

FCA (Free Carrier)

The seller must provide the goods and commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract.

Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as it is customary.

The buyer must pay the price of the good as provided in the contract of sale.

Any document to be provided by the buyer may be in paper or electronic form as agreed, or where there is no agreement, customary.

The seller must deliver the goods to the carrier or another person nominated by the buyer at the named point, if any, at the named place, or procures the goods so delivered.

The seller must deliver the goods

1. On the agreed date or
2. At the time within the agreed period notified by the buyer under B10(b) or,
3. If no such time is notified, then at the end of the agreed period.

Delivery is completed either:

- 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; or
- b) If 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 B10(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.

The buyer must take delivery of the goods when they have been delivered under A2.

The seller bears all risks of loss or damage to the goods until they have been delivered in accordance with A2, with the expectation of loss or damage in the circumstance described in B3.

The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.

If:

- a) The buyer fails to nominate a carrier or another person under A2 or to give notice in the accordance with B10; or
- b) The carrier or person nominated by the buyer under B10(a) fails to take the goods into its charge,

Then, the buyer bears all risks of loss of or damage to the goods.

The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyers request, risk and cost, with any information in the possession of the seller, including

Seller, including transport-related security requirements, that the buyers needs for arranging carriage. If agreed, the seller must contract for carriage on the unusual terms at the buyers risk and costs.

The seller must comply with any transport-related security requirements up to its delivery.

The buyer must contract or arrange at its own cost for the carriage of the goods from the named place of delivery, except when the contract of carriage is made by the seller as provided for in A4.

The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyers request, risk and cost, with information in the possession of the seller that the buyer needs for obtaining insurance.

The buyer has no obligation to the seller to make a contract of insurance.

The seller must provide the buyer at the sellers cost with the usual proof that the goods have been delivered in accordance with A2.

The seller must provide assistance to the buyer, at the buyers request, risk and cost, in obtaining a transport document,

Where the buyer has instructed the carrier to issue to the seller a transport documents under B6, the seller must provide any such documents to the buyer.

The buyer must accept the proof that the goods have been delivered in accordance with A2.

If the parties have so agreed, the buyer must instruct the carrier to issue to the seller, at the buyers cost and risk, a transport document stating that the goods have been loaded (such as a bill of lading with an onboard notification).

- **A) Export Clearance** Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as:
 - Export license;
 - Security clearance for export;
 - Pre-shipment inspection; and
 - Any other official authorization

- **B) Assistance with import clearance** Where applicable, the seller must assist the buyer, at the buyers request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by the country of transit or the country of import.

- A. Assistance with export clearance** Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all the export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export.
- B. Import Clearance** Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as:
- Import licence and any licence required for transit;
 - Security clearance for import and any transit;
 - Pre-shipment inspection; and
 - Any other official authorization

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, and counting) that are necessary for the purpose of delivering the goods in accordance with A2.

The seller must, at its own cost, package the goods unless it is usual for the particular trade to transport the type of goods sold un-packaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.

The buyer has no obligation to the seller.

The seller must pay:

- a) All costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9;
- b) The costs of providing the usual proof to the buyer under A6 that the goods have been delivered;
- c) Where applicable, duties, taxes and any other costs related to the export clearance under A7(a) and
- d) The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a)

The buyer must pay:

- a) All costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9;
- b) The seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b)
- c) Where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b) ; and
- d) Any additional cost uncured, either because:
 - i. The buyer fails to nominate a carrier or another person under B10, or
 - ii. The carrier or person nominated by the buyer under B10 fails to take the goods into its charge,

provided that the goods have been clearly identified as the contract goods.

The seller must give the buyer sufficient notice either that the goods have been delivered in accordance with A2 or that the carrier or another person nominated by the buyer has failed to take the goods within the time agreed.

The buyer must notify the seller of

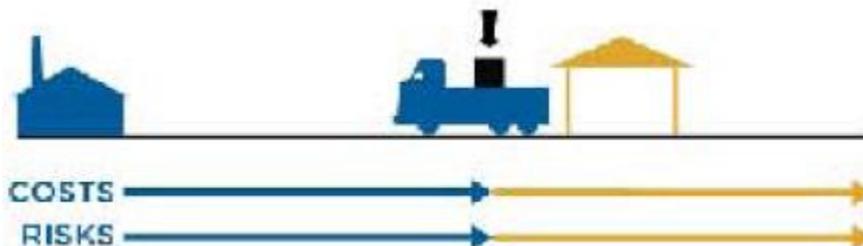
- a) The name of the carrier or another person nominated within sufficient time as to enable the seller to deliver the goods in accordance with A2;
- b) The selected time, if any, within the period agreed for delivery when the carrier or person nominated will receive the goods;
- c) The mode of transport to be used by the carrier or the person nominated including any transport-related security requirements; and
- d) The point where the goods will be received within the named place of delivery.

1. Delivery and risk – “Free Carrier (named place)” means that the seller delivers the goods to the buyer in one or other of two ways.

