

# INCOTERMS 2010



**Incoterms® 2010**

by the International Chamber of Commerce (ICC)

## 1. What is Incoterms 2010?

**Incoterms 2010** is **International Commercial Terms** – a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) relating to international commercial law. They are widely used in international and local commercial transactions, procurement processes as the use in international sales is encouraged by trade councils, courts and international lawyers.

## **2. Incoterms 2010**

### **2.1 Incoterms 2010 Introduction**

- 2.1.a) Some notes on using Incoterms 2010
- 2.1.b) Some special points of Incoterms 2010

### **2.2 Some terms of Incoterms 2010**

- 2.2.a) Some terms are used for any modes or modes of transport
- 2.2.b) Some terms are used only for sea or inland waterway transport

## 2.1 Incoterms 2010 Introduction

### *2.1.a) Some notes on using Incoterms 2010*

1. **Showing the chosen term of Incoterms 2010 on the contract as below standard**

[Term **Place**, Incoterms 2010].

2. **Choosing the term of Incoterms 2010 correctly**

Read Incoterms 2010 carefully to choose the correct term we would like to use.



Microsoft Word  
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Foxit Reader PDF  
Document

## 2.1 Incoterms 2010 Introduction

### *2.1.a) Some notes on using Incoterms 2010*

#### **3. Showing place or port as details as possible**

Eg: “**EXW VNG LOG**, Incoterms 2010”

*Notes: For clear understanding, the detailed address should be shown right after the shipping term*

**EXW VNG LOG (D17 Le Thi Rieng Street, Thoi An Ward, District 12, HCMC, Viet Nam), Incoterms 2010**

#### **4. All terms of Incoterms 2010 can't be used to replace for the signed contract**

## 2.1 Incoterms 2010 Introduction

### *2.1.b) Some special points of Incoterms 2010*

#### 1. Incoterms 2010 has 2 groups

- *Terms are used for any modes or modes of transport: EXW, FCA, CPT, CIP, **DAT, DAP, DDP***
- *Terms are used only for sea or inland waterway transport: FAS, FOB, CFR, CIF*

## **2.1 Incoterms 2010 Introduction**

### *2.1.b) Some special points of Incoterms 2010*

#### **2. Can be used for international trade or local trade**

- Incoterms 2010 can be used for all oversea/ local contracts.

#### **3. User Manual**

- Each term has the detailed instruction for using.
- Explaining in details of each term to help user can read and choose the term correctly for each kind of contract.

## 2.1 Incoterms 2010 Introduction

### 2.1.b) Some special points of Incoterms 2010

4. Allocation of costs: Allocation of costs are shown on Incoterms 2010 at A6/B6.

	INCOTERMS® 2010 RULES CHART OF RESPONSIBILITY										
	Any Transport Mode		Sea/Inland Waterway Transport				Any Transport Mode				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
<b>Charges/Fees</b>	Ex Works	Free Carrier	Free Alongside Ship	Free On Board	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered at Terminal	Delivered at Place	Delivered Duty Paid
Packaging	Buyer or Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller*	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty & Taxes	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance						Seller		Seller			
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller
Import Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller



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This chart is designed to provide a basic level of understanding of Incoterms® 2010 Rules and Definitions. For a fuller explanation of the trade terms refer to the ITC website or visit [www.i-b-t.net/incoterms.asp](http://www.i-b-t.net/incoterms.asp).

\* Seller is responsible for loading charges, if the terms state FCA at seller's facility.  
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## 2.2 Some terms of Incoterms 2010

*2.2.a) Some terms are used for any modes or mode of transport*

1. **EXW**      **Ex Works** - Giao tại xưởng
2. **FCA**      **Free Carrier** - Giao cho người chuyên chở
3. **CPT**      **Carriage Paid To** - Cước phí trả tới
4. **CIP**      **Carriage & Insurance Paid To** - Cước phí và  
bảo hiểm trả tới
5. **DAT**      **Delivered At Terminal** - Giao tại bến
6. **DAP**      **Delivered At Place** - Giao tại nơi đến
7. **DDP**      **Delivered Duty Paid** - Giao hàng đã nộp thuế

## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

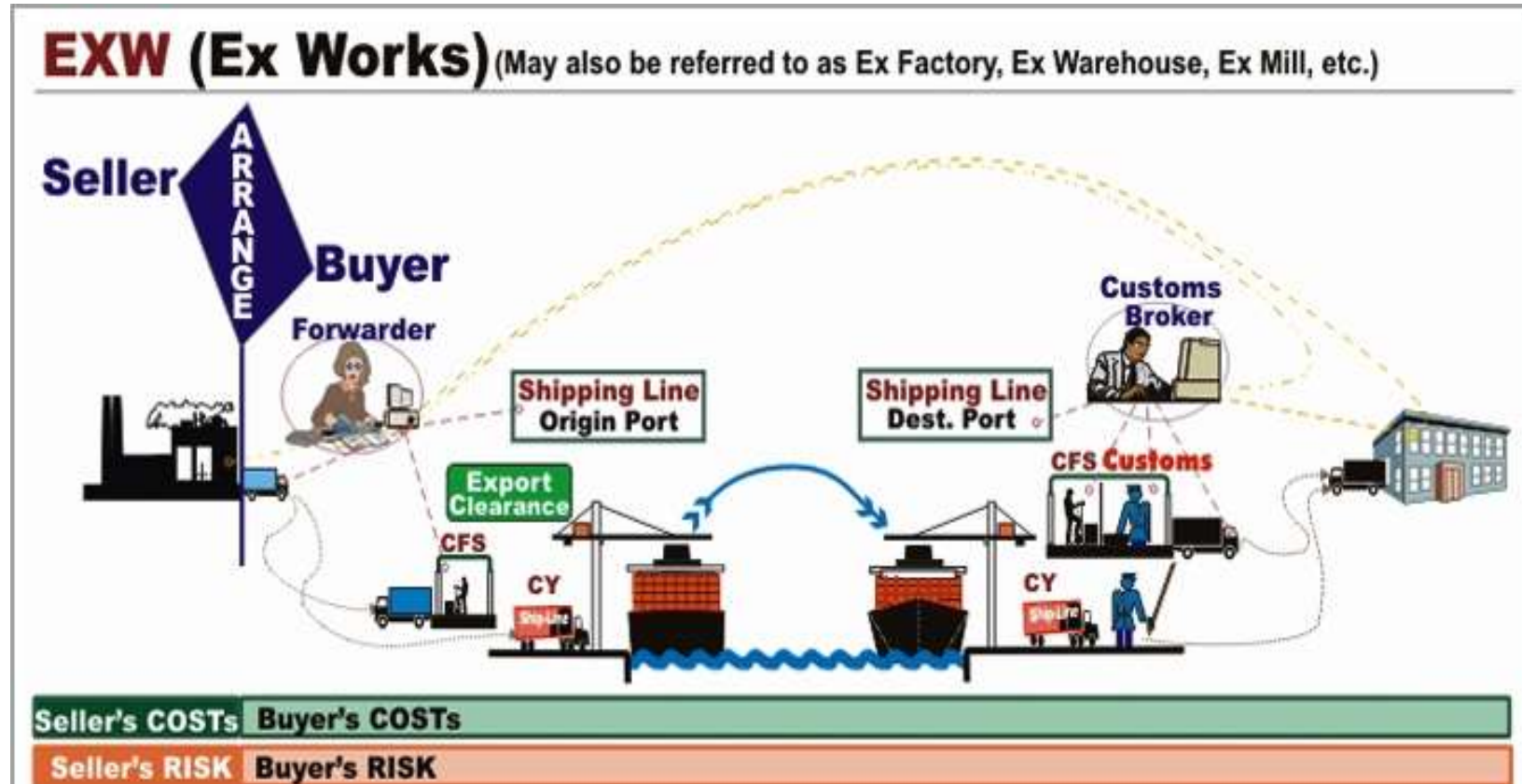
#### 2.2.1.1 EXW (named place of delivery)

- The buyer bears all costs and risks involved in taking the goods from the seller's premises to the desired destination.
- The seller's obligation is to make the goods available at his premises (works, factory, warehouse) as agreed on the contract.
- This term represents minimum obligation for the seller.
- This term can be used across all modes of transport.

