

# INCOTERMS EXPLAINED



INCOTERM	EXPORT PACKAGING	LOADING CHARGES	DELIVERY TO PORT/PLACE	EXPORT DUTY, TAXES & CUSTOMS CLEARANCE	ORIGIN TERMINAL HANDLING CHARGES	DELIVERY TO PORT/PLACE	FREIGHT CHARGES	INSURANCE	DESTINATION TERMINAL HANDLING CHARGES	DELIVERY TO DESTINATION	UNLOADING AT DESTINATION	IMPORT DUTY, BUYER & CLEARANCE	TRANSFER OF RISK
<b>EXW</b> Ex-Works	SELLER	BUYER							NEGOTIABLE	BUYER			AT BUYER'S DISPOSAL
<b>FCA</b> Free Carrier (Place)	SELLER				BUYER				NEGOTIABLE	BUYER			ON BUYER'S TRANSPORT
<b>FCA</b> Free Carrier (Seller Premises)	SELLER				BUYER				NEGOTIABLE	BUYER			ON BUYER'S TRANSPORT
<b>FAS</b> Free Alongside Ship	SELLER				BUYER				NEGOTIABLE	BUYER			ALONGSIDE SHIP
<b>FOB</b> Free on Board	SELLER						BUYER		NEGOTIABLE	BUYER			ON BOARD VESSEL
<b>CFR</b> Cost & Freight	SELLER								NEGOTIABLE	BUYER			ON BOARD VESSEL
<b>CIF</b> Cost, Insurance & Freight	SELLER									BUYER			ON BOARD VESSEL
<b>CPT</b> Carriage Paid To	SELLER								NEGOTIABLE	SELLER	BUYER		AT CARRIER
<b>CIP</b> Carriage & Insurance Paid To	SELLER										BUYER		AT CARRIER
<b>DAP</b> Delivered at Place	SELLER								NEGOTIABLE	BUYER		SELLER	AT NAMED PLACE
<b>DPU</b> Delivered at Place (Unloaded)	SELLER								NEGOTIABLE	BUYER		SELLER	AT NAMED PLACE UNLOADED
<b>DDP</b> Delivered Duty Paid	SELLER								NEGOTIABLE	SELLER	BUYER	SELLER	AT NAMED PLACE

**MODE OF TRANSPORT**  
■ ANY  
■ SEA AND INLAND WATER ONLY

**RESPONSIBILITY**  
■ SELLER  
■ BUYER  
■ NEGOTIABLE

# YOUR EXPORT CHECKLIST

1

## CLASSIFY YOUR PRODUCTS

Every product needs a Harmonised System code. These codes determine your duties and VAT. Customs needs them to clear your goods. You must get the classification right. If you're unsure, contact HMRC directly.



2

## REGISTER TO TRADE

You need an EORI number to move goods between Great Britain and other countries. This includes Northern Ireland, the Channel Islands and anywhere outside the EU. Check which EORI you need. Some movements require GB, XI or EU prefixes.



3

## CHECK FOR RESTRICTIONS

Some goods need special licences or certificates before they can leave the country. Check your products against the controlled goods list. You must declare this information on your customs entry. Missing documents cause delays.



4

## DECLARE YOUR PURPOSE

Customs Procedure Codes tell authorities what you're doing with your goods. Are they entering free circulation? Are you using a special procedure? Get this wrong and you risk fines and delays. Check the codes match your situation.



5

## AGREE RESPONSIBILITIES

Incoterms set out who pays for what and who takes responsibility when. They cover transport costs, insurance and customs clearance. Make sure you and your buyer understand which incoterm you're using. Get it in writing.



6

## ARRANGE TRANSPORT

Decide how your goods will travel. Air, road, sea or a combination. If you're moving goods by road through multiple countries, you need a Transit document. Plan your route and paperwork accordingly.



7

## CLEAR CUSTOMS

Customs clearance is the process of obtaining official approval for goods to leave a country. It ensures all export documentation, duties and compliance requirements are met before your shipment can proceed.

