

Incoterms Explained



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International Trade Made Simple

Incoterms (International Commercial Terms) are globally recognised rules published by the International Chamber of Commerce (ICC). They define the responsibilities of buyers and sellers for delivery, risk, and costs in international trade.

01	EXW – Ex Works	Seller’s Responsibility: Makes goods available at their premises. Buyer’s Responsibility: All transport, export/import clearance, and costs from seller’s door onwards.
02	FCA – Free Carrier	Seller: Delivers goods to a carrier or agreed location. Buyer: Takes responsibility from that point, including the main carriage.
03	CPT – Carriage Paid To	Seller: Pays for carriage to destination. Buyer: Assumes risk once goods are handed to the carrier.
04	CIP – Carriage and Insurance Paid To	Same as CPT, but the seller also provides insurance for the buyer’s benefit.
05	DAP – Delivered at Place	Seller: Delivers goods to agreed destination, ready for unloading. Buyer: Handles import clearance and duties.
06	DPU – Delivered at Place Unloaded	Seller: Delivers and unloads goods at destination. Buyer: Handles import clearance and duties.
07	DDP – Delivered Duty Paid	Seller: Handles everything – transport, duties, taxes – delivering goods ready for unloading. Buyer: Simply receives goods.



Why Incoterms Matter

-  Define who pays for what.
-  Clarify risk transfer points.
-  Avoid costly misunderstandings in global trade.

08	FAS – Free Alongside Ship
Seller: Places goods alongside the vessel at the port.	
Buyer: Responsible from that point onwards.	
09	FOB – Free On Board
Seller: Loads goods onto the vessel.	
Buyer: Takes responsibility once goods are on board.	
10	CFR – Cost and Freight
Seller: Pays for transport to destination port.	
Buyer: Assumes risk once goods are on board.	
11	CIF – Cost, Insurance and Freight
Same as CFR, but the seller also provides insurance for the buyer’s benefit.	





Contact Us

Need Help Choosing the Right Incoterm?

Our experts will guide you to the best option for your shipment, ensuring compliance and cost efficiency.

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