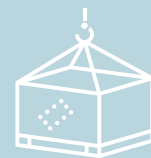


Risks and Costs in Connection with Trading



INCOTERMS 2000

Please call us on

+46 (0)771 43 00 00

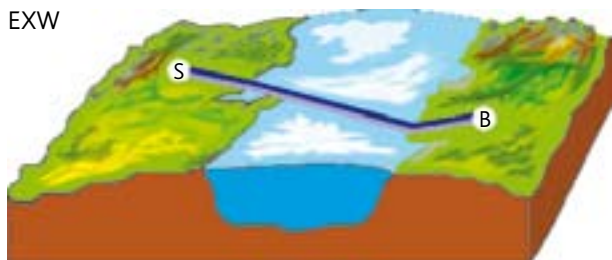
or visit www.if.se



Interpretation of Terms in Respect of Risk Transfer

In accordance with INCOTERMS 2000 published by the International Chamber of Commerce (ICC)

EXW



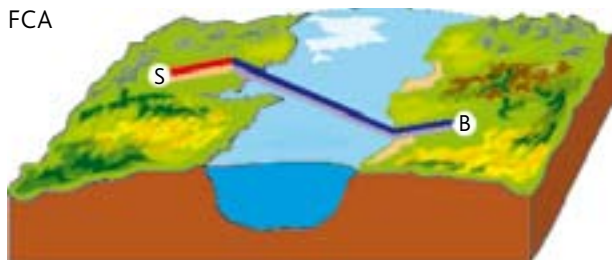
Ex Works (...named place)

The risk is transferred when the goods have been placed at the disposal of the buyer at the time and at the place mentioned in the contract.

Insurance to be covered by the buyer.

The buyer bears the risk during the whole transport.

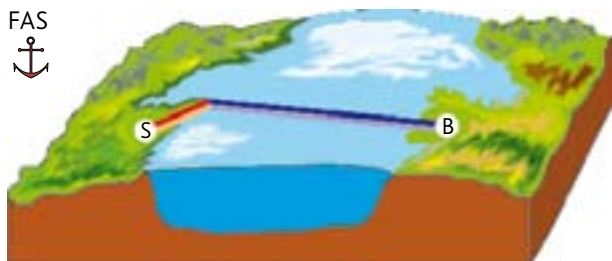
FCA



Free Carrier (...named place)

The risk is transferred when the goods have been taken into the custody of an appointed carrier at the time and at the place mentioned in the contract – unloaded at the seller's premises or a named place where the goods is available to the carrier, not loaded. Insurance to be covered by the buyer (the seller up to the named point).

FAS



Free Alongside Ship (...named port of shipment)

The risk is transferred when the goods have been delivered alongside the ship at the port of shipment.

Insurance to be covered by the buyer (the seller up to the ship).

FOB

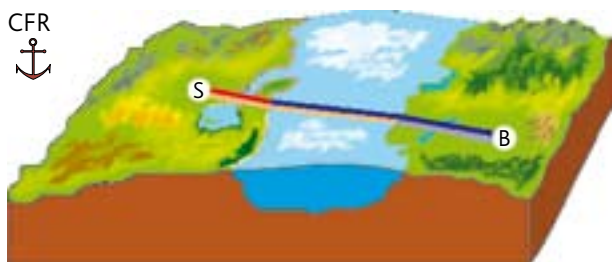


Free On Board (...named port of shipment)

The risk is transferred when the goods have effectively passed the ship's rail at the port of shipment.

Insurance to be covered by the buyer (the seller up to the ship).

CFR

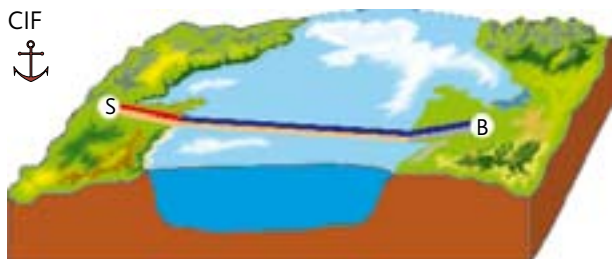


Cost and Freight (...named port of destination)

The risk is transferred when the goods have effectively passed the ship's rail at the port of shipment.

