

Contract of Sale Responsibilities

The following is an overview of how costs, risk and obligations are split between the seller and the buyer. These fall into two groups and are listed below in order of increasing risk/liability to the seller. It is always recommended that buyers and sellers contract precisely where delivery is made as this is commonly the point at which risk is transferred and who is responsible for what charges.



Rules for Sea and Inland Waterway Transport

FAS - Free Alongside Ship

Seller delivers when the goods are placed alongside the vessel nominated by the buyer at the named port of shipment. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

FOB - Free On Board

Seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment and bears risk until goods are on board the vessel. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

CFR - Cost and Freight

Seller delivers the goods on board the vessel and bears the risk until goods are on board the vessel. The seller contracts and pays cost of freight to the named port of destination. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

CIF - Cost, Insurance and Freight

Seller delivers the goods on board the vessel and bears the risk until goods are on board the vessel. The seller contracts and pays cost of freight to the named port of destination. The seller is required to clear the goods for export, if applicable, but not for import. The seller must obtain insurance to at least the named port of destination.



Further information is available from the International Chamber of Commerce (www.iccwbo.org). For further information, please contact Hazel Downes - Freight & Marine Manager e-mail: hd@peterlole.co.uk

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continued



Rules for Any Mode of Transportation

EXW - Ex Works

Seller delivers when the goods are placed at the disposal of the buyer at the seller's premises or other named place. The seller has no obligation either to load the goods or to clear them for export and has no obligation to insure.

FCA - Free Carrier

Seller delivers the goods to the carrier or other nominated person at the seller's premises or other named place. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

CPT - Carriage Paid To

Seller delivers the goods to the carrier or other nominated person at an agreed place and the seller contracts and pays the costs of carriage to the agreed destination. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

CIP - Carriage and Insurance Paid To

Seller delivers the goods to the carrier or other nominated person at an agreed place and contracts and pays the costs of carriage to the agreed destination. The seller contracts for insurance cover for loss and damage to the goods during carriage.

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 and bears all risks in bringing the goods to the named place. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

DPU - Delivered at Place Unloaded

Seller delivers when the goods are unloaded from the arriving transport and placed at the disposal of the buyer at the named place of destination and the seller bears all risks involved in transport and unloading. The seller is required to clear the goods for export, if applicable, but not for import and has no obligation to insure.

DDP - Delivered Duty Paid

Seller delivers the goods when placed at buyers disposal, already cleared for import on the arriving means of transport ready for unloading at named place of destination and bears all costs and risks to named place of destination. The seller is responsible for both export and import clearance, duties and taxes. The seller has no obligation to insure.



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