

# The Incoterms & Their Definitions

## Ex Works (EXW)

*This term states that pretty much everything is the responsibility of the buyer. The only obligation the seller has, is to make the goods available for collection.*

## Free on Board (FOB)

*This term states that there is a fairly even split in costs and responsibilities between the buyer and the seller.*

## Cost and Freight (CFR)

*This term states that the seller pays for everything up to the destination port, then the buyer is responsible.*

## Cost, Insurance and Freight (CIF)

*This term is exactly the same as CIF terms with one difference - the buyer will also include insurance in the cost.*

## Free Carrier (FCA)

*This term requires the seller to deliver the goods to a named location where the designated carrier operates.*

## Free Alongside Ship (FAS)

*This term states that the seller has to get the goods alongside the ship ready for loading.*

## Delivered at Terminal (DAT)

*This term states that the seller has to get the goods to a named port and unloaded.*

## Delivered Duty Paid (DDP)

*This term states that the buyer is responsible for everything - customs, taxes, delivery, transport - from door to door.*

