Non profit making organization whose members are industrial and commercial companies belonging to a specific area or city and whose purpose is to promote and represent the interest of its members. It's a place of contacts and exchange of information, a promotion tool for the economic interest of its community. Here are some of the most important services provided: Access to the International Business and Networks. Back up and technical support for export (tradeshows, fairs and commercial missions, commercial documents authentication, like origin certificate, commercial invoices, ATA carnets....), Training (courses, conferences).

### **Collect Freight**

•Freight payable at destination provided.

### **Commercial Invoice**

•A statement of transaction between a seller and buyer prepared by the seller – and a description of the merchandise – price – terms – etc. The seller's bill of sale for the goods sold – specifying type of goods – quantity and price of each type and terms of sale.

### **Consignee**

•Person, Company, Bank or Agent receiving the shipment.  
Consignor  
•Seller, expeditor or exporter of the goods.  
Consignment  
•The consignee ships the goods to the consignee when there is no purchase made, but under an agreement obliging the consignee to pay the consignor for the goods when sold.

### **Consolidation**

•Gathering together at the same departure place, so called consolidation center, different shipments coming from different shippers and bringing it to the same destination place so called deconsolidation center. At destination point, the consolidated shipment will be broken out into individual shipments to be carried to their final destination. This technique reduces freight cost for each shipment, as it allows to fill a full container over the main portion of the transport.

### **Containerization**

•Shipping systems based on large cargo – carrying containers ranging up to 48 feet long that can be easily interchanged between trucks – trains and ships without re-handling the contents.

### **Custom Broker**

•Licensed by U.S. Customs to clear shipments for clients – also can forward goods "In bond" to your portal.

### **D/A – Documents Against Acceptance**

•Instructions from a shipper to his bank that the documents are attached to a time draft for collection and deliverable to the drawee against his acceptance of the draft.

### **D/P – Documents Against Payment**

•Instruction a shipper gives to his bank that the documents attached to a draft for collection are deliverable to the drawee only against his payment of the draft.

### **DDU Delivered Duty Unpaid (named place of destination)**

•Any mode of transport; seller delivers the goods to the buyer not cleared for import and not unloaded from the arriving means of transport at the named destination, but the buyer is responsible for all import clearance formalities and costs.

### **DDP Delivered Duty Paid (named place of destination)**

•Any mode of transport; seller delivers the goods to the buyer, cleared for import (including import license, duties, and taxes) but not unloaded from the means of transport.

### **DES - Des Delivered EX Ship (named port of destination)**

•Maritime and inland waterway only; seller delivers when goods are at the buyer's disposal on board the ship not cleared for import. The buyer pays discharging costs.

### **DEQ – Delivered EX Quay (named port of destination)**

•Maritime and inland waterway only; seller delivers when the goods are placed at the buyer's disposal, not cleared for import, in the dock (quay) at the named port of destination. The seller pays discharging costs, but the buyer pays for import clearance.

### **Deck Cargo**

•Cargo carried outside rather than within the enclosed cargo space of a vessel.

### **Dock Receipt (shipping note)**

•A receipt prepared usually by the customs broker which if signed by the receiving clerk (cargo checker) at the container terminal or dock is a proof of the delivery of goods at ocean carrier's warehouse or dock awaiting shipment.

### **Documentary Credit (Letter of Credit)**

•A commitment of the buyer's bank to pay the seller against presentation of some required documents. In Documentary Credits whose rules have been set up by the International Chamber of Commerce only documents have to be considered, not the goods. Conformity of documents obliges the bank to pay.

### **Documents**

•Papers, usually attached to a draft, such as bill of lading or airway bill, commercial invoice, packing list, insurance certificate, certificate of origin, consular invoice,... which are necessary for the buyer to clear customs at arrival and pick up the goods from the freight company.

### **Draft**

•An unconditional order in writing requiring the addressee to pay a specific sum of money to the order of a specified party.

### **Duty**

•A tax imposed on imports by the customs of a country.

