



## Terms of Sale

Shipping goods between countries can be risky. If the goods are damaged, or if delivery does not take place, the relationship between the parties may be harmed. This can interfere not only with the immediate shipment involved but with future business. Above all, Canadian exporters want satisfied customers; this means avoiding misunderstandings about who is liable for the various risks involved.

To make this easier, in 1936 the International Chamber of Commerce (ICC) published a standardized set of terms, known as Incoterms 1936. Amendments were made in 1953, 1967, 1976, 1980 and 1990 to bring the rules in line with current international trade practices.

SHIPPING		
Incoterms 1990		
GROUPS		MODES
EXW	Ex Works	Air - Truck - Rail - Ship
FCA	Free-Carrier	Air - Truck - Rail - Ship
FAS	Free-Alongside-Ship	Ship
FOB	Free-On-Board	Ship
CFR	Cost and Freight	Ship
CIF	Cost, Insurance and Freight	Ship
CPT	Carriage Paid To	Air - Truck - Rail - Ship
CIP	Carriage and Insurance Paid To	Air - Truck - Rail - Ship
DAF	Delivered At Frontier	Air - Truck - Rail - Ship
DES	Delivered Ex Ship	Ship
DEQ	Delivered Ex Quay	Ship
DDU	Delivered Duty Unpaid	Air - Truck - Rail - Ship
DDP	Delivered Duty Paid	Air - Truck - Rail - Ship




 Department of Foreign Affairs and International Trade  
 Ministère des Affaires étrangères et du Commerce international

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Shipping

The 1990 revisions made the Incoterms more compatible with new electronic data interchange (EDI) systems. They make it easier for the parties to exchange documents such as invoices, customs forms and proof-of-delivery notices by computer. This is particularly important when the seller has to present negotiable transport documents to receive payment on letters of credit. In these cases it is essential that the EDI document be an acceptable equivalent of the traditional bill of lading.