## 2.2 Some terms of Incoterms 2010

### 2.2.a) Some terms are used for any modes or mode of transport

#### 2.2.1.1 EXW (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

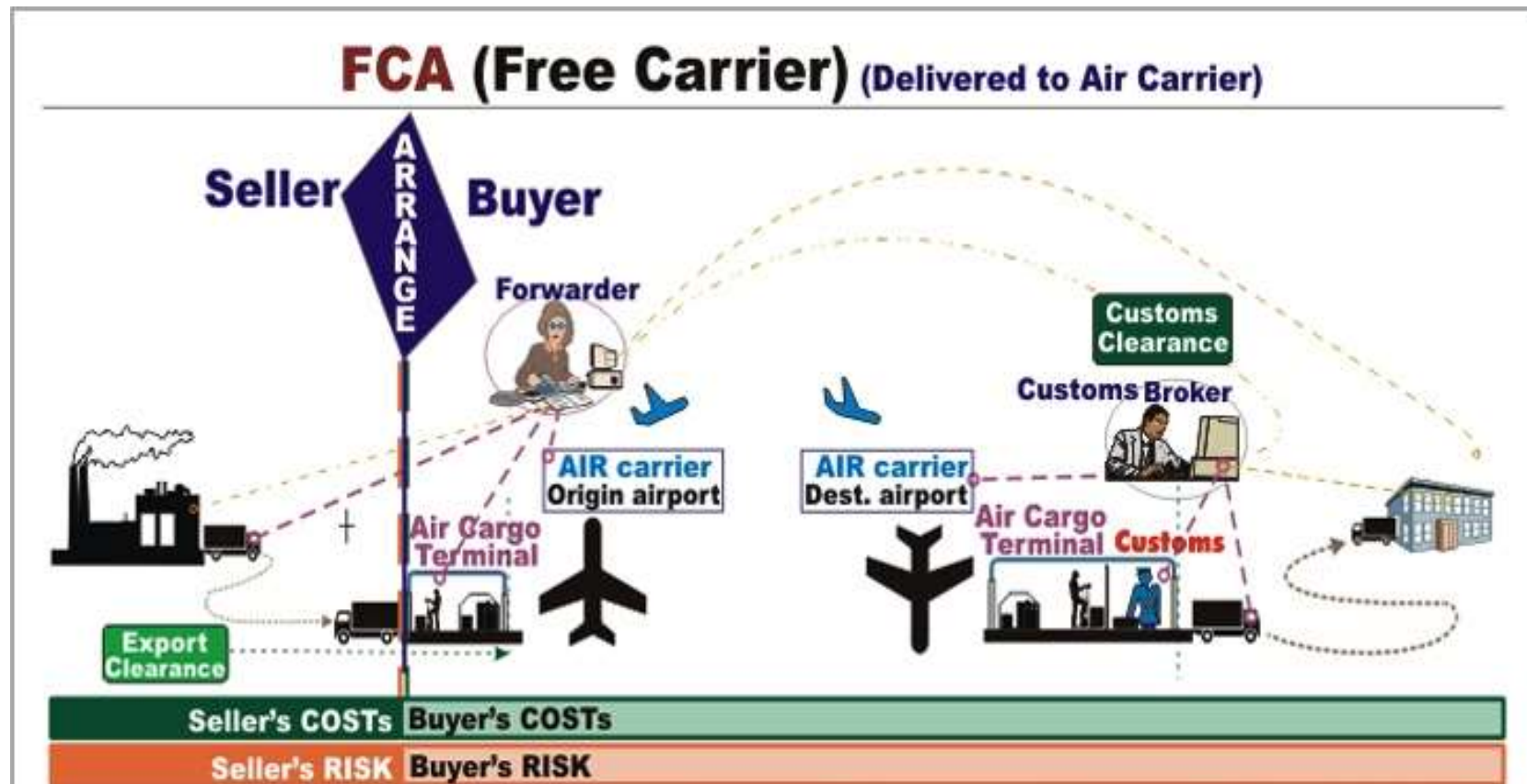
#### 2.2.1.2 FCA (named place of delivery)

- The seller's obligation is to hand over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point.
- If no precise point is indicated by the buyer, the seller may choose within the place where the carrier shall take the goods into his charge. When the seller's assistance is required in making the contract with the carrier, the seller may act at the buyers' risk and expenses.
- This term can be used across all modes of transport.

## 2.2 Some terms of Incoterms 2010

*2.2.a) Some terms are used for any modes or mode of transport*

2.2.1.2 FCA (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

#### 2.2.1.3 CPT (named place of delivery)

- The seller pays the freight for the carriage of goods to the named destination.
- The risk of loss or damage to the goods occurring after the delivery has been made to the carrier is transferred from the seller to the buyer.
- This term requires the seller to clear the goods for exports.
- This term can be used across all modes of transport.

