

E-group picked up	EXW	Ex Works (...named place)
F-group main carriage unpaid	FCA	Free Carrier (...named place)
	FAS	Free Alongside Ship (...named port of shipment)
	FOB	Free On Board (...named port of shipment)
C-group main carriage paid	CFR	Cost and Freight (...named port of destination)
	CIF	Cost, Insurance and Freight (...named port of destination)
	CPT	Carriage Paid To (...named place of destination)
	CIP	Carriage and Insurance Paid To (...named place of destination)
D-group Delivered	DAF	Delivered At Frontier (...named place)
	DES	Delivered Ex Ship (...named port of destination)
	DEQ	Delivered Ex Quay (...named port of destination)
	DDU	Delivered Duty Unpaid (...named place of destination)
	DDP	Delivered Duty Paid (...named place of destination)

What should you know when choosing the terms for delivery?

EXW – ex works. The seller fulfils his obligation to deliver when he has made the goods available at his premises. The buyer has to carry out all customs formalities and take care for unloading and loading of goods, if not otherwise agreed upon.

FCA – free carrier. The seller fulfils his obligation to deliver when he has handed over the goods to the carrier named by the buyer. FCA is a very up-to-date term (the era of container carriage). It enables to use all types of carriage, incl. railway and air transport.

FAS – free alongside ship. The seller fulfils his obligation to deliver when the goods have been placed alongside the vessel on the quay at the named port of shipment. This term is used only in maritime carriage.

FOB – free on board. The seller fulfils his obligation to deliver when the goods have passed over the ship's rail at the named port of shipment. This term is used only in waterway transport.

Today, ferries with horizontal loading facilities (roll on/roll off type, barges) are widely used, where the rail of the ship has no practical risk when determining the moment of handover. In the case of such ships, it is necessary to use the FCA term instead of FOB.

Professional seller tries to use FCA term instead of FOB, even if he has to carry goods to the port a long time before the arrival of the ship. Using the FCA term, risks and costs related to the goods go from the seller to the buyer when goods are in the hands of the carrier, i.e. brought to the port.

CFR – cost and freight. The seller's obligation is to conclude carriage contract to the port of destination, but the delivery is fulfilled and any additional costs and risks related to the goods, are transferred from the seller to the buyer when goods pass the ship's rail in the port of shipment. The same principle – the delivery takes place at the moment of loading are transferring to the carrier – must be remembered in the case of other delivery terms in group C. For example, the buyer has to submit the complaints regarding defects during transportation, to the carrier, not the seller. CFR is applicable only in waterway transportation.

CIF – cost, insurance and freight. The seller has the same obligation as under CFR but with the addition that he has to produce marine insurance for the benefit of the buyer, during the period of carriage to the port of destination.

CPT – carriage paid to... This is absolutely similar to CFR, with the only difference that this term can be used with all means of transportation.

CIP – carriage and insurance paid to... This is similar to the CIF term and it is applicable in the case of all means of transportation.

DAF – delivered at frontier. The seller fulfils his obligation to deliver when the goods have been made available, cleared for export, at the named point and place at the frontier, but before the customs border of the adjoining country. In order to apply the DAF term, there should be relevant conditions (terminal) for handing goods over from the seller to the buyer.

DES – ex ship. The seller fulfils his obligation to deliver when the goods have been made available to the buyer on board the ship uncleared for import at the named port of destination. Until then, the buyer has bears all costs and risks related to the goods. It is expedient for the buyer to apply for the usage of DES term from the buyer, instead of CIF, as then the buyer bears all responsibility for the goods, until the point of destination. At the same time, there is no reason to remarkably raise the contract sum. DES is used only on waterway transport.

DEQ – delivered ex quay. The seller fulfils his obligation to deliver when he has made the goods available to the buyer on the quay at the named port of destination, cleared for importation. This is the most buyer-centred of all terms used for waterway transport, as, in addition to bearing all risks, the seller also has to carry out all customs formalities. Incoterms 2000 amendment - customs formalities are now the obligation of the buyer.

DDU – delivered, duty unpaid. The seller fulfils his obligation to deliver when the goods have been made available at the named place in the country of the buyer. Until then, the seller has to bear all risks and costs related to the goods. The buyer's obligation is to carry out all customs formalities.

DDP – delivered, duty paid. This term differs from the above only by the fact that the seller is obliged to also carry out all customs formalities, when concluding this operation. Consequently, using this term, the price for sales contract is the highest.