### **EX (Point of Origin)**

•In some Incoterms 2000, this term specifies the point of delivery of goods, that means where the risks pass from the seller to the buyer (see EX Works, Delivered EX Ship and Delivered EX Quay).

### **EX – Works EXW (named place)**

•Any mode of transport; seller makes goods available to buyer at seller's premises or other location, not cleared for export and not loaded on a vehicle. The buyer bears all risks and costs involved in taking the goods from the seller's premises and thereafter.

### **Export License**

•Juridical documentation necessary to export government's controlled goods, in particular those figuring on the controlled export goods list or those shipped in countries where such controls exist.

### **F.A.S. – Free Alongside Ship**

•Maritime and inland waterway only; seller delivers when the goods are placed alongside the vessel at the named port of shipment. The seller also clears the goods for export.

### **FCA Free Carrier (named place)**

•Any mode of transport; seller delivers goods, cleared for export, to the carrier named by the buyer at the specified place. If delivery occurs at the seller's premises, the seller is responsible for loading; if delivery occurs elsewhere, the seller must load the conveyance but is not responsible for unloading.

### **F.C. & S.**

•Free of capture & seizure – Clause excluding war risks from the Marine Policy; war risks can be covered by issuing a separate War Policy with an additional premium being charged.

### **F.O.B. (named port of shipment)**

•Maritime and inland waterway only; seller delivers when the goods pass the ship's rail at the named port. The seller clears the goods for export.

### **F.O.B. Warehouse**

•Free on board warehouse. Seller owns goods until they are delivered to buyer's warehouse at final destination; selling price includes all costs so far plus transportation to final warehouse.

### **F.O.B. / F.A.S. Endorsement**

•If a merchant sell on F.O.B. – F.A.S. – C7F or similar terms – it's the buyer's responsibility to place the marine insurance.

### **Free Port**

•See Free Trade Zone

### **Free Trade Zone**

•The free trade zone is an isolated, enclosed and policed area in an adjacent to a port of entry, without a resident population, furnished with facilities for loading and unloading, for supplying fuel and ship's storing goods, and for reshipping them by land and water. It is an area within which goods may be landed, stored, mixed, blended, repacked, manufactured and reshipped without payment of duties and without the intervention of customs officials. The facility of a free trade zone allows for the free entry of raw material, components and finished goods of foreign origin and their subsequent re-exportation without being subject to customs duties and import and export regulations and controls. The aim of a free trade zone is to encourage and expedite foreign trade by eliminating the payment of customs duties unless and until foreign merchandise is imported into the host country's customs territory.

### **Freight**

•The money charged by the carrier for transporting goods.

### **Freight Consolidator**

•An individual or firm who accepts less than container load (LCL) shipments from the individuals shippers and then combines them to delivery to the carrier in full container load (FCL) shipment.

### **Guaranteed Freight**

•Freight payable whether the goods are delivered or not – provided the failure to deliver the goods resulted from causes beyond the carriers control.

### **Harmonized Code**

•Developed by the Customs Cooperation Council (CCC) in Brussels, Belgium, as the basis for an international system to classify goods for custom purposes.

### **In Bond**

•A term applied to the status of merchandise admitted provisionally to a country without payment of duties – either for storage in a bonded warehouse or for transshipment to another point – where duties will eventually be imposed.

### **Invoice, Commercial**

•A record or evidence of transaction between exporter and importer. This document will state the nature, quantity and unit price of sold items as well as total amount of sales value in specific currency.

### **Joint Venture**

•Strategic partnership between two companies leading to the creation of a specific entity entitled to develop a common project. This is a usual way for a manufacture to settle in a foreign market bringing his know-how and technology while his local partner is offering his distribution network and a deep knowledge of the market. A successful partnership supposes complementary and consistent goals, similar sized and balanced ventures between partners.

### **Letter of Credit**

•A letter addressed by a bank – at the insurance and responsibility of a buyer of merchandise – to a seller – authorizing him to draw drafts to a stipulated amount under specified terms and undertaking conditionally or unconditionally to provide eventual payment for drafts.

