

2. UNIFORM TRADE TERMS

INCOTERMS 1953

International Rules for the Interpretation of Trade Terms ¹

Prepared by the International Chamber of Commerce (ICC, brochure 166)

EX WORKS

(ex factory, ex mill, ex plantation, ex warehouse, etc.)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
2. Place the goods at the disposal of the buyer at the time as provided in the contract, at the point of delivery named or which is usual for the delivery of such goods and for their loading on the conveyance to be provided by the buyer.
3. Provide at his own expense the packing, if any, that is necessary to enable the buyer to take delivery of the goods.
4. Give the buyer reasonable notice as to when the goods will be at his disposal.
5. Bear the cost of checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of placing the goods at the disposal of the buyer.
6. Bear all risks and expense of the goods until they have been placed at the disposal of the buyer at the time as provided in the contract, provided that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
7. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents which are issued in the country of delivery and/or of origin and which the buyer may require for the purposes of exportation and/or importation (and, where necessary, for their passage in transit through another country).

¹ The introduction to the Incoterms sets out the following definition of the Bill of Lading: "As used in these rules the term 'bill of lading' is a shipped bill of lading, issued by or on behalf of the carrier, and is evidence of a contract of carriage as well as proof of delivery of the goods on board the vessel."

A further explanation is added: "A bill of lading may be either freight prepaid or freight payable at destination. In the former case the document is usually not obtainable until freight has been paid."

At the end of the introduction a reference clause has been inserted: "Merchants wishing to use these rules should specify that their contracts will be governed by the provisions of 'Incoterms 1953'."

B. Buyer must:

1. Take delivery of the goods as soon as they are placed at his disposal at the place and at the time, as provided in the contract, and pay the price as provided in the contract.
2. Bear all charges and risks of the goods from the time when they have been so placed at his disposal, provided that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
3. Bear any customs duties and taxes that may be levied by reason of exportation.
4. Where he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the place of delivery, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed, provided that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
5. Pay all costs and charges incurred in obtaining the documents mentioned in article A.7, including the cost of certificates of origin, export licence and consular fees.

FOR—FOT

free on rail (named departure point)
free on truck (named departure point)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
 2. In the case of goods constituting either a wagon-load (carload, truckload) lot or a sufficient weight to obtain quantity rates for wagon loading, order in due time a wagon (car, truck) of suitable type and dimensions, equipped, where necessary, with tarpaulins, and load it at his own expense at the date or within the period fixed, the ordering of the wagon (car, truck) and the loading being carried out in accordance with the regulations of the dispatching station.
 3. In the case of a load less than either a wagon-load, (carload, truckload) or a sufficient weight to obtain quantity rates for wagon loading, deliver the goods into the custody of the railway either at the dispatching station or, where such facilities are included in the rate of freight, into a vehicle provided by the railway, at the date or within the period fixed, unless the regulations of the dispatching station shall require the seller to load the goods on the wagon (car, truck).
- Nevertheless, it shall be understood that if there are several stations at the point of departure, the seller may select the station which best suits his purpose, provided it customarily accepts goods for the destination nominated by the buyer, unless the buyer shall have reserved to himself the right to choose the dispatching station.
4. Subject to the provisions of article B.5 below, bear all costs and risks of the goods until such time as the wagon (car, truck) on which they are loaded shall have been delivered into the custody of the railway or, in the case provided for in article A.3,

until such time as the goods shall have been delivered into the custody of the railway.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the railway.

7. Give notice, without delay, to the buyer that the goods have been loaded or delivered into the custody of the railway.

8. At his own expense, provide the buyer, if customary, with the usual transport document.

9. Provide the buyer, at the latter's request and expense (see B.6), with the certificate of origin.

10. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining the documents issued in the country of dispatch and/or of origin which the buyer may require for purposes of exportation and/or importation (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Give the seller in time the necessary instructions for dispatch.

2. Take delivery of the goods from the time when they have been delivered into the custody of the railway and pay the price as provided in the contract.

3. Bear all costs and risks of the goods (including the cost, if any, of hiring tarpaulins) from the time when the wagon (car, truck) on which the goods are loaded shall have been delivered into the custody of the railway or, in the case provided for in article A.3, from the time when the goods shall have been delivered into the custody of the railway.