Insurance to be covered by the buyer (the seller up to the ship).

CIF



Cost, Insurance, Freight (...named port of destination)

The risk is transferred when the goods have effectively passed the ship's rail at the port of shipment.

Insurance **must** be covered by the seller (for the account of the buyer) to the port of destination.

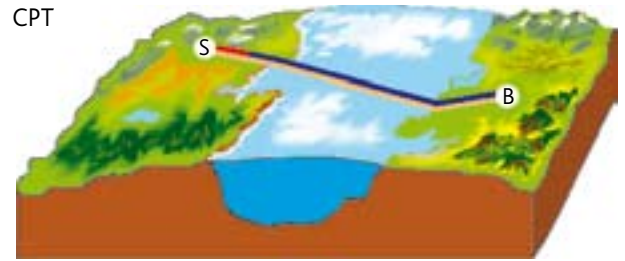
Inland transport in the country of destination is not covered by the seller's insurance unless specifically agreed.

Note that the seller is only obliged to take out insurance under the condition "Institute Cargo Clauses (C)".

Carriage Paid To (...named place of destination)

The risk is transferred when the goods have been taken into the custody of the first carrier at the time mentioned in the contract.

Insurance to be covered by the buyer.

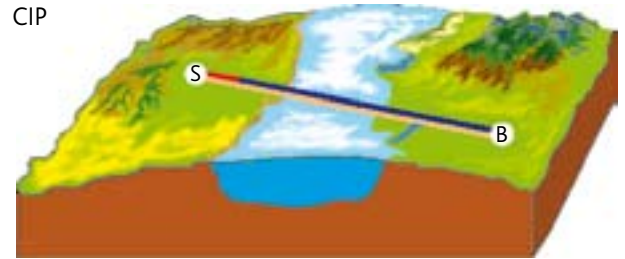


Carriage and Insurance Paid To (...named place of destination)

The risk is transferred when the goods have been taken into the custody of the first carrier at the time mentioned in the contract.

Insurance **must** be covered by the seller (for the account of the buyer) to the place of destination.

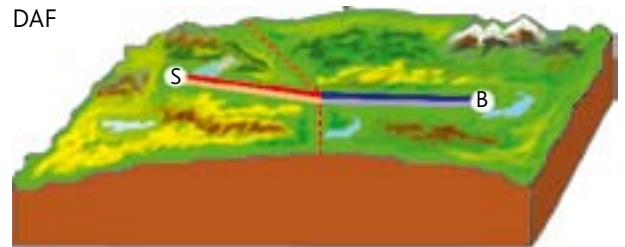
Note that the seller is only obliged to take out insurance under the condition "Institute Cargo Clauses (C)".



Delivered At Frontier (...named point of delivery at frontier)

The risk is transferred when the goods have been placed at the disposal of the buyer at the point of delivery at the frontier.

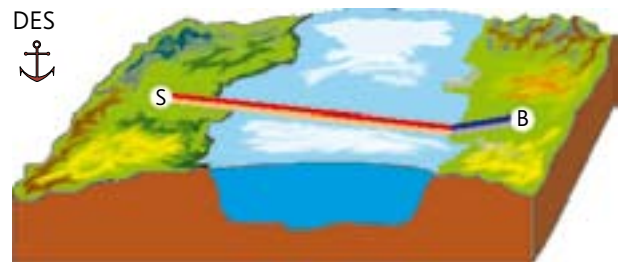
Insurance to be covered by the seller (the buyer from the frontier).



Delivered Ex Ship (...named port of destination)

The risk is transferred when the goods have been placed at the disposal of the buyer on board the ship at the port of destination.

Insurance to be covered by the seller (the buyer from the ship at the port of destination).



Delivered Ex Quay (...named port of destination)

The risk is transferred when the goods have been placed at the disposal of the buyer on the quay at the port of destination.