### **Letter of Credit, Confirmed**

•A letter of credit confirmed by the advising bank. Adding its confirmation, the advising bank will be committed to pay the letter of credit upon authorization, request or in case of failure of the issuing bank. Provided the advising bank being good rated, this means of payment is the best guarantee for the exporter.

### **Letter of Credit, Irrevocable**

•Letter of credit that can't be amended or canceled without the consent of the issuing bank, the confirming bank (if any) and the beneficiary. In case the term <irrevocable> has not been specified at the L/C opening, the L/C will be considered as irrevocable (UPC 500).

### **Letter of Credit Revocable**

•A letter of credit that can be canceled or amended by the issuing bank without prior notice to the beneficiary, often at the request and on the instructions of the applicant.

### **Manifest**

•A written instrument signed by the ship's master of the aircraft's captain containing a list of the individual shipments comprising a vessel's or aircraft's cargo and classified by B/L or AWB numbers.

### **Named Perils Policy**

•Any marine policy limiting coverage to perils specifically listed in the policy, opposed to All Risks policy.

### **Ships Manifest (shipping manifest)**

•A written instrument signed by the ship's master, containing a list of the individual shipment comprising a vessel's cargo.

### **Shippers Load and Count**

•Note on the bill of lading indicating that the content of a container has been loaded and counted by the shipper and not checked or verified by the Steamship Company.

### **Tonnage**

•Gross Tonnage – Total internal carrying capacity of a vessel expressed in measurement tons (one measurement ton = 100 cubic feet)

### **Tramp**

•A cargo ship not operating on regular routes and schedules, and picking up cargo only when it's chartered from the ship operator.

### **Transit Shipment**

•A term designating a shipment destined for an interior point or a place best reached by reshipment from another port.

### **Vessel**

•Every description of watercraft or other artificial contrivance used – or capable of being used – as a means of transportation on water.

### **War Risks**

•Those risks related to two or more countries engaging in hostilities – whether or not there has been a formal declaration of war.

### **Way bill**

•A contract prepared by the carrier or the transitory and concluded with the goods' owner. The foreign buyer needs it to get possession of the goods. Term used primarily in maritime or air transport.

### **World Trade Organization (W.T.O.)**

•Successor to the GATT (General Agreement on Tariffs and Trade) whose purposes include to help reduce trade barriers between the signatory countries and to promote trade through tariff concessions.

## **AIR CARGO TERMINOLOGY**

### **Airport to Airport**

•Air cargo service from airport of origin to airport of destination, without pick-up and delivery service.

### **Airway Bill**

•A shipping document used by the airlines for air freight. It serves as a contract for carriage and includes carrier conditions of carriage such as limits of liability and claims procedures. The air way bill also contains shipping instructions to the airline, a description of the commodity, and applicable transportation charges. The airline industry has adopted a standard formatted air waybill that accommodates both domestic and international traffic.

### **Bill of Lading**

•A document by which a carrier receipts for goods and contracts to move them. In air freight, the airway bill serves as the bill of lading and is the contract for carriage.

### **Bonded Terminal**

•An airline terminal approved by the U.S. Treasury Department for storage of goods until Customs duties are paid or the goods are otherwise released.

### **Break Bulk**

•Disassembling or unpacking a consolidated shipment for delivery or for re-consignment.

### **Cargo Aircraft**

•Aircraft for the carriage of cargo only, rather than the combination of passengers and cargo. Cargo aircraft carry palletized or containerized traffic on the main deck and either unitized or bulk cargo on the lower deck. Cargo aircraft are normally equipped with special cargo loading systems on the main deck. Also referred to as freighters of all-cargo aircraft.

### **Cartage Agent**

•Ground service operator who provides pickup and delivery in areas not served directly by air carrier.

### **Chargeable Weight**

•The weight of the shipment used in determining air freight charges. The chargeable weight may be the dimensional weight or the actual scale weight of the shipment. See dimensional weight.

### **Collect on delivery (COD)**

•A transportation service under which the purchase price of the goods is collected by the carrier from the receiver at the time of delivery. Payment is subsequently transmitted to the shipper. Carriers charge a nominal fee for this service. Payment is due upon delivery. There are no credit provisions in COD service.