## 2.2 Some terms of Incoterms 2010

*2.2.a) Some terms are used for any modes or mode of transport*

2.2.1.3 CPT (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

#### 2.2.1.4 CIP (named place of delivery)

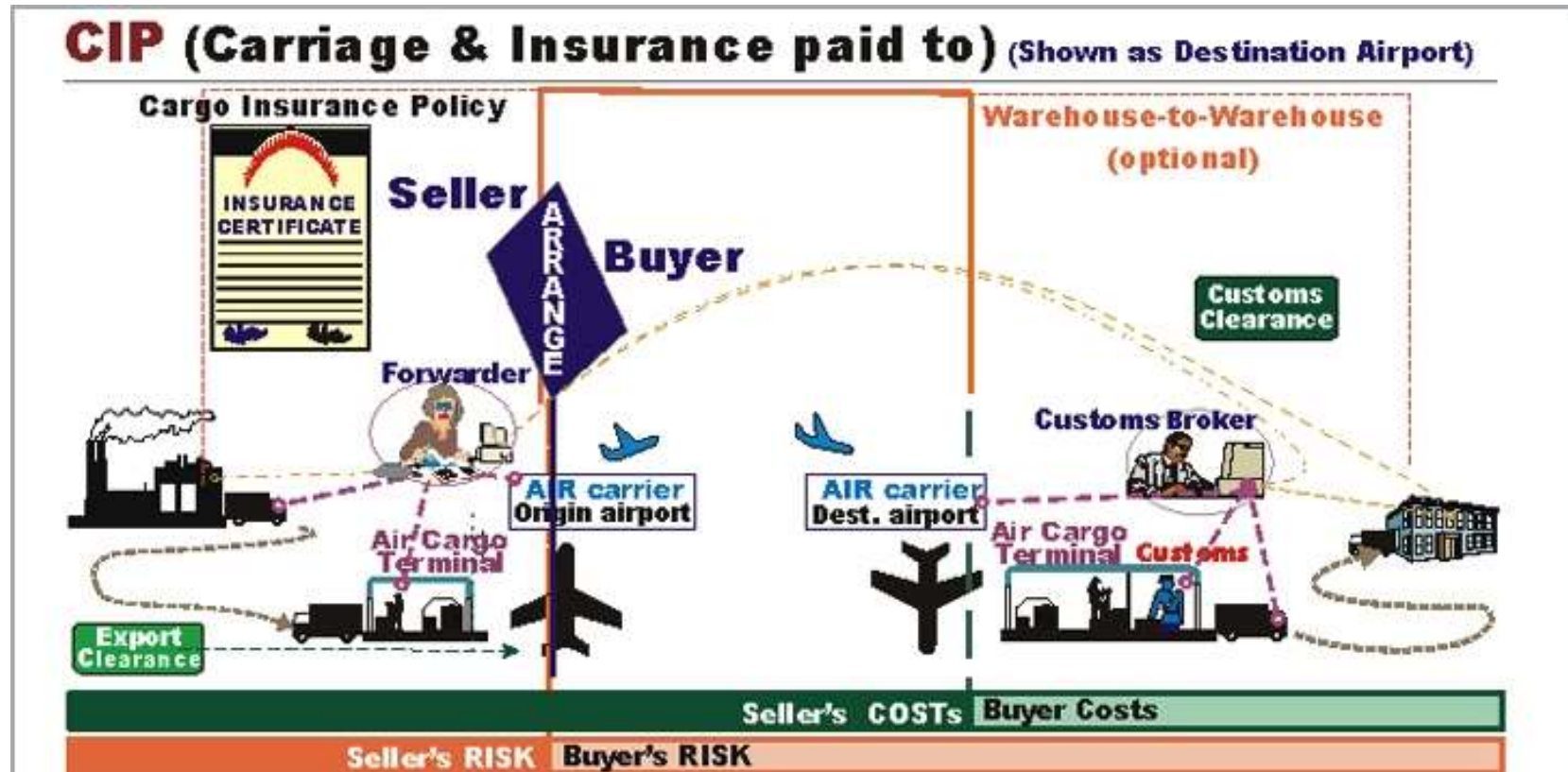
- The seller has the same obligations as under CPT but has the responsibility of obtaining insurance against the buyer's risk of loss or damage of goods during the carriage.
- The seller is required to clear the goods for export. However, is only required to obtain insurance on minimum coverage.
- This term can be used across all modes of transport.