- First, when the named place is the sellers premises, the goods are delivered
- When they are loaded on the means on transport arranged by the buyer

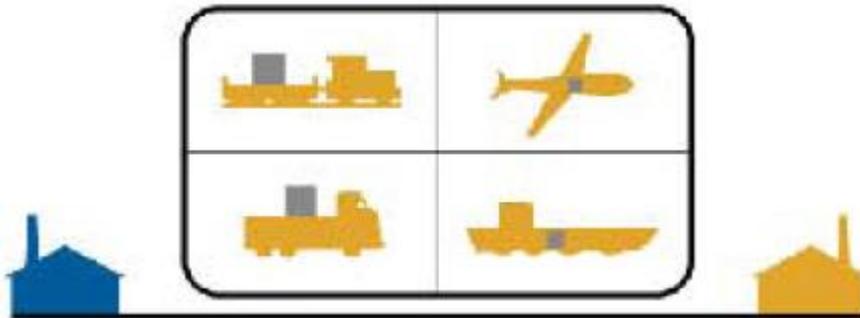


- Second, when the named place is another place, the goods are delivered
- When, having been loaded on the sellers means of transport,
- They reach the named other place and
- Are ready for unloading from that sellers means of transport and
- At the disposal of the carrier or of another person nominated by the buyer.



Whichever of the two is chosen as the place of delivery, that place identifies where risk transfers to the buyer and the time from which costs are for the buyers account.

2. **Mode of transport** – This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.



3. **Place or point of delivery** – A sale under FCA can be concluded naming only the place of delivery, either at the seller's premises or elsewhere, without specifying the precise point of delivery within the named place. However, the parties are well advised also to specify as clearly as possible the precise point within the named place of delivery. A named precise point of delivery makes it clear to both parties when the goods are delivered and when risk transfers to the buyer; such precision also marks the point at which costs are for the buyers account. Where the precise point is not identified, however, this may cause problems for the buyer. The seller in this case has the right to select the point "that best suits its purpose": that point becomes the point of delivery, from which risk and cost transfer to the buyer. If the precise point of delivery is not identified by naming it in the contract, then the parties are taken to have left it to the seller to select the point "that best suits its purpose". This means that the buyer may incur the risk that the seller may choose a point just before the point at which the goods are lost or damaged. Best for the buyer therefore to select the precise point within a place where delivery will occur.
4. **'or procure goods so delivered'** – The reference to "procure" here caters for multiple sales down a chain (string sales), particularly, although not exclusively, common in the commodity trades.
5. **Export/import clearance** – FCA requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods from import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.
6. **Bills of lading with an on-board notation in FCA sales** – We have already seen that FCA is intended for use irrespective of the mode or modes of transport used. Now if goods are being picked up by the buyers road-haulier in Las Vegas, it would be rather uncommon to expect a bill of lading with an on-board notation to be issued by the carrier from Las Vegas, which is not a port and which a vessel cannot reach for goods to be placed on board. Nonetheless, sellers selling FCA Las Vegas do sometimes find themselves in a situation where they need a bill of lading with an on-board notation (typically because of a bank collection or a letter of credit requirement), albeit necessarily stating that the goods have been placed on board in Los Angeles as well as stating that they were received from carriage in Las Vegas. To cater for this possibility of an FCA seller needing a bill of lading with an on-board notation, FCA Incoterms 2020 has, for the first time, provided the following optional mechanism. If the parties have so agreed in the contract, the buyer must instruct its carrier

to issue a bill of lading with an on-board notation to the seller. The carrier may or may not, of course, accede to the buyer's request, given that the carrier is only bound and entitled to issue such a bill of lading once the goods are on board in Los Angeles. However, if and when the bill of lading is issued to the seller by the carrier at the buyers cost and risk, the seller must provide that same document to the buyer, who will need the bill of lading in order to obtain discharge of the goods from the carrier. This optional mechanism becomes unnecessary, of course, if the parties have agreed that the seller will present to the buyer a bill of lading stating simply that the goods have been received for the shipment rather than that they have been shipped on board. Moreover, it should be emphasized that even where this optional mechanism is adopted, the seller is under no obligation to the buyer as to the terms of contract of carriage. Finally, when this optional mechanism is adopted, the dated of delivery inland and loading on board will necessarily be difference, which may well create difficulties for the seller under a letter of credit.



| A The Seller's Obligations | B The Buyer's Obligations |
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| <p>A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract.</p> <p>Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.</p> | <p>B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale.</p> <p>Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.</p> |

