

Section 3

IV.FCA

FREE CARRIER (Insert named place of delivery)

货交承运人（……指定地点）

1. Definition

FCA 35 SIHUAN ROAD, BEIJING

“Free Carrier” means that the seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named point. If the buyer nominates a person other than a carrier to receive the goods, the seller is deemed to have fulfilled his obligation to deliver the goods when they are delivered to that person.

“Carrier” means any person who, in a contract of carriage, undertake to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes.



Section 3



IV.FCA

2. Obligations of the seller and the buyer

Under this term the seller has the same liabilities as under FOB. But FCA is not only applicable to sea transport, and it is also applicable to other modes of transportation

Section 3

IV.FCA

3. The particular points about the sale under FCA

1) Loading and unloading the goods at the place of delivery

It should be noted that the chosen place of delivery has an impact on the obligations of loading and unloading the goods at that place.

If delivery occurs at the seller's premises, the seller is responsible for loading.

If delivery occurs at any other place, the seller is not responsible for unloading.



Section 3

IV.FCA

2) Delivery of goods

Incoterms 2010 stipulates that delivery is completed:

“a) If the named place is the seller’s premises, when the goods have been loaded on the means of transport provided by the buyer. b) In any other case, when the goods are placed at the disposal of the carrier or another person nominated by the buyer on the seller’s means of transport ready for unloading. If no specific point has been notified by the buyer under B7 d) within the named place of delivery, and if there are several points available, the seller may select the point that best suits its purpose.”

Section 3

IV.FCA

The seller fulfils his obligations by delivering the goods at the named point, into the custody of the carrier nominated by the buyer.

Under the FOB term, the point of delivery to the sea carrier has been tied to the means of conveyance, FCA term only requires the seller to deliver the goods into the custody of the first carrier, normally at the cargo terminal.

This term is more advantageous to the seller as compared to the FOB term because he is able to receive payment when the goods are delivered to the custody of the carrier even before they are loaded on board the vessel, aircraft, etc.

Section 3

IV.FCA

3) **Division points of costs and risks**

The division points of costs and risks under FCA are the same: the time when the goods are delivered to the carrier or another person nominated by the buyer at the named place.

The buyer must bear all risks of loss of or damage to the goods from the time they have been delivered in accordance with the contract; and from the agreed date or the expiry date of any agreed period for delivery which arise either because he fails to nominate the carrier or another person or because the carrier or the party nominated by the buyer fails to take the goods into his charge at the agreed time, or because the buyer fails to give appropriate notice in accordance, provided, however, that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.



Section 3

IV.FCA

4) **Mode of transport**

FCA may be used irrespective of the mode of transport, including multimodal transport (all modes of transport).

5) **Method of delivery**

Symbolic delivery

Section 3

IV.FCA

6) Differences between FCA vs. FOB

- Place of delivery
- Transfer of risks
- Division of costs
- Mode of transport

Section 3



IV.FCA

7) FCA vs. FOB

Compared with FOB, FCA is more favorable to the seller:

- More convenient
- Earlier delivery of goods,
- Earlier transfer of risks,
- Less cost,
- Earlier payment

Section 3

V. CPT

CARRIAGE PAID TO (Insert named place of destination)
运费付至 (.....指定目的港)

1. Definition

“Carriage paid to...” means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears all risks and any other costs occurring after the goods have been so delivered.



Section 3

V. CPT

“Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes. **If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier.**

The CPT term requires the seller to clear the goods for export.

This term may be used irrespective of the mode of transport including multimodal transport.



Section 3

V. CPT

2. Obligations of the seller and the buyer

Under this term the seller has the same liabilities as under CFR. But CPT is not only applicable to sea transport, and it is also applicable to other modes of transportation.

3. The particular points about the sale under CPT

1) Mode of transport

While the CFR term used for goods that are to be carried by sea, the CPT term is used irrespective of the mode of transport and is especially suitable for multimodal transport.

Section 3

V. CPT

2) **Delivery of goods**

While under the CFR term the point of delivery to the sea carrier has been tied to the means of conveyance (the ship's rail), CPT term only requires the seller to deliver the goods into the custody of the first carrier, normally at the cargo terminal.

This term is more advantageous to the seller as compared to the CFR term because he is able to receive payment when the goods are delivered to the custody of the carrier even before they are loaded on board the vessel, aircraft, etc.

Section 3

V. CPT

3) **Transfer of risks**

The risks of the goods are transferred to the buyer from the time when the seller to deliver the goods into the custody of the carrier nominated by him.

4) **Division of cost**

The seller must bear all costs until the goods have been delivered to the custody of his carrier and pay the freight to the named place of destination

Section 3

VI. CIP

CARRIAGE AND INSURANCE PAID TO (Insert named place of destination)
运费和保险费付至（.....指定目的地）

1. Definition

“Carriage and Insurance paid to...” means that the seller delivers the goods to the carrier nominated by him at the named point of delivery within the time of shipment, but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears all risks and any additional costs occurring after the goods have been so delivered. However, under CIP the seller also has to procure insurance against the buyer’s risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium.



Section 3

VI. CIP

The buyer should note that under the CIP term the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have the protection of greater cover, he would either need to agree as such expressly with the seller or to make his own extra insurance arrangements.

The CIP term requires the seller to clear the goods for export.

This term may be used irrespective of the mode of transport including multimodal transport.



Section 3

VI. CIP

2. Obligation of the seller and the buyer

This term is the same as CPT but with the addition that the seller has to procure transport insurance against the risk of loss of the goods or damage to them during carriage.

1) Mode of transport

The CIP term is used irrespective of the mode of transport and is especially suitable for multimodal transport.

Section 3

VI. CIP

2) **Delivery of goods**

CIP term only requires the seller to deliver the goods into the custody of the first carrier, normally at the cargo terminal.

This term is more advantageous to the seller as compared to the CIF term because he is able to receive payment when the goods are delivered to the custody of the carrier even before they are loaded on board the vessel, aircraft, etc.

Section 3

VI. CIP

3) **Transfer of risks**

The risks of the goods are transferred to the buyer from the time when the seller to deliver the goods into the custody of the carrier nominated by him.

4) **Division of cost**

The seller must bear all costs until the goods have been delivered to the custody of his carrier and pay the freight and premium to the named place of destination

Section 3

VI. CIP

FCA, CPT & CIP VS FOB, CFR & CIF

- 1) Delivery
- 2) Transfer of risks
- 3) Division of costs
- 4) Mode of transport
- 5) Method of delivery



Thank You !