### **COMAT**

•An acronym for "company-owned material." The airlines own property (Spare parts, station supplies, ticket stock, etc.) carried on the airlines own airplanes.

### **Combi Airplane**

•An airplane configured to carry both passengers and unitized cargo on the main deck.

### **Consignee**

•The person or firm whose name appears on the air waybill as the party to whom the goods are to be delivered by the carrier.

### **Consolidator**

•An entity that provides consolidation services, joining multiple shipment into a single shipment from tender to an air carrier. An Air Freight Forwarder performs the function of a consolidator.

### **Container**

•A unit load device (ULD) which interfaces directly with the airplane cargo handling and restraint system.(see unit load device)

### **Courier**

•Attendant who accompanies cargo shipment(s). Also, attendant such as groom or veterinarian who accompany rare horses or other live animals.

### **Cubic Capacity**

•The carrying capacity within an aircraft or container, expressed either in cubic feet, cubic inches, cubic centimeters or cubic meters.

### **Customs**

•The designated government authority that regulates the flow of goods to / from a country and collects duties levied by a country on imports and exports. The term also applies to the procedures involved in such collection.

### **Dangerous Goods**

•The United Nations official term for Hazardous Materials: Articles or substances which are capable of posing a significant risk to the health or safety of the general public when transported by air and which are classified according to the most current editions of the ICAO Technical Instructions for the Safe Transport of Dangerous Goods by Air and the IATA Dangerous Goods Regulations. See Hazardous Materials.

### **Declared Value for Carriage**

•The value of goods declared to the carrier by the shipper for the purposes of determining charges of or establishing the limit of the carrier's liability for loss, damage, or delay. See Valuation Charges.

### **Declared Value for Customs**

•The selling price of the contents of the replacement cost if the contents are not for resale. The amount must be equal to or greater than the declared value.

### **Demurrage**

•The detention of containers by shippers or receivers of freight beyond a specified grace period. The airlines tender carrier owned containers to the customer for loading and unloading of the unit. In the event the container is not returned to the carrier within a specified time (usually 36-48 hours) a charge may be assessed by the carrier for each 24-hour period or fraction thereof beyond the allowed time.

### **Department of Transportation (DOT)**

•An executive Department of the U.S. Government established by the Department of Transportation Act of 1966 for the purposes of developing national transportation policies. As a result of the Airline Deregulation Act of 1978, the DOT acquired many of the functions of the CAB.

### **Dimensional Weight (volume weight)**

•A computed weight based on a minimum density requirement. It's used to determine the freight charges for low density shipments. It is computed by dividing the shipment volume by the minimum density requirement. The Dimensional Weight Rule was developed to insure fair compensation for low-density shipments. When a given shipment falls below the minimum density requirement, dimensional weight rather than actual weight is used to calculate the transportation charged. Minimum density requirements vary from carrier to carrier. Some carriers give discounts for shipment of high-density goods.

### **Duty**

•The tax imposed by the Customs authority of a country. Duties are generally based on weight or quantity (specific duties) or a combination of value and other factors.(compound duties).

### **Electronic Data Interchange (EDI)**

•A computerized system for communicating information about a shipment, including tracking and tracing airway bill information and custom documentation.

### **Federal Aviation Administration (FAA)**

•Created under the Federal Aviation Act of 1958 as the Federal Aviation Agency and charged with the responsibility of promulgation operational standards and procedures for all classes of aviation in the United States. With the creation of the cabinet level Department of Transportation in 1966 FAA became a unit within the new Department and received the new designation Federal Aviation Administration. The FAA Administrator, however, continues to be a presidential appointee and the FAA remains a separate entity with most of its former functions. In the field of air cargo FAA promulgates certain stress standards, which must be met in the tie down of cargo in flight.

### **Foreign Trade Zone (Free Trade Zone)**

•A port designated by the Government of a country for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed, used for manufacturing, etc. Within the zone and re-exported without duties being paid. Duties are imposed on the merchandise (or items manufactured from the merchandise) only when the goods pass from the foreign trade zone into an area of the country subject to the Customs authority.