4. Bear any customs duties and taxes that may be levied by reason of exportation.

5. Where he shall have reserved to himself a period within which to give the seller instructions for dispatch and/or the right to choose the place of loading, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the time of expiration of the period fixed, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

6. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.9 and 10 above, including the cost of certificates of origin and consular fees.

FAS

free alongside ship (named port of shipment)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Deliver the goods alongside the vessel at the loading berth named by the buyer, at the named port of shipment, in the manner customary at the port, at the date or within the period stipulated, and notify the buyer, without delay, that the goods have been delivered alongside the vessel.

3. Render the buyer at the latter's request, risk and expense, every assistance in obtaining any export licence, or other governmental authorisation necessary for the export of the goods.

4. Subject to the provisions of articles B.3 and B.4 below, bear all costs and risks of the goods until such time as they shall have been effectively delivered alongside the vessel at the named port of shipment, including the costs of any formalities which he shall have to fulfil in order to deliver the goods alongside the vessel.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods alongside the vessel.

7. Provide at his own expense the customary clean document in proof of delivery of the goods alongside the named vessel.

8. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin.

9. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than that mentioned in article A.8, issued in the country of shipment and/or of origin (excluding a bill of lading and/or consular documents) and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Give the seller due notice of the name, loading berth of and delivery dates to the vessel.

2. Bear all the charges and risks of the goods from the time when they shall have been effectively delivered alongside the vessel at the named port of shipment, at the date or within the period stipulated, and pay the price as provided in the contract.

3. Bear any additional costs incurred because the vessel named by him shall have failed to arrive on time, or shall be unable to take the goods, or shall close for cargo earlier than the stipulated date, and all the risks of the goods from the time when the seller shall have placed them at the buyer's disposal, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Should he fail to name the vessel in time or, if he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the port of shipment, should he fail to give detailed instructions in time, bear any additional costs incurred because of such failure and all the risks of the goods from the date of expiration of the period stipulated for delivery, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.3, A.8 and A.9 above.

FOB

free on board (named port of shipment)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
2. Deliver the goods on board the vessel named by the buyer, at the named port of shipment, in the manner customary at the port, at the date or within the period stipulated, and notify the buyer, without delay, that the goods have been delivered on board the vessel.
3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.
4. Subject to the provisions of article B.3 and B.4 below, bear all costs and risks of the goods until such time as they shall have effectively passed the ship's rail at the named port of shipment, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.
5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.
6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods.
7. Provide at his own expense the customary clean document in proof of delivery of the goods on board the named vessel.
8. Provide the buyer, at the latter's request and expense (see B.6), with the certificate of origin.
9. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining a bill of lading and any documents, other than that mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. At his own expense, charter a vessel or reserve the necessary space on board a vessel and give the seller due notice of the name, loading berth of and delivery dates to the vessel.
2. Bear all costs and risks of the goods from the time when they shall have effectively passed the ship's rail at the named port of shipment, and pay the price as provided in the contract.
3. Bear any additional costs incurred because the vessel named by him shall have failed to arrive on the stipulated date or by the end of the period specified, or shall be unable to take the goods or shall close for cargo earlier than the stipulated date or the end of the period specified and all the risks of the goods from the date of expiration of the period stipulated, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Should he fail to name the vessel in time or, if he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the port of shipment, should he fail to give detailed instructions in time, bear any additional costs incurred because of such failure, and all the risks of the goods from the date of expiration of the period stipulated for delivery, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay any costs and charges for obtaining a bill of lading if incurred under article A.9 above.

6. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.8 and A.9 above, including the costs of certificates of origin and consular documents.

C & F

cost and freight (named port of destination)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Contract on usual terms at his own expense for the carriage of the goods to the agreed port of destination by the usual route, in a seagoing vessel (not being a sailing vessel) of the type normally used for the transport of goods of the contract description, and pay freight charges and any charges for unloading at the port of discharge which may be levied by regular shipping lines at the time and port of shipment.

3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.

4. Load the goods at his own expense on board the vessel at the port of shipment and at the date or within the period fixed or, if neither date nor time have been stipulated, within a reasonable time, and notify the buyer, without delay, that the goods have been loaded on board the vessel.

5. Subject to the provisions of article B.4 below, bear all risks of the goods until such time as they have effectively passed the ship's rail at the port of shipment.