Insurance to be covered by the seller (the buyer from the quay at the port of destination).



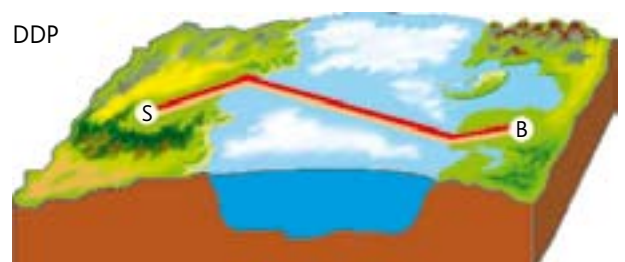
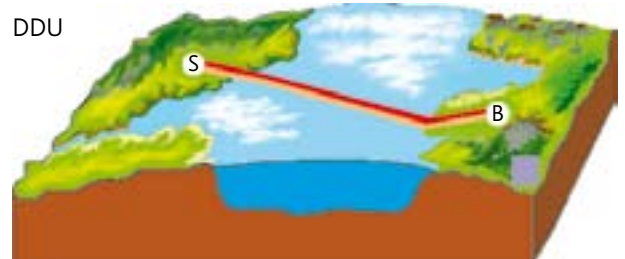
Delivered Duty Unpaid Delivered Duty Paid (...named place of destination)


The risk is transferred when the goods have been placed at the disposal of the buyer at the place of destination, not unloaded, not cleared.

The goods are delivered duty unpaid/duty paid.

Insurance to be covered by the seller.

The seller bears the risk during the whole transport.



■	SELLER'S RISK		ONLY SEA TRANSPORT
■	SELLER'S COST	S	SELLER
■	BUYER'S RISK	B	BUYER
■	BUYER'S COST		

Choice of Delivery Terms

In modern transport systems, goods are not always inspected at points where the risk is transferred according to Incoterms 2000. To avoid dispute concerning where loss or damage has incurred along the transport chain, it is advisable to agree to terms of delivery where one party bears the risk for the goods during the entire transport.

State INCOTERMS 2000

When making an agreement based on Incoterms, it is advisable to state the terms of delivery agreed on in the contract of sale and commercial invoices e.g. "FOB Gothenburg, Incoterms 2000". This prevents problems with interpretation which may arise in countries having their own definitions of delivery terms.

If recommends the use of Incoterms for international shipments and strongly advises against forming own delivery terms.

Notice of Claim, Periods of Limitation and Limitation of Liability in International Transports

Applicable Rules	Notice of Claim		Period of Limitation	Limitation of Liability for Loss or Damage **
	Apparent Loss or Damage	Not Apparent Loss or Damage		
1. Carriage by Sea The Hague Rules * US COGSA (1936) The Hague-Visby Rules	Upon receipt of goods	3 days	1 year	According to applicable national legislation. USD 500/package SDR 667/package or SDR 2/kg
	Upon receipt of goods	3 days	1 year	
	Upon receipt of goods	3 days	1 year	
2. Carriage by Air The Warsaw Convention with the Hague Protocol The Montreal Convention	Upon receipt of goods	7 days (in the event of delay 14 days)	2 years	SDR 17/kg
	Upon receipt of goods	14 days (in the event of delay 21 days)	2 years	SDR 17/kg
3. Carriage by Rail CIM Convention	Upon receipt of goods	7 days	1 year	SDR 17/kg
4. Carriage by Road CMR Convention	Upon receipt of goods	7 days	1 year	SDR 8.33/kg
5. Nordic Forwarding NSAB (when liability as carrier)	Upon receipt of goods	7 days	1 year	SDR 8.33/kg
6. Post The Constitution of the Universal Postal Union	Upon receipt of goods	7 days	1 year	According to applicable national legislation

* Sweden withdrew from being bound by The Hague Rules on 1 April 1985

** SDR = Special Drawing Rights – current exchange rate shown among daily newspaper's foreign exchange rate listings, as well as on www.imf.org.

