



Unity Broker & Cargo Services Ltd.

一致報關貨運有限公司

The best services in Unity with everyone

## UNITY BROKER & CARGO SERVICES LTD

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# For Customers Informations

Subject : International Commercial Terms [ Incoterms<sup>®</sup> 2010 Rules ]  
Chart of Responsibility

The Incoterms<sup>®</sup> rules are an internationally recognized standard and are used worldwide in international and domestic contracts for the sale of goods. First published in 1936, Incoterms<sup>®</sup> rules provide internationally accepted definitions and rules of interpretation for most common commercial terms.

The rules have been developed and maintained by experts and practitioners brought together by ICC and have become the standard in international business rules setting. Launched in mid-September 2010, Incoterms<sup>®</sup> 2010 came into effect on 1 January 2011. They help traders avoid costly misunderstandings by clarifying the tasks, costs and risks involved in the delivery of goods from sellers to buyers. Incoterms<sup>®</sup> rules are recognized by UNCITRAL as the global standard for the interpretation of the most common terms in foreign trade.

Please note that all contracts made under INCOTERMS<sup>®</sup> 2000 remain valid even after 2011. Moreover, although we recommend using Incoterms<sup>®</sup> 2010 after 2011, parties to a contract for the sale of goods can agree to choose any version of the Incoterms rules after 2011. It is important however to clearly specify the chosen version INCOTERMS<sup>®</sup> 2010, INCOTERMS<sup>®</sup> 2000 or any earlier version

	Sea and Inland Waterway Transport				Any Mode or Modes of Transport						
	FAS	FOB	CFR	CIF	EXW	FCA	CPT	CIP	DAT	DAP	DDP
SERVICES Charges / Fees	Free Alongside Ship	Free On Board	Cost & Freight	Cost Insurance & Freight	Ex Works	Free Carrier	Carriage Paid To	Carriage Insurance Paid To	Delivered at Terminal	Delivered at Place	Delivered Duty Paid
Packaging	Seller	Seller	Seller	Seller	Buyer or Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty & Taxes	Seller	Seller	Seller	Seller	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Seller	Seller	Seller	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Seller	Seller	Buyer	Buyer	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

All transactions are subject to the company's standard trading conditions (copy is available upon request), Which in certain circumstances limit or exempt the company's liability

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## Sea and Inland Waterway Transport

The four rules defined by Incoterms 2010 for international trade where transportation is entirely conducted by water are:

### FAS – Free Alongside Ship (named port of shipment)

The seller must place the goods alongside the ship at the named port. The seller must clear the goods for export. Suitable only for maritime transport but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). This term is typically used for heavy-lift or bulk cargo.

### FOB – Free on Board (named port of shipment)

The seller must load the goods on board the vessel nominated by the buyer. Cost and risk are divided when the goods are actually on board of the vessel (this rule is new!). The seller must clear the goods for export. The term is applicable for maritime and inland waterway transport only but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). The buyer must instruct the seller the details of the vessel and the port where the goods are to be loaded, and there is no reference to, or provision for, the use of a carrier or forwarder. This term has been greatly misused over the last three decades ever since Incoterms 1980 explained that FCA should be used for container shipments.

### CFR – Cost and Freight (named port of destination)

Seller must pay the costs and freight to bring the goods to the port of destination. However, risk is transferred to the buyer once the goods are loaded on the vessel. Insurance for the goods is NOT included. This term is formerly known as CNF (C&F). Maritime transport only.

### CIF – Cost, Insurance and Freight (named port of destination)

Exactly the same as CFR except that the seller must in addition procure and pay for the insurance. Maritime transport only.

## Any Mode or Modes of Transport

The 7 rules defined by Incoterms 2010 for any mode(s) of transportation are:

### EXW – Ex Works (named place of delivery)

The seller makes the goods available at its premises. The buyer is responsible for unloading. This term places the maximum obligation on the buyer and minimum obligations on the seller. The Ex Works term is often used when making an initial quotation for the sale of goods without any costs included. EXW means that a seller has the goods ready for collection at his premises (works, factory, warehouse, plant) on the date agreed upon. The buyer pays all transportation costs and also bears the risks for bringing the goods to their final destination. The seller doesn't load the goods on collecting vehicles and doesn't clear them for export. If the seller does load the good, he does so at buyer's risk and cost. If parties wish seller to be responsible for the loading of the goods on departure and to bear the risk and all costs of such loading, this must be made clear by adding explicit wording to this effect in the contract of sale.

### FCA – Free Carrier (named place of delivery)

The seller hands over the goods, cleared for export, into the disposal of the first carrier (named by the buyer) at the named place. The buyer pays for carriage to the named point of delivery, and risk passes when the goods are handed over to the first carrier.

### CPT – Carriage Paid To (named place of destination)

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The seller pays for carriage. Risk transfers to buyer upon handing goods over to the first carrier at place of Import.

### **CIP – Carriage and Insurance Paid to (named place of destination)**

The containerized transport/multimodal equivalent of CIF. Seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier.

### **DAT – Delivered at Terminal (named terminal at port or place of destination)**

Seller pays for carriage to the terminal, except for costs related to import clearance, and assumes all risks up to the point that the goods are unloaded at the terminal.

### **DAP – Delivered at Place (named place of destination)**

Seller pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer.

### **DDP – Delivered Duty Paid (named place of destination)**

Seller is responsible for delivering the goods to the named place in the country of the buyer, and pays all costs in bringing the goods to the destination including import duties and taxes. The buyer is responsible for unloading. This term is often used in place of the non-Incoterms "Free In Store (FIS)". This term places the maximum obligations on the seller and minimum obligations on the buyer.

## Previous terms from Incoterms 2000 eliminated from Incoterms 2010

### **DAF – Delivered at Frontier (named place of delivery)**

This term can be used when the goods are transported by rail and road. The seller pays for transportation to the named place of delivery at the frontier. The buyer arranges for customs clearance and pays for transportation from the frontier to his factory. The passing of risk occurs at the frontier.

### **DES – Delivered Ex Ship (named port of delivery)**

Where goods are delivered ex ship, the passing of risk does not occur until the ship has arrived at the named port of destination and the goods made available for unloading to the buyer. The seller pays the same freight and insurance costs as he would under a CIF arrangement. Unlike CFR and CIF terms, the seller has agreed to bear not just cost, but also Risk and Title up to the arrival of the vessel at the named port. Costs for unloading the goods and any duties, taxes, etc... are for the Buyer. A commonly used term in shipping bulk commodities, such as coal, grain, dry chemicals ..... and where the seller either owns or has chartered, their own vessel.

### **DEQ – Delivered Ex Quay (named port of delivery)**

This is similar to DES, but the passing of risk does not occur until the goods have been unloaded at the port of destination.

### **DDU – Delivered Duty Unpaid (named place of destination)**

This term means that the seller delivers the goods to the buyer to the named place of destination in the contract of sale. The goods are not cleared for import or unloaded from any form of transport at the place of destination. The buyer is responsible for the costs and risks for the unloading, duty and any subsequent delivery beyond the place of destination. However, if the buyer wishes the seller to bear cost and risks associated with the import clearance, duty, unloading and subsequent delivery beyond the place of destination, then this all needs to be explicitly agreed upon in the contract of sale.

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