6. At his own expense furnish to the buyer without delay a clean negotiable bill of lading for the agreed port of destination, as well as the invoice of the goods shipped. The bill of lading must cover the contract goods, be dated within the period agreed for shipment, and provide by endorsement or otherwise for delivery to the order of the buyer or buyer's agreed representative. Such bill of lading must be a full set of "on board" or "shipped" bills of lading, or a "received for shipment" bill of lading duly endorsed by the shipping company to the effect that the goods are on board, such endorsement to be dated within the period agreed for shipment. If the bill of lading contains a reference to the charter-party, the seller must also provide a copy of this latter document.

Note: A clean bill of lading is one which bears no superimposed clauses expressly declaring a defective condition of the goods or packaging.

The following clauses do not convert a clean into an unclean bill of lading:

(a) clauses which do not expressly state that the goods or packaging are unsatisfactory, e.g. "second-hand cases", "used drums", etc.; (b) clauses which emphasize

carrier's non-liability for risks arising through the nature of the goods or the packaging; (c) clauses which disclaim on the part of the carrier knowledge of contents, weight, measurement, quality, or technical specification of the goods.

7. Provide at his own expense the customary packaging of the goods, unless it is the custom of the trade to ship the goods unpacked.

8. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods.

9. Pay any dues and taxes incurred in respect of the goods up to the time of their loading, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

10. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin and the consular invoice.

11. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Accept the documents when tendered by the seller, if they are in conformity with the contract of sale, and pay the price as provided in the contract.

2. Receive the goods at the agreed port of destination and bear, with the exception of the freight, all costs and charges incurred in respect of the goods in the course of their transit by sea until their arrival at the port of destination, as well as unloading costs, including lighterage and wharfage charges, unless such costs and charges shall have been included in the freight or collected by the steamship company at the time freight was paid.

Note: If the goods are sold "C & F landed", unloading costs, including lighterage and wharfage charges, are borne by the seller.

3. Bear all risks of the goods from the time when they shall have effectively passed the ship's rail at the port of shipment.

4. In case he may have reserved to himself a period within which to have the goods shipped and/or the right to choose the port of destination, and he fails to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed for shipment, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay the costs and charges incurred in obtaining the certificate of origin and consular documents.

6. Pay all costs and charges incurred in obtaining the documents mentioned in article A.11 above.

7. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

8. Procure and provide at his own risk and expense any import licence or permit or the like which he may require for the importation of the goods at destination.

CIF

cost, insurance, freight (named port of destination)

A. *Seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Contract on usual terms at his own expense for the carriage of the goods to the agreed port of destination by the usual route, in a seagoing vessel (not being a sailing vessel) of the type normally used for the transport of goods of the contract description, and pay freight charges and any charges for unloading at the port of discharge which may be levied by regular shipping lines at the time and port of shipment.

3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.

4. Load the goods at his own expense on board the vessel at the port of shipment and the date or within the period fixed or, if neither date nor time have been stipulated, within a reasonable time, and notify the buyer, without delay, that the goods have been loaded on board the vessel.

5. Procure, at his own cost and in a transferable form, a policy of marine insurance against the risks of the carriage involved in the contract. The insurance shall be contracted with underwriters or insurance companies of good repute on FPA terms as listed in the Appendix¹ and shall cover the CIF price plus ten per cent. The insurance shall be provided in the currency of the contract, if procurable.²

Unless otherwise agreed, the risks of carriage shall not include special risks that are covered in specific trades or against which the buyer may wish individual protection. Among the special risks that should be considered and agreed upon between seller and buyer are theft, pilferage, leakage, breakage, chipping, sweat, contact with other cargoes and others peculiar to any particular trade.

When required by the buyer, the seller shall provide, at the buyer's expense, war risk insurance in the currency of the contract, if procurable.

6. Subject to the provisions of article B.4 below, bear all risks of the goods until such time as they shall have effectively passed the ship's rail at the port of shipment.

7. At his own expense furnish to the buyer without delay a clean negotiable bill of lading for the agreed port of destination, as well as the invoice of the goods shipped and the insurance policy or, should the insurance policy not be available at the time the documents are tendered, a certificate of insurance issued under the

¹ The insurance conditions listed in Part I of the Appendix have been drawn up in consultation with the International Union of Marine Insurance as giving essential guarantees which are, in business practice, equivalent to each other.

Part II of the Appendix contains, as an example, the full wording of one of the insurance conditions listed in Part I, namely, "Institute Cargo Clauses (FPA)" dated 11.2.46.

