

FOB (Free on Board)

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.

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.

The buyer must pay the price of the goods 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, as is customary.

The seller must deliver the goods either by placing them on board the vessel nominated by the buyer at the loading point, if any, indicated by the buyer at the named port of shipment or by the procuring 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; or
3. If no such time is notified, the at the end of the agreed period; and
4. In the manner customary at the port.

If no specific loading point has been indicated by the buyer, the seller may select the point within the named port of shipment 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 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.

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 give notice in accordance with B10; or
- b) The vessel nominated by the buyer fails to arrive on time to enable the seller to comply with A2, fails to take the goods, or closes for cargo earlier than the time notified in accordance with B10;

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

- i. From the agreed date, or in absence of an agreed date,
- ii. From the date selected by the buyer under B10, or, if no such date has been notified,
- iii. From the end of any agreed period of delivery.

Provided that the goods have been clearly identified as the contract 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 transport-related security requirements, that the buyer needs for arranging carriage. If agreed, the seller must contract for carriage on the usual contract terms at the buyers risk and cost.

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

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

The seller has on 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.

Unless such proof is a transport document, the seller must provide assistance to the buyer, at the buyers request, risk and cost, in obtaining a transport document.

The buyer must accept the proof of delivery provided under A6.

- 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 licence;
 - 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 any country of transit or the country of import.
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- 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 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 authorisation.

The seller must pay the cost 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 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.

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 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:

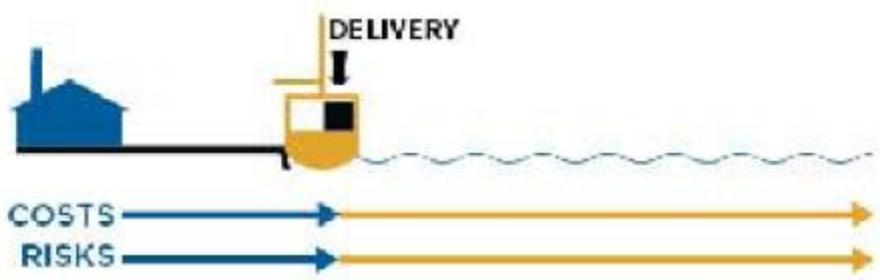
- a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9;
- b) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b);
- c) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and
- d) any additional cost incurred, either because:
 - i. the buyer has failed to give notice under B10, or
 - ii. the vessel nominated by the buyer under B10 fails to arrive on time, fails to take the goods, or closes for cargo earlier than the time notified in accordance with B10,

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 vessel has failed to take the goods within the time agreed.

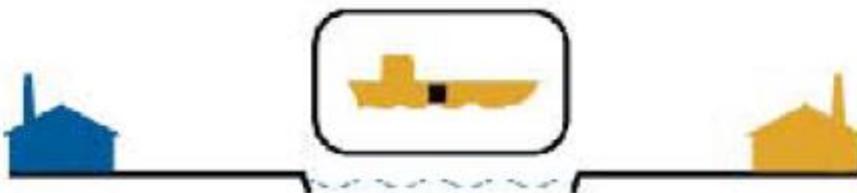
The buyer must give the seller sufficient notice of any transport-related security requirements, the vessel name, loading point and, if any, the selected delivery date within the agreed period.

1. **Delivery and risk** – “Free on Board” means that the seller delivers the goods to the buyer
 - On board the vessel
 - Nominated by the buyer
 - At the named port of shipment
 - Or procures the goods already so delivered



The risk of loss of or damage to the goods transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

2. **Mode of transport** – This rule is to be used only for sea or inland waterway transport where the parties intend to deliver the goods by placing the goods on board a vessel. Thus, the FOB rule is not appropriate where the goods are handed over to the carrier before they are on board the vessel, for example where goods are handed over to a carrier at a container terminal. Where this is the case, parties should consider using the FCA rule rather than the FOB rule.



3. **‘or procuring the goods so delivered’** – The seller is required to either deliver the goods on board the vessel or to procure goods already so delivered for shipment. The reference to “procure” here caters for multiple sales down a chain (string sales), particular common in the commodity trades.
4. **Export/import clearance** – FOB requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.



| A The Sellers Obligations | B The Buyers 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> |
| <p>A2 Delivery The seller must deliver the goods either by placing them on board the vessel nominated by the buyer at the loading point, if any, indicated by the buyer at the named port of shipment or by procuring 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; and 4. In the manner customary at the port <p>If no specific loading point has been indicated by the buyer, the seller may select the point within the named port of shipment that best suits its purpose.</p> | <p>B2 Taking Delivery The buyer must take delivery of the goods when they have been delivered under A2.</p> |
| <p>A3 Transfer of risks 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 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 give notice in accordance with B10; or b) The vessel nominated by the buyer fails to arrive on time to enable the seller to comply with A2, fails to take the goods, or closes the cargo earlier than the time notified in accordance with B10; <p>Then the buyer bears all risks of loss of or damage to the goods:</p> <ol style="list-style-type: none"> i. From the agreed date, or in the absence of an agreed date, ii. From the date selected by the buyer under B10, or, if no such date has been notified, iii. From the end of any agreed period |

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| | <p>for delivery. Provided the goods have been clearly identified as the contract goods.</p> |
| <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 buyer's 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 port of shipment, 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>Unless such proof is a transport document, the seller must provide assistance to the buyer, at the buyers request, risk and cost, in obtaining a transport document.</p> | <p>B6 Delivery/transport document The buyer must accept the proof of delivery provided under A6.</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 information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by the country of</p> | <p>B7 Export/import clearance</p> <p>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 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 transit and the country of import, such as:</p> <ul style="list-style-type: none"> • Import licence and any licence required for transit; |

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| <p>transit or the country of import.</p> | <ul style="list-style-type: none"> • Security clearance for import and any transit; • Pre-shipment inspection; and • Any other official authorisation. |
| <p>A8 Checking/packaging/marking 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.</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 has failed to give notice under B10, or ii. The vessel nominated by the buyer under B10 fails to arrive on time, fails to take the goods, or closes cargo earlier than the time notified in accordance with B10, <p>Provided that the goods have been clearly identified as the contract goods.</p> |
| <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 vessel has failed to take the goods within the time agreed.</p> | <p>B10 Notices The buyer must give the seller sufficient notice of any transport-related security requirements, the vessel name, loading point and, if any, the selected delivery date within the agreed period.</p> |