## 2.2 Some terms of Incoterms 2010

*2.2.a) Some terms are used for any modes or mode of transport*

2.2.1.4 CIP (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

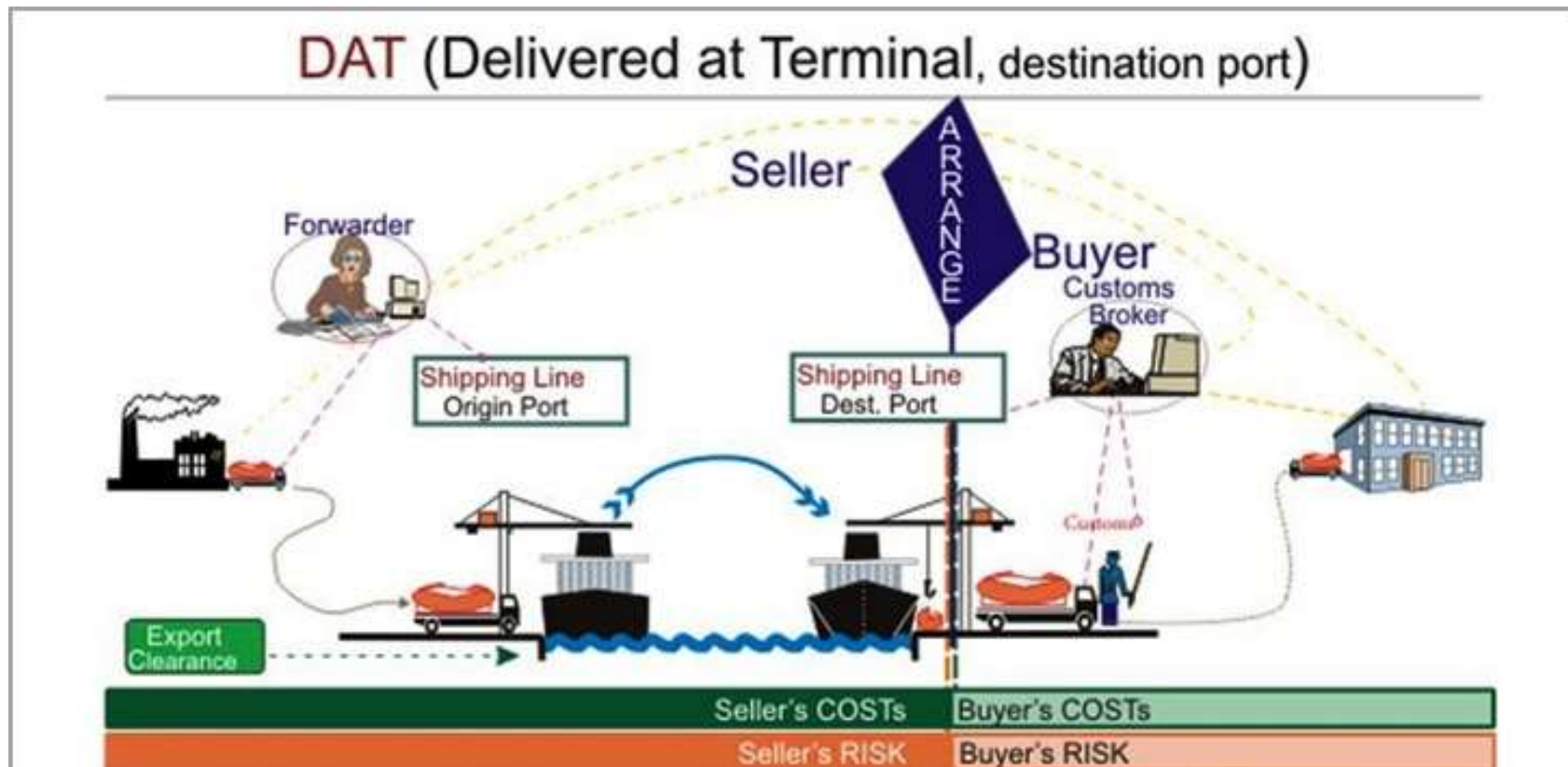
#### 2.2.1.5 DAT (named place of delivery)

- The seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination.
- "Terminal" includes quay, warehouse, container yard or road, rail or air terminal.
- Both parties should agree the terminal and if possible, a point within the terminal at which point the risks will transfer from the seller to the buyer of the goods.
- If it is intended that the seller is to bear all the costs and responsibilities from the terminal to another point, DAP or DDP may apply.

## 2.2 Some terms of Incoterms 2010

*2.2.a) Some terms are used for any modes or mode of transport*

2.2.1.5 DAT (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

#### 2.2.1.6 DAP (named place of delivery)

- The seller delivers the goods when they are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.
- The parties are advised to specify as clearly as possible the point within the agreed place of destination, because risks transfer at this point from seller to buyer.
- If the seller is responsible for clearing the goods, paying duties etc., at destination, consideration should be given to using the DDP term.

## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

#### 2.2.1.6 DAP (named place of delivery)

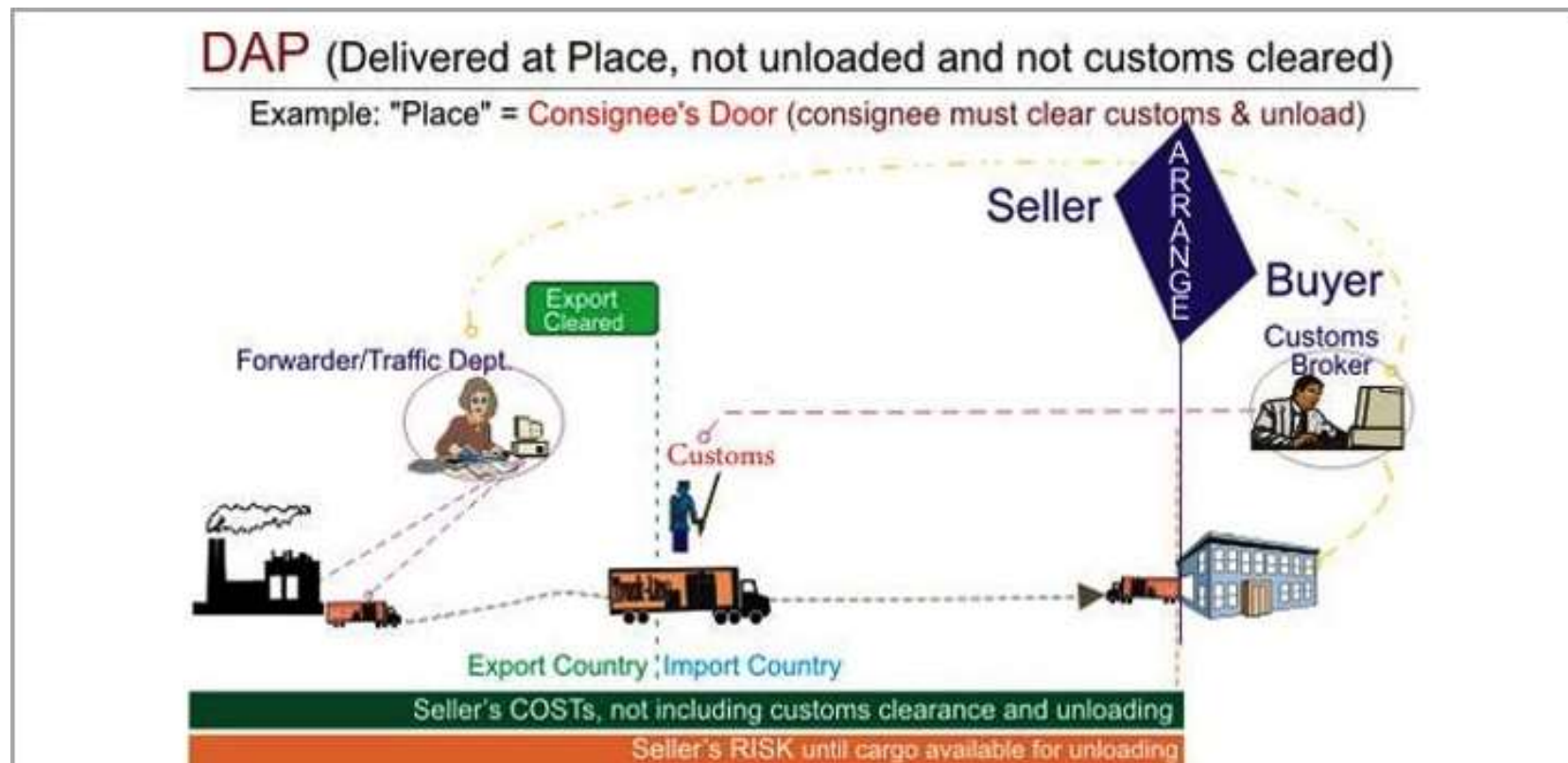
- Seller bears the responsibility and risks to deliver the goods to the named place.
- Seller is required to clear the goods for export.
- Importer is responsible for effecting import customs clearance, unloading and paying any customs duties at destination.

This term may be used for all transport modes.

## 2.2 Some terms of Incoterms 2010

### 2.2.a) Some terms are used for any modes or mode of transport

#### 2.2.1.6 DAP (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.a) Some terms are used for any modes or mode of transport*

#### 2.2.1.7 DDP (named place of delivery)

- The seller is responsible for delivering the goods to the named place in the country of importation, including all costs and risks in bringing the goods to import destination.
- This includes duties, taxes and customs formalities . (\*)
- $DDP = DAP + (*)$
- This term may be used any modes of transport.

## 2.2 Some terms of Incoterms 2010

### 2.2.a) Some terms are used for any modes or mode of transport

#### 2.2.1.7 DDP (named place of delivery)





## 2.2 Some terms of Incoterms 2010

*2.2.b) Some terms are used only for sea or inland waterway transport*

### 1.FAS

**Free Alongside Ship – Giao tại mạn tàu**

### 2.FOB

**Free On Board – Giao lên tàu**

### 3.CFR

**Cost and Freight – Tiền hàng và cước phí**

### 4.CIF

**Cost, Insurance and Freight – Tiền hàng, bảo hiểm và cước phí**

## 2.2 Some terms of Incoterms 2010

### *2.2.b) Some terms are used only for sea or inland waterway transport*

#### 2.2.2.1 FAS (named place of delivery)

- The seller has fulfilled his obligation when goods have been placed alongside the vessel nominated by the buyer at the named port of shipment. The buyer is responsible for all costs and risks of loss or damage to the goods from that moment.
- The seller is also required to clear the goods for export.
- This term should only be used for sea or inland waterway transport.