² CIF A. 5 provides for the minimum terms (FPA) and period of insurance (warehouse to warehouse), as listed in Part I of the Appendix. Attention is invited to paragraphs 4-7 of the Introduction. The basis of "Incoterms 1953" is that, in matters on which there are major differences of practice, it provides that the contract-price will include minimum liabilities for the seller. Whenever the buyer wishes more than the minimum liability to be included in the contract, then he should take care to specify that the basis of the contract is to be "Incoterms 1953" with whatever addition he requires. For instance, if he requires WA insurance instead of FPA insurance, the contract may specify "Incoterms 1953 CIF with WA insurance".

authority of the underwriters and conveying to the bearer the same rights as if he were in possession of the policy and reproducing the essential provisions thereof. The bill of lading must cover the contract goods, be dated within the period agreed for shipment, and provide by endorsement or otherwise for delivery to the order of the buyer or buyer's agreed representative. Such bill of lading must be a full set of "on board" or "shipped" bills of lading, or a "received for shipment" bill of lading duly endorsed by the shipping company to the effect that the goods are on board, such endorsement to be dated within the period agreed for shipment. If the bill of lading contains a reference to the charter-party, the seller must also provide a copy of this latter document.

Note: A clean bill of lading is one which bears no superimposed clauses expressly declaring a defective condition of the goods or packaging.

The following clauses do not convert a clean into an unclean bill of lading:

(a) clauses which do not expressly state that the goods or packaging are unsatisfactory, e.g. "second-hand cases", "used drums", etc.; (b) clauses which emphasize the carrier's non-liability for risks arising through the nature of the goods or the packaging; (c) clauses which disclaim on the part of the carrier knowledge of contents, weight, measurement, quality, or technical specification of the goods.

8. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

9. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods.

10. Pay any dues and taxes incurred in respect of the goods up to the time of their loading, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

11. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin and the consular invoice.

12. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Accept the documents when tendered by the seller, if they are in conformity with the contract of sale, and pay the price as provided in the contract.

2. Receive the goods at the agreed port of destination and bear, with the exception of the freight and marine insurance, all costs and charges incurred in respect of the goods in the course of their transit by sea until their arrival at the port of destination, as well as unloading costs, including lighterage and wharfage charges, unless such costs and charges shall have been included in the freight or collected by the steamship company at the time freight was paid.

If war insurance is provided, it shall be at the expense of the buyer (see A.5).

Note: If the goods are sold "CIF landed", unloading costs, including lighterage and wharfage charges, are borne by the seller.

3. Bear all risks of the goods from the time when they shall have effectively passed the ship's rail at the port of shipment.

4. In case he may have reserved to himself a period within which to have the goods shipped and/or the right to choose the port of destination, and he fails to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed for shipment, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay the costs and charges incurred in obtaining the certificate of origin and consular documents.

6. Pay all costs and charges incurred in obtaining the documents mentioned in article A.12 above.

7. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

8. Procure and provide at his own risk and expense any import licence or permit or the like which he may require for the importation of the goods at destination.

APPENDICES

I. Insurance conditions

II. Institute Cargo Clauses (FPA)

(Appendices not reproduced; see pages 40-45 of the ICC brochure on Incoterms 1953.)

FREIGHT OR CARRIAGE PAID TO...

..... (named point of destination)
[Inland Transport only¹]

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Forward the goods at his own expense, at the date or within the period fixed, to the agreed delivery point at the place of destination. If the delivery point is not agreed or is not determined by custom, the seller may select the delivery point at the place of destination which best suits his purpose.

3. Subject to the provisions of article B.3 below, bear all risks of the goods until they shall have been delivered into the custody of the first carrier, at the time as provided in the contract.

4. Give notice, without delay, to the buyer that the goods have been delivered into the custody of the first carrier.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the first carrier.

¹ Includes all trade, national and international, by road, rail and inland waterways.

7. At his own expense, provide the buyer, if customary, with the usual transport document.

8. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods, and pay any dues and taxes incurred in respect of the goods in the country of dispatch, including any export duties, as well as the costs of any formalities he shall have to fulfil in order to load the goods.

9. Provide the buyer, at the latter's request and expense (see B.4), with the certificate of origin and consular invoice.

10. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of loading and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Take delivery of the goods at the delivery point at the place of destination and pay the price as provided in the contract, and bear all charges from the time of the arrival of the goods at the delivery point.

