

International Transport - Incoterms

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.

FOB	Duties
Loading on truck (carrier)	Seller
Export-Customs declaration	Seller
Carriage to port of export	Seller
Unloading of truck in port of export	Seller
Loading charges in port of export	Seller
Carriage to port of import	Buyer
Unloading charges in port of import	Buyer
Loading on truck in port of import	Buyer
Carriage to place of destination	Buyer
Insurance	N/A
Import customs clearance	Buyer
Import taxes	Buyer