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## APPENDIX A-6

### TABLE 4—ROADMAP TO INCOTERMS (2000)\*

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The use of Incoterms is an essential tool for transactional matters as it defines the delivery obligations of the parties, thereby ensuring proper execution of the contract. Appendix A-6 provides a general reference guide for parties who elect to apply the CISG in tandem with Incoterms.

**Practical Application:** Use of Incoterms should include direct reference to "(INCOTERMS 2000)." A Roadmap to Incoterms (1990) can be found at <http://www.cisg.la.pace.edu/cisg/incoterms.html>.

#### Typical Elements of Export Transportation and Responsibilities Under Incoterms (2000)

- |                                                             |                                                                          |
|-------------------------------------------------------------|--------------------------------------------------------------------------|
| 1. Loading on vehicle                                       | 5. Pier handling (if not included in ocean rate)                         |
| 2. Domestic inland transportation (including pier delivery) | 6. Lighterage                                                            |
| 3. Truck unloading                                          | 7. Ship loading costs <sup>1</sup>                                       |
| 4. Wharfage (if not included in ocean rate)                 | 8. Ocean transportation + surcharges (bunker fuel, currency, congestion) |

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<sup>1</sup> Ship loading and unloading costs are normally part of the ocean freight for material carried on regular scheduled vessels. Additionally, there is a heavy lift tariff schedule for individual pieces in excess of three to four tons, which is expressed as a single combined rate for the loading and unloading, and normally cannot be separated. Ship loading and unloading costs may also be subject to "customs of the port," which can represent an exception to normal responsibilities.

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|---------------------------------------|-----------------------------------|
| 9. Forwarding fees                    | 13. Consular fees                 |
| 10. Ship unloading costs <sup>2</sup> | 14. Import duties, taxes, fees    |
| 11. Marine insurance                  | 15. Customs clearance             |
| 12. War risk insurance                | 16. Foreign inland transportation |

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<i>Incoterms</i>	<i>Responsibilities</i>
<b>EXW</b>	Export license, 1 through 16—Buyer
Ex Works	
<i>Risk passes:</i> When goods placed at buyer's disposal at seller's premises.	

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**GROUP F (main carriage unpaid)**

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<i>Incoterms</i>	<i>Responsibilities</i>
<b>FCA</b> [any mode of transportation]	Export license and delivery to carrier at seller's premises—Seller. Seller responsible only for loading the goods and not responsible for inland freight. <sup>3</sup>
<i>Risk passes:</i> When goods delivered to carrier at the seller's premises.	
<b>FAS</b> [transport by ship]	Export License, 1 and 7—Seller
Free Alongside Ship [NB: Seller responsible for the export license] <sup>4</sup>	7-16—Buyer
<i>Risk passes:</i> When goods placed alongside vessel at port of shipment.	
<b>FOB</b> [transport by ship]	Export license, 1 through 7— Seller
Free on Board	8 through 16—Buyer
<i>Risk passes:</i> When goods pass over ship's rail at port of shipment.	

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<sup>2</sup> *Id.*

<sup>3</sup> If the named place is anywhere other than the seller's premises, or FCA Named Place (International Carrier), then the seller is responsible for inland freight and loading of goods.

<sup>4</sup> Under Incoterms 2000, it is the seller's responsibility to clear the goods for export as per FAS term. This is a reversal from previous Incoterms versions that required the buyer to arrange for export clearance.

App. A-6: ROADMAP TO INCOTERMS

**GROUP C (main carriage paid)**

<i>Incoterms</i>	<i>Responsibilities</i>
CFR [transport by ship] Cost & Freight	Export license, 1 through 10(a)— Seller 10(b) through 16—Buyer
<i>Risk passes:</i> When goods pass over ship's rail at port of shipment.	
CIF [transport by ship] Cost Insurance & Freight [Insurance = minimum cover]	Export license, 1-10(a), <sup>5</sup> 11—Seller 10(b), <sup>6</sup> 12-16—Buyer
<i>Risk passes:</i> When goods pass over ship's rail at port of shipment.	
CPT [any mode of transport] Carriage Paid to	Export license and passage to named point—Seller Remaining responsibilities— Buyer
<i>Risk passes:</i> When goods have been handed over to carrier.	
CIP [any mode of transport] Carriage & Insurance Paid to [Insurance = minimum cover]	Export license and passage to named point + insurance—Seller Remaining responsibilities— Buyer
<i>Risk passes:</i> When goods have been handed over to carrier.	

**GROUP D (arrival)**

<i>Incoterms</i>	<i>Responsibilities</i>
DAF [primarily used for rail transport]	Export license and delivery at frontier—Seller Important license and remaining responsibilities—Buyer
<i>Risk passes:</i> When goods placed at named place of delivery at frontier.	

<sup>5</sup> 10(a) = ship's unloading costs (including lighterage and wharfage charges) to the extent included in freight; 10(b) = ship's unloading costs (including lighterage and wharfage charges) that are not included in freight.

<sup>6</sup> *Id.*

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**DES** [transport by ship]  
Delivery Ex Ship

Export license, 1-9, 11, 12—Seller  
Import license and 10, 13, through  
16—Buyer

*Risk passes:* When goods placed at named place in country of importation.<sup>7</sup>

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**DDU** [any mode of transport]  
Delivered Duty Unpaid

Export license, import license and 1  
through 12, 16—Seller  
13 through 15—Buyer

*Risk passes:* When goods are placed at the disposal of the buyer at named place in country of importation.<sup>8</sup>

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**DEQ** [any mode of transport]<sup>9</sup>  
Delivered Ex Quay

Export license and 1 through  
9—Seller  
Import license and 10 through  
16—Buyer

*Risk passes:* When goods placed on quay (wharf) at port destination.

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**DDP** [any mode of transport]  
Delivered Duty paid

Export license, import license  
and 1 through 16—Seller

*Risk passes:* When goods are placed at the disposal of the buyer at named place in country of importation.<sup>10</sup>

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<sup>7</sup> For DDU and DDP, the precise demarcation of responsibility is dependent upon location of named place in country of importation.

<sup>8</sup> *Id.*

<sup>9</sup> Under DEQ term of Incoterms 2000, it is buyer's responsibility to clear the goods for import and to pay for all formalities, duties, taxes, and other charges upon import. This is reversal from previous Incoterms versions that required the seller to arrange for import clearance.

<sup>10</sup> For DDU and DDP, the precise demarcation of responsibility is dependent upon location of named place in country of importation.