2. Bear all risks of the goods from the time when they shall have been delivered into the custody of the first carrier in accordance with article A.3.

3. Where he shall have reserved to himself a period within which to have the goods forwarded to him and/or the right to choose the point of destination, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of expiration of the period fixed, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.9 and 10 above, including the cost of certificates of origin and consular fees.

5. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

EX SHIP...

(named port of destination)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Place the goods effectively at the disposal of the buyer, at the time as provided in the contract, on board the vessel at the usual unloading point in the named port, in such a way as to enable them to be removed from the vessel by unloading equipment appropriate to the nature of the goods.

3. Bear all risks and expense of the goods until such time as they shall have been effectively placed at the disposal of the buyer in accordance with article A.2, provided, however, that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

5. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of placing the goods at the disposal of the buyer in accordance with article A.2.

6. At his own expense, notify the buyer, without delay, of the expected date of arrival of the named vessel, and provide him in due time with the bill of lading or delivery order and/or any other documents which may be necessary to enable the buyer to take delivery of the goods.

7. Provide the buyer, at the latter's request and expense (see B.3), with the certificate of origin and the consular invoice.

8. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous articles, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and where necessary, for their passage in transit through another country).

B. Buyer must:

1. Take delivery of the goods as soon as they have been placed at his disposal in accordance with the provisions of article A.2, and pay the price as provided in the contract.

2. Bear all risks and expense of the goods from the time when they shall have been effectively placed at his disposal in accordance with article A.2, provided always that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

3. Bear all expenses and charges incurred by the seller in obtaining any of the documents referred to in articles A.7 and 8.

4. At his own risk and expense, procure all licences or similar documents which may be required for the purpose of unloading and/or importing the goods.

5. Bear all expenses and charges of customs duties and clearance, and all other duties and taxes payable at the time or by reason of the unloading and/or importing of the goods.

EX QUAY (duty paid)

... (named port) ¹

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

¹ Ex Quay (duties on buyer's account).

There are two "Ex Quay" contracts in use, namely Ex Quay (duty paid) which has been defined above and Ex Quay (duties on buyer's account) in which the liabilities specified in A.3 above are to be met by the buyer instead of by the seller.

Parties are recommended always to use the full descriptions of these terms, namely Ex Quay (duty paid) or Ex Quay (duties on buyer's account), or else there may be uncertainty as to who is to be responsible for the liabilities specified in A.3 above.

2. Place the goods at the disposal of the buyer on the wharf or quay at the agreed port and at the time, as provided in the contract.

3. At his own risk and expense, provide the import licence and bear the cost of any import duties or taxes, including the costs of customs clearance, as well as any other taxes, fees or charges payable at the time or by reason of importation of the goods and their delivery to the buyer.

4. At his own expense, provide for customary conditioning and packing of the goods, regard being had to their nature and to their delivery from the quay.

5. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of placing the goods at the disposal of the buyer in accordance with article A.2.

6. Bear all risks and expense of the goods until such time as they shall have been effectively placed at the disposal of the buyer in accordance with article A.2, provided, however, that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

7. At his own expense, provide the delivery order and/or any other documents which the buyer may require in order to take delivery of the goods and to remove them from the quay.

B. Buyer must:

1. Take delivery of the goods as soon as they have been placed at his disposal in accordance with article A.2, and pay the price as provided in the contract.

2. Bear all expense and risks of the goods from the time when they shall have been effectively placed at his disposal in accordance with article A.2, provided always that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

INTERNATIONAL RULES FOR THE INTERPRETATION OF THE TERMS:

- I. "Delivered at frontier... (named place of delivery at frontier)"
- II. "Delivered... (named place of destination in the country of importation) duty paid"

Prepared by the International Chamber of Commerce (ICC, brochure "dp")

I. "DELIVERED AT FRONTIER... (named place of delivery at frontier)"*

A. *The seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be stipulated in the contract of sale.

2. At his own risk and expense:

(a) Put the contract goods at the disposal of the buyer at the named place of delivery at the frontier on the date or within the period stipulated in the contract of sale, and at the same time supply the buyer with a customary document of transport, warehouse warrant, dock warrant, delivery order, or the like, as the case may be, providing by endorsement or otherwise for the delivery of the goods to the buyer or to his order at the named place of delivery at the frontier, and also with an export licence and such other documents, if any, as may be strictly required at that time and place for the purpose of enabling the buyer to take delivery of the goods for their subsequent movement, as provided in Articles B.1 and 2.