### **Free Domicile**

•A term used in international transportation where the shipper pays all transportation charges and any applicable duties and/or taxes.

### **Free On Board (FOB)**

•A pricing term indication that the quoted price includes the cost of loading the goods into transport vessels at the specified place.

### **Hold For Pickup**

•Freight to be held at the carrier's destination location for pickup by the recipient.

### **Import License**

•A document required and issued by some national governments authorizing the importation of goods into their individual countries.

### **In Bond**

•As applied to air freight coming into the United States, the term "In Bond" refers to a procedure under U.S. Customs rules where the clearance of cargo is postponed until the cargo reaches an inland Customs point rather than subjecting the cargo to clearance procedures at the first arriving U.S. gateway airport where process might be more time consuming. The procedure is so named because the cargo moves under the carrier's bond (financial liability assured by the carrier) from the gateway airport and remains "In Bond" until Customs releases the cargo at the inland Customs point (airport).

### **Intermodal**

•Movement of goods by more than one mode of Transport, i.e. railroad, truck, ship and airplane, in the same ULD, under a single waybill.

### **International Air Transport Association (IATA)**

•An international trade and service organization for airlines of more than 100 countries serving international routes. IATA activities on behalf of shippers in international air freight include development of containerization programs, freight handling techniques and, for some airlines, uniform rates and rules.

### **International Organization for Standardization (ISO)**

•A world wide federation of national standards organizations. "ISO container" denotes a container equipped with standard ISO corner fittings for lifting or for retaining on a truck chassis.

### **Just in Time (JIT)**

•The principal of production and inventory control that calls for immediate movement of raw material, component parts, and work-in-progress. Goods arrive when needed (just in time) for production or use rather than becoming expensive inventory that occupies costly warehouse space.

### **Length & Girth**

•A limitation on shipment size occasionally used by an airline. The equation used to calculate length and girth: Length + (2 x width) + (2 x Height). The largest measurement always used as the length in the equation.

### **Letter of Credit (LC)**

•A document issued by a bank at the request of the buyer of goods. The LC guarantees payment to the seller given receipt by the bank of certain shipping documents validating the delivery of goods, within a specified time period.

### **LTL**

•Less Than Truck Load. A term used by motor carriers to designate small shipments that are handled as loose pieces as opposed to full truckloads.

### **Main Deck**

•The deck on which the major portion of the payload is carried.

### **Minimum Charge**

•The lowest rate applicable on each type of air cargo service no matter how small the shipment

### **Minimum Weight**

•The lowest weight at which a freight rate is applicable (see weight break)

### **Oversize Cargo**

•Unusually large or heavy cargo that will not fit in the cargo areas of standard body freighters or passenger airplanes. Cargo that exceeds the standard dimensions of common ULD's

### **Port of Entry**

•An officially designated place at which a U.S. Customs officer is assigned with authority to accept entries of merchandise, to collect duties, and to enforce the various provisions of the U.S. Customs laws.

### **Prepaid Charges**

•The transportation trade practice under which the shipper pays transportation charges.

### **Proof of Delivery (P.O.D.)**

•Information provided to payer containing the name of person who signed for the package with the date and time of delivery.

### **Shippers Exportation Declaration (SED)**

•A form required for the export of goods from the U.S. when the value of a single shipment of one commodity is more than \$1500 or when an export license is required.

### **Tare Weight**

•The actual weight of a container or pallet when empty, including all liners and /or fittings.

### **Tariff**

•A document setting forth applicable rules, rates, and charges for the movement of goods. A tariff sets forth a contract of carriage for the shipper, the consignee, and the carrier. Tariffs are sometimes published by the carriers themselves and by a variety of publishing agencies, such as the Airline Tariff Publishing Company (ATPCO), The Air Cargo Tariff (TACT) and Cargo Rates Services, Inc.

### **Tracking / Tracing**

•A carrier's system of following and recording movement intervals of shipments from origin to destination.

### **Transit Air Cargo Manifest (TACT)**

•Procedures under which air cargo imports move through the gateway city to the city of final U.S. Customs destination for the collection of duty and other import processing.