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| <p>A2 Delivery</p> <p>The seller must deliver the goods to the carrier or another person nominated by the buyer at the named point, if any, at the named place, or procure goods so delivered.</p> <p>The seller must deliver the goods</p> <ol style="list-style-type: none"> 1. On the agreed date or 2. At the time within the agreed period notified by the buyer under B10(b) or, 3. If no such time is notified, then at the end of the agreed period. <p>Delivery is completed either:</p> <ol style="list-style-type: none"> a) If the named place is the sellers premises, when the goods have been loaded on the means of transport provided by the buyer; or 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 sellers means of transport ready for unloading. <p>If no specific point has been notified by the buyer under B10(d) within the named place of delivery, and if there are several point available, the seller may select the point that best suits its purpose.</p> | <p>B2 Taking Delivery</p> <p>The buyer must take delivery of the goods when they have been delivered under A2.</p> |
| <p>A3 Transfer of risks</p> <p>The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.</p> | <p>B3 Transfer of risks</p> <p>The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.</p> <p>If :</p> <ol style="list-style-type: none"> a) The buyer fails to nominate a carrier or another person under A2 or to give notice in accordance with B10; or b) The carrier or person nominated by the buyer under B10(a) fails to take the goods into its charge, then the buyer bears all risks of loss of or damage to the goods: <ol style="list-style-type: none"> i. From the agreed date, or in the absence of an agreed date, ii. From the time selected by the buyer under B10(b); or, if no such time has been notified, iii. From the end of any agreed period for delivery, provided that the goods have been clearly identified as the contract goods. |
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| <p>A4 Carriage The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyers request, risk and cost, with any information in the possession of the seller, including transport-related security requirements, that the buyer needs for arranging carriage. If agreed, the usual seller must contract for carriage on the usual terms at the buyers risk and cost.</p> <p>The seller must comply with any transport-related security requirements up to delivery.</p> | <p>B4 Carriage The buyer must contract or arrange at its own cost for the carriage of the goods from the named place of delivery, except when the contract of the carriage is made by the seller as provided for in A4.</p> |
| <p>A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyers request, risk and cost, with information in the possession of the seller that the buyer needs for obtaining insurance.</p> | <p>B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.</p> |
| <p>A6 Delivery/transport document The seller must provide the buyer at the sellers cost with the usual proof that the goods have been delivered in accordance with A2.</p> <p>The seller must provide assistance to the buyer, at the buyers request, risk and cost, in obtaining a transport document.</p> <p>Where the buyer has instructed the carrier to issue to the seller a transport document under B6, the seller must provide any such document to the buyer.</p> <p>Where the buyer has instructed the carrier to issue to the seller a transport document under B6, the seller must provide any such document to the buyer.</p> | <p>B6 Delivery/transport document The buyer must accept the proof that the goods have been delivered in accordance with A2.</p> <p>If the parties have so agreed, the buyer must instruct the carrier to issue to the seller, at the buyers cost and risk a transport document stating that the goods have been loaded (such as a bill of lading with an onboard notation).</p> |
| <p>A7 Export/import clearance</p> <p>a) Export Clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as:</p> <ul style="list-style-type: none"> • Export licence; • Security clearance for export; • Pre-shipment inspection; and • Any other official authorization <p>b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyers request, risk and cost, in obtaining any documents and/or</p> | <p>B7 Export/import clearance</p> <p>a) Assistance with export clearance Where applicable, the buyer must assist the seller at the sellers request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export.</p> <p>b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of</p> |

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| <p>information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.</p> | <p>transit and the country of import, such as:</p> <ul style="list-style-type: none"> • Import licence and any licence required for transit; • Security clearance for import and any transit; • Pre-shipment inspection; and • Any other official authorization. |
| <p>A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2.</p> <p>The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.</p> | <p>B8 Checking/packaging/marking The buyer has no obligation to the seller.</p> |
| <p>A9 Allocation of costs The seller must pay:</p> <ol style="list-style-type: none"> a) All costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) The costs of providing the usual proof to the buyer under A6 that the goods have been delivered; c) Where applicable, duties, taxes and any other costs related to export clearance under A7(a); and d) The buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a) | <p>B9 Allocation of costs The buyer must pay:</p> <ol style="list-style-type: none"> a) All costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) The seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b); c) Where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and d) Any additional costs incurred, either because: <ol style="list-style-type: none"> i. The buyer fails to nominate a carrier or another person under B10, or ii. The carrier or person nominated by the buyer under B10 fails to take the goods into charge, Provided that the goods have been clearly identified as the contract goods. |
| <p>A10 Notices The seller must give the buyer sufficient notice either that the goods have been delivered in accordance with A2 or that the carrier or</p> | <p>B10 Notices The buyer must notify the seller of</p> <ol style="list-style-type: none"> a) The name of the carrier or another person nominated within sufficient time |

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| <p>another person nominated by the buyer has failed to take the goods within the time agreed.</p> | <p>as to enable the seller to deliver the goods in accordance with A2;</p> <ul style="list-style-type: none">b) The selected time, if any, within the period agreed for delivery when the carrier or person nominated will receive the goods;c) The mode of transport to be used by the carrier or the person nominated including transport-related security requirements; andd) The point where the goods will be received within the named place of delivery. |
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