

Incoterms® 2010

– improving your international trade

Defining obligations, costs and risks in delivery of goods.

The Incoterms® are a standard set of trade rules used worldwide in international and domestic contracts of sale. The rules define the obligations, costs and risks of sellers and buyers in connection with the delivery of goods.

Incoterms® 2010 comprises of 11 rules. Some rules can be used for sea and inland waterway transport only, whereas others can be used irrespective of the mode of transport.

Rules for any mode or modes of transport: EXW, FCA, CPT, CIP, DAT, DAP and DDP.

Rules for sea and inland water transport only: FAS, FOB, CFR and CIF.

The Incoterms® 2010 are published by the International Chamber of Commerce (ICC) and replace the Incoterms 2000.

Note: When trading under a documentary credit (DC), ensure that the terms of the DC correspond to the Incoterms® rule used.

Incoterms® 2010 rules can be grouped as follows:

The “E” rule – “departure” (EXW).

The seller’s obligation is limited to placing the goods at the disposal of the buyer at the seller’s premises or another named place.

The “F” rules – “main carriage not paid by the seller” (FCA, FAS and FOB).

The seller delivers the goods to the carrier at a place named by the buyer.

The “C” rules – “main carriage paid by the seller” (CPT, CIP, CFR and CIF).

The seller arranges for transportation, but does not bear the risk of loss or damage to the goods or any additional costs due to events occurring after the shipment.

The “D” rules – “arrival” (DAT, DAP and DDP).

The seller bears all necessary expenses and risks involved in transporting the goods to the named place of destination.

Incoterms® must be accompanied by a named place and a reference to the Incoterms, for example:
“EXW Strandgade 3, Copenhagen, Denmark Incoterms® 2010”

CONTACT

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FACTS

Nordea offers a full range of trade finance services and is the largest trade finance bank in the Nordic region. We offer trade finance services including collections, documentary credits and guarantees as well as related e-solutions.

Located in Denmark, Finland, Norway, Sweden, Germany, China, Estonia, Latvia, Lithuania, Russia, Singapore, the UK and USA.

Incoterms® 2010

Any mode or modes of transport		Seller	Buyer	
EXW	Ex Works EXW (place of delivery) Incoterms® 2010			The seller must deliver the goods by placing them at the disposal of the buyer at the agreed point.
FCA	Free Carrier FCA (place of delivery) Incoterms® 2010			The seller must deliver the goods to the carrier at the agreed point, at the named place on the agreed date or within the agreed period.
CPT	Carriage Paid to CPT (place of destination) Incoterms® 2010			The seller must deliver the goods by handing them over to the carrier contracted (seller contracts for carriage).
CIP	Carriage and Insurance Paid to CIP (place of destination) Incoterms® 2010			The seller must deliver the goods by handing them over to the carrier contracted (seller contracts for carriage and insurance).
DAT	Delivered at Terminal DAT (terminal at port or place of destination) Incoterms® 2010			The seller must unload the goods and must then deliver them by placing them at the disposal of the buyer at the named terminal.
DAP	Delivered at Place DAP (place of destination) Incoterms® 2010			The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.
DDP	Delivered Duty Paid DDP (place of delivery) Incoterms® 2010			The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.
Sea and inland water transport only				
FAS	Free Alongside Ship FAS (port of shipment) Incoterms® 2010			The seller must deliver the goods by placing them alongside the ship at the loading point at the named port of shipment.
FOB	Free on Board FOB (port of shipment) Incoterms® 2010			The seller must deliver the goods by placing them on board the vessel at the loading point at the named port of shipment.
CFR	Cost and Freight CFR (port of destination) Incoterms® 2010			The seller must deliver the goods by placing them on board the vessel (seller contracts for carriage).
CIF	Cost, Insurance and Freight CIF (port of destination) Incoterms® 2010			The seller must deliver the goods by placing them on board the vessel (seller contracts for carriage and insurance).

This chart should not be used alone, but e.g. together with the ICC Incoterms® 2010 Rule Book.

Ⓧ = delivery (the risk passed from the seller to the buyer at the delivery point)