## 2.2 Some terms of Incoterms 2010

### 2.2.b) Some terms are used only for sea or inland waterway transport

#### 2.2.2.1 FAS (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.b) Some terms are used only for sea or inland waterway transport*

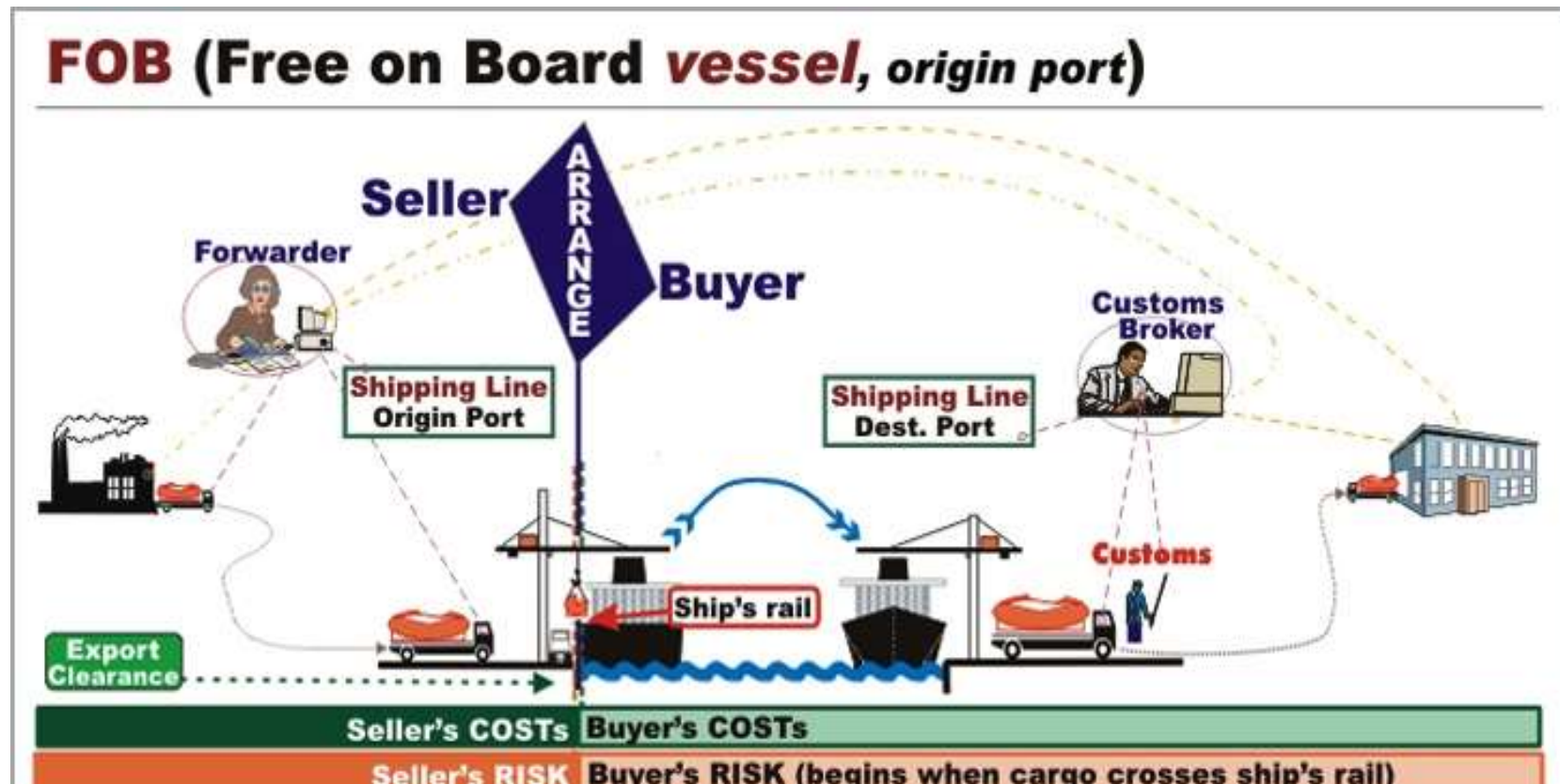
#### 2.2.2.2 FOB (named place of delivery)

- Once the goods have passed over the ship's rail and on board at the port of export, the buyer is responsible for all costs and risks of loss or damage to the goods from that point.
- The seller is required to clear the goods for export.
- This term should only be used for sea or inland waterway transport.

## 2.2 Some terms of Incoterms 2010

*2.2.b) Some terms are used only for sea or inland waterway transport*

2.2.2.2 FOB (named place of delivery)



## 2.2 Some terms of Incoterms 2010

### *2.2.b) Some terms are used only for sea or inland waterway transport*

#### 2.2.2.3 CFR (named place of delivery)

- The seller must pay the costs and freight required in bringing the goods to the named port of destination.
- The risk of loss or damage is transferred from seller to buyer when the goods pass over the ship's rail & on board at the port of shipment.
- The seller is required to clear the goods for export.
- This term should only be used for sea or inland waterway transport.

