

GROUP “F” OF THE INCOTERMS RULES 2010 HAS THE GREAT IMPORTANCE IN THE WORLD TRADE

*Tushinskiy Anton Yurevich
Supervisor – c.e.s. Krasnova I.I.*

The “F” group has the heading “Main Carriage Unpaid” — meaning unpaid by the seller. The letter F signifies that the seller must hand over the goods to a carrier nominated by the buyer “Free of risk and expense to the buyer”. 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 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. FCA — Free Carrier Named Place: this term has been designed to meet the requirements of multi-modal transport, such as container or roll-on, roll-off traffic by trailers and ferries. The seller fulfils his/her obligations when the goods are delivered to the custody of the carrier at a named point. If no precise point can be named at the time of the contract of sale, the parties should refer to the place where the carrier should take the goods into its charge. The risk of loss or damage to the goods is transferred from seller to buyer at that time.

FAS — Free Alongside Ship Named Port of Shipment: this term requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. F.A.S. requires the buyer to clear the goods for export and pay the cost of loading the goods.

FOB — Free on Board Named Port of Loading: the main points are that the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer when the goods pass the ship's rail (i.e., off the dock and placed on the ship). The seller pays the cost of loading the goods.