

## THE “F” GROUP OF THE INCOTERMS 2010 RULES

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Of the three terms contained within the F group, two (FAS and FOB) are intended for use only when the goods are carried by sea (but not containerised freight) or inland waterway transport; the other, FCA, is intended for use by any mode of transport.

Key points and responsibilities under Group F terms: Main carriage (or transportation) is the responsibility of the buyer, who must nominate the carrier and be responsible for paying the freight costs from the named point in the country of departure to destination. By mutual agreement the seller can arrange the carrier and transportation but it will be at the buyer's cost. Risk (of loss or damage) transfers from the seller to the buyer when the goods have been delivered to the carrier at the named point. Cost responsibilities pass when the seller has delivered the goods to the carrier at the named place.

Essential differences between the three “F” terms:

**FCA — Free Carrier Named Place**

This is a multimodal term used for any mode of transport; main freight is paid by the buyer, and cost and risk pass at the named point.

Export documentation suitable for clearing the goods for export is the responsibility of the seller. It is important that the buyer gives clear instructions to the seller as to the point of delivery and that both parties agree the separation of any costs that may arise other than those considered normal in such transactions.

**FAS — Free Alongside Ship Named Port of Shipment**

This term must only be used for conventional sea freight or inland waterway modes of transport. Main freight is paid by the buyer; cost and risk pass to the buyer when the goods are delivered to the named point.

The buyer is responsible for giving proper instructions to the seller in respect of delivering the goods to the named point. If the seller is not clearly instructed then clarification is required.

**FOB — Free on Board Named Port of Loading**

The main points are the same as FAS, except that delivery takes place and cost and risk pass when the goods cross the ship's rail at loading at the port of shipment. FAS and FOB are clearly intended for conventional sea freight (or inland waterway) modes of transport.