The goods so put at the disposal of the buyer must be clearly set aside or otherwise identified as the contract goods.

(b) Comply with all formalities he may have to fulfil for these purposes, and pay any Customs fees and charges, internal taxes, excise duties, statistical taxes, and so on, levied in the country of dispatch or elsewhere, which he may have to incur in discharge of his duties up to the time when he puts the goods at the disposal of the buyer in accordance with Article A.2 (a).

3. Bear all the risks of the goods up to the time when he has fulfilled his obligations under Article A.2 (a).

4. Procure, at his own risk and expense, in addition to the documents contemplated in Article A.2 (a), any exchange control authorisation or other similar administrative document required for the purpose of clearing the goods for exportation at the named place of delivery at the frontier and any other documents he may require for the purposes of dispatching the goods to that place, passing them in transit through one or more third countries (if need be), and putting them at the disposal of the buyer in accordance with these Rules.

* To avoid misunderstandings, it is recommended that parties contracting according to this trade term should qualify the word "frontier" by indicating the two countries separated by that frontier, and also the named place of delivery. For example: "Delivered at Franco-Italian frontier (Modane)."

5. Contract on usual terms, at his own risk and expense, for the transport of the goods (including their passage in transit through one or more third countries, if necessary) to the named place of delivery at the frontier, bear and pay the freight or other costs of transport to that place, and also, subject to the provisions of Articles A.6 and 7, any other expenses of or incidental to any movement whatsoever of the goods up to the time when they are duly put at the disposal of the buyer at that place.

Nevertheless, the seller shall, subject to the provisions of Articles A.6 and 7 and at his own risk and expense, be at liberty to use his own means of transport, provided that in the exercise of such liberty he shall perform all his other duties under these Rules.

If no particular point (station, pier, quay, wharf, warehouse, or as the case may be) at the named place of delivery at the frontier is stipulated in the contract of sale or prescribed by the regulations of the Customs or other competent authority concerned, or by the regulations of the public carrier, the seller may, if there are several points to choose from, select the point which suits him best, provided it offers such Customs and other proper facilities as may be necessary to enable the parties to perform their respective duties under these Rules.* The point so chosen by the seller must be notified to the buyer,** and thereupon that point shall be deemed for the purposes of these Rules to be the point at the named place of delivery at which the goods shall be put at the disposal of the buyer and the risks of the goods shall pass.

6. Provide the buyer, at the buyer's request and risk, with a through document of transport normally procurable in the country of dispatch covering on usual terms the transport of the goods from the point of departure in that country to the point of final destination in the country of importation named by the buyer, provided that in so doing the seller shall not be deemed to assume any duty or to incur any risks or expenses other than those he would normally be called upon to incur, perform, bear and pay under these Rules.

7. If it is necessary or customary for the goods to be unloaded, discharged or landed on their arrival at the named place of delivery at the frontier, bear and pay the expenses of such operations (including lightering and handling charges).

If the seller elects to use his own means of transport for sending the goods to the named place of delivery then, in such case, he shall bear and pay all the expenses of or incidental to the necessary or customary operations contemplated in the last preceding paragraph.

8. Notify the buyer at seller's expense that the goods have been dispatched to the named place of delivery at the frontier. Such notice must be given in sufficient time to allow the buyer to take such measures as are normally necessary to enable him to take delivery of the goods.***

* If at the named place of delivery at the frontier there are two customs-posts of different nationalities, it is recommended that the parties should either stipulate which one has been agreed upon, or leave the choice to the seller.

** See Article A.8, footnote.

*** Such notice may be served by the seller upon the buyer by sending it through the post by air mail, and addressed to the buyer at his place of business given in the contract of sale. But if the goods have been dispatched by air, or if the distance between the point of departure in the country of dispatch and the named place of delivery at the frontier is short, or if the business addresses of the seller and the buyer are so far apart as to be likely to cause undue delay in the delivery of notice sent through the post then, in any such case, the seller shall be bound to give such notice to the buyer by sending the same by cable, telegram or telex.

9. Provide, at his own expense, packaging customary for the transport of goods of the contract description to the named place of delivery, unless it is the usage of the particular trade to dispatch goods of the contract description unpacked.