## 2.2 Some terms of Incoterms 2010

### 2.2.b) Some terms are used only for sea or inland waterway transport

#### 2.2.2.3 CFR (named place of delivery)

### CFR (Cost & Freight to destination port)



## 2.2 Some terms of Incoterms 2010

### *2.2.b) Some terms are used only for sea or inland waterway transport*

#### 2.2.2.3 CIF (named place of delivery)

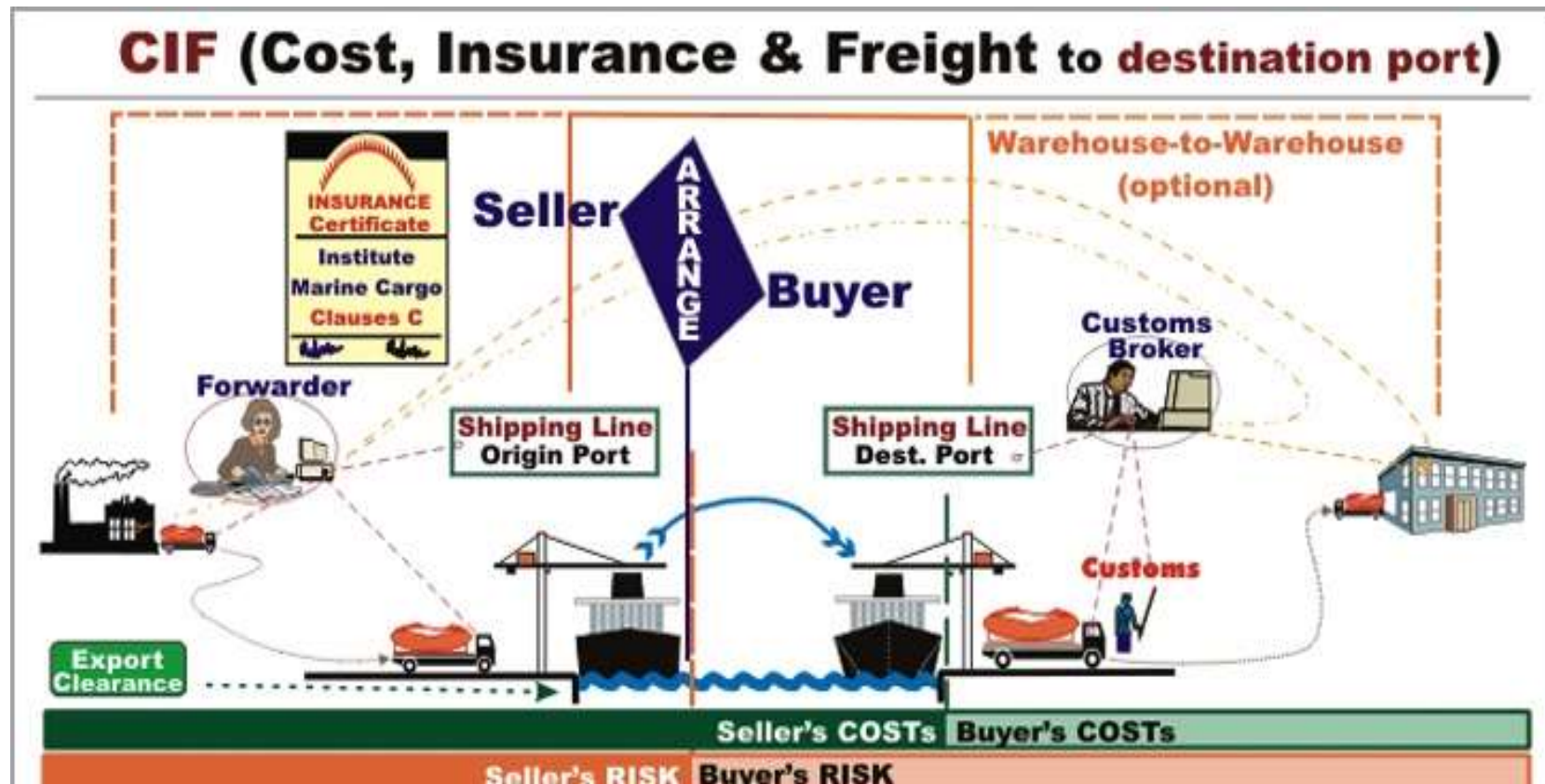
- The seller has the same obligations as under CFR however he is also required to provide insurance against the buyer's risk of loss or damage to the goods during transit.
- The seller is required to clear the goods for export.
- This term should only be used for sea or inland waterway transport.



## 2.2 Some terms of Incoterms 2010

*2.2.b) Some terms are used only for sea or inland waterway transport*

2.2.2.3 CIF (named place of delivery)





**THANK YOU**