### **Unit Load Device (ULD)**

•Term commonly used when referring to containers, pallets and pallet nets. The purpose of the ULD is to enable individual pieces of cargo to be assembled into standardized units to ease the rapid loading and unloading of airplanes and to facilitate the transfer of cargo between airplanes have compatible handling and restraint systems.



# FREIGHT FORWARDING & PROJECT LOGISTICS

## INCOTERMS

### CHART OF RESPONSIBILITY

When negotiating an international sales contract, both parties need to pay as much attention to the terms of sale as to the sales price. To make it as clear as possible, an international set of trade terms (INCOTERMS) has been adopted by most countries that defines exactly the responsibilities of both the buyer and the seller for each of the current 13 INCOTERMS. In addition, a definition for each term is included at the bottom of the page.

For a more complete description of each of the INCOTERMS, *The IBT Guide to INCOTERMS 2000* book published by International Business Training fully and clearly defines each of the new INCOTERMS that became effective January 1, 2000, and includes a number of case studies that demonstrate the use of the different terms in real-life situations.

	<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>DDU</b>	<b>DDP</b>
<b>SERVICES</b>	<b>Ex Works</b>	<b>Free Carrier</b>	<b>Free Alongside Ship</b>	<b>Free Onboard Vessel</b>	<b>Cost &amp; Freight</b>	<b>Cost Insurance &amp; Freight</b>	<b>Carriage Paid To</b>	<b>Carriage Insurance Paid To</b>	<b>Delivered At Frontier</b>	<b>Delivered Ex Ship</b>	<b>Delivered Ex Quay Duty Unpaid</b>	<b>Delivered Duty Unpaid</b>	<b>Delivered Duty Paid</b>
Warehouse Storage	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Warehouse Labor	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Buyer/Seller*	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder's Fees	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading On Vessel	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean/Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Charges On Arrival At Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Buyer	Buyer	Seller	Seller	Seller
Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery To Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

\* There are actually two FCA terms: FCA Seller's Premises where the seller is responsible *only* for loading the goods and *not* responsible for inland freight; and FCA Named Place (International Carrier) where the seller *is* responsible for inland freight.

# THE 13 INCOTERMS

## **Origin Terms**

### **EXW**

•Ex Works, named place where shipment is available to the buyer, not loaded. The seller will not contract for any transportation.

## **International Carriage Not Paid by Seller**

### **FCA**

•Free Carrier, unloaded at the seller's dock OR a named place where shipment is available to the international carrier or agent, not loaded.

This term can be used for any mode of transport.

### **FAS**

•Free Alongside Ship, named ocean port of shipment. Ocean shipments that are NOT containerized.

### **FOB**

•Free On Board vessel, named ocean port of shipment. This term is used for ocean shipments only where it is important that the goods pass the ship's rail.

## **International Carriage Paid by the Seller**

### **CFR**

•Cost and Freight, named ocean port of destination. This term is used for ocean shipments that are not containerized.

### **CIF**

•Cost, Insurance and Freight, named ocean port of destination. This term is used for ocean shipments that are not containerized.

### **CPT**

•Carriage Paid To, named place or port of destination. This term is used for air or ocean containerized and roll-on roll-off shipments.

### **CIP**

•Carriage and Insurance Paid To, named place or port of destination. This term is used for air or ocean containerized and roll-on roll-off shipments.

## **Arrival at Stated Destination**

### **DAF**

•Delivered at Frontier, named place of destination, by land, not unloaded. This term is used for any mode of transportation but must be delivered by land.

### **DES**

•Delivered Ex-Ship, named port of destination, not unloaded. This term is used for ocean shipments only.

### **DEQ**

•Delivered Ex-Quay, named place of destination, unloaded, not cleared. This term is used for ocean shipments only.

### **DDU**

•Delivered Duty Unpaid, named place of destination, not unloaded, not cleared. This term is used for any mode of transportation.

### **DDP**

•Delivered Duty Paid, named place of destination, not unloaded, cleared. This term is used for any mode of transportation.