10. Bear and pay the expenses of or incidental to any checking operation, such as measuring, weighing, counting or analysing of quality, which may be necessary to enable him to transport the goods to the named place of delivery at the frontier and to put them at the disposal of the buyer at that place.

11. Bear and pay in addition to any expenses to be borne and paid by the seller in accordance with the preceding Articles, any other expenses of or incidental to the performance of the seller's duty to put the goods at the disposal of the buyer at the named place of delivery at the frontier.

12. Render to the buyer, at buyer's request, risk and expense, a reasonable amount of assistance in obtaining any documents other than those already mentioned, which may be obtainable in the country of dispatch or of origin, or in both countries, and which the buyer may require for the purposes contemplated in Articles B.2 and 6.

B. The buyer must:

1. Take delivery of the goods as soon as the seller has duly put them at his disposal at the named place of delivery at the frontier, and be responsible for handling all subsequent movements of the goods.

2. Comply at his own expense with any Customs and other formalities that may have to be fulfilled at the named place of delivery at the frontier, or elsewhere, and pay any duties that may be payable at the time or by reason of the entry of the goods into the adjoining country or of any other movement of the goods subsequent to the time when they have been duly put at his disposal.

3. Bear and pay the expenses of or incidental to unloading, discharging or landing the goods on their arrival at the named place of delivery at the frontier, in so far as such expenses are not payable by the seller in accordance with the provisions of Article A.7.

4. Bear all the risks of the goods and pay any expenses whatsoever incurred in respect thereof including Customs duties, fees and charges from the time when they have been duly put at his disposal at the named place of delivery at the frontier.

5. If he fails to take delivery of the goods as soon as they have been duly put at his disposal, bear all the risks of the goods and pay any additional expenses incurred, whether by the seller or by the buyer, because of such failure, provided that the goods shall have been clearly set aside or otherwise identified as the contract goods.

6. Procure, at his own risk and expense, any import licence, exchange control authorisation, permits or other documents issued in the country of importation, or elsewhere, that he may require in connection with any movement of the goods subsequent to the time when they have been duly put at his disposal at the named place of delivery at the frontier.

7. Bear and pay any additional expenses which the seller may have to incur for the purpose of obtaining a through document of transport in accordance with Article A.6.

8. At seller's request and at buyer's expense, place such import licence, exchange control authorisation, permits and other documents, or certified copies thereof, at the disposal of the seller for the limited purpose of obtaining the through document of transport contemplated in Article A.6.

9. Supply the seller, at his request, with the address of the final destination of the goods in the country of importation, if the seller requires such information for the purpose of applying for such licences and other documents as are contemplated in Articles A.4 and A.6.

10. Bear and pay the expenses incurred by the seller in providing the buyer with any expert third-party certificate of conformity of the goods stipulated in the contract of sale.

11. Bear and pay any expenses the seller may incur in or about his endeavours to assist the buyer in obtaining any of the documents contemplated in Article A.12.

II. "DELIVERED... (named place of destination in the country of importation)
duty paid"

A. *The seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be stipulated in the contract of sale.

2. At his own risk and expense:

(a) Put the contract goods at the disposal of the buyer, duty paid, at the named place of destination in the country of importation on the date or within the period stipulated in the contract of sale, and at the same time supply the buyer with a customary document of transport, warehouse warrant, dock warrant, delivery order, or the like, as the case may be, providing by endorsement or otherwise for the delivery of the goods to the buyer or to his order at the named place of destination in the country of importation and also with such other documents, if any, as may be strictly required at that time and place for the purpose of enabling the buyer to take delivery of the goods, as provided in Article B.1.

The goods so put at the disposal of the buyer must be clearly set aside or otherwise identified as the contract goods.

(b) Provide the import licence or permit and bear the cost of any import duties or taxes, including the cost of Customs clearance, as well as any other taxes, fees or charges payable at the named place of destination at the time of the importation of the goods, so far as such payments are necessary for the purpose of enabling the seller to put the goods duty paid at the disposal of the buyer at that place.

(c) Comply with all formalities he may have to fulfil for these purposes.

3. Bear all the risks of the goods up to the time when he has fulfilled his obligations under Article A.2 (a).

4. Procure at his own risk and expense, in addition to the documents contemplated in Article A.2 (a), any export licence or permit, exchange control authorisation, certificates, consular invoice and other documents issued by the public authorities concerned, which he may require for the purposes of dispatching the goods, exporting them from the country of dispatch, passing them in transit through one or more third countries (if necessary), importing them into the country of the named place of destination, and putting them at the disposal of the buyer at that place.

5. Contract on usual terms, at his own risk and expense, for the transport of the goods from the point of departure in the country of dispatch to the named place of destination, bear and pay the freight or other costs of transport to that place, and also, subject to the provisions of Article A.6, any other expenses of or incidental to any movement whatsoever of the goods up to the time when they are duly put at the disposal of the buyer at the named place of destination.

Nevertheless, the seller shall, at his own risk and expense, be at liberty to use his own means of transport, provided that in the exercise of such liberty he shall perform all his other duties under these Rules.

If no particular point (station, pier, quay, wharf, warehouse, or as the case may be) at the named place of destination in the country of importation is stipulated in the contract of sale or prescribed by the regulations of the Customs or other competent authority concerned, or by the regulations of the public carrier, the seller may, if there are several points to choose from, select the point which suits him best, provided it offers such Customs and other proper facilities as may be necessary to enable the parties to perform their respective duties under these Rules. The point so chosen by the seller must be notified to the buyer,* and thereupon that point shall be deemed for the purposes of these Rules to be the point at the named place of destination at which the goods shall be put at the disposal of the buyer and the risks of the goods shall pass.

6. If it is necessary or customary for the goods to be unloaded, discharged or landed on their arrival at the named place of destination for the purpose of putting them duty paid at the disposal of the buyer at that place, bear and pay the expenses of such operations, including any lightering, wharfing, warehousing and handling charges.

7. Notify the buyer, at seller's expense, that the goods have been placed in the custody of the first carrier for dispatch to the named place of destination, or that they have been dispatched to that destination by the seller's own means of transport, as the case may be. Any such notice must be given in sufficient time to allow the buyer to take such measures as are normally necessary for the purpose of enabling him to take delivery of the goods.**

8. Provide, at his own expense, packaging customary for transport of goods of the contract description to the named place of destination, unless it is the usage of the particular trade to dispatch goods of the contract description unpacked.

9. Bear and pay the expenses of or incidental to any checking operations, such as measuring, weighing, counting or analysing of quality, which may be necessary to enable him to transport the goods to the named place of destination and to put them at the disposal of the buyer at that place.

10. Bear and pay, in addition to any expenses to be borne and paid by the seller in accordance with Articles A.1 to 9 inclusive, any other expenses of or incidental to the performance of the seller's duty to put the goods at the disposal of the buyer at the named place of destination in accordance with these Rules.

B. *The buyer must:*

1. Take delivery of the goods as soon as the seller has duly put them at his disposal at the named place of destination, and be responsible for handling all subsequent movement of the goods.

* See Article A.7, footnote.

** Such notice may be served by the seller upon the buyer by sending it through the post by air mail, and addressed to the buyer at his place of business given in the contract of sale. But if the goods have been dispatched by air, or if the distance between the point of departure in the country of dispatch and the named place of destination is short, or if the business addresses of the seller and the buyer are so far apart as to be likely to cause undue delay in the delivery of notice sent through the post then, in any such case, the seller shall be bound to give such notice to the buyer by sending the same by cable, telegram or telex.

2. Bear and pay the expenses of or incidental to unloading, discharging or landing the goods on their arrival at the named place of destination, in so far as such expenses are not payable by the seller in accordance with the provisions of Article A.6.

3. Bear all the risks of the goods and pay any expenses whatsoever incurred in respect thereof from the time when they have been put at his disposal at the named place of destination in accordance with Article A.2 (a).

4. If he fails to take delivery of the goods as soon as they have been duly put at his disposal, bear all the risks of the goods and pay any additional expenses incurred, whether by the seller or by the buyer, because of such failure, provided that the goods shall have been clearly set aside or otherwise identified as the contract goods.

5. Supply the seller, at his request, with the address of the final destination of the goods in the country of importation, if the seller requires such information for the purpose of applying for such documents as are contemplated in Article A.2 (b).

6. Bear and pay the expenses incurred by the seller in providing the buyer with any expert third-party certificate of conformity of the goods stipulated in the contract of sale.

7. Render to the seller, at seller's request, risk and expense, a reasonable amount of assistance in obtaining any documents which may be issued in the country of importation and which the seller may require for the purpose of putting the goods at the disposal of the buyer in accordance with these Rules.