

FOB – Free On Board

Free on Board means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that point. The FOB term requires the seller to clear the goods for export. This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the FCA term should be used.

A. The Seller's Obligations

A1 Provision of goods in conformity with the contract

The seller must provide the goods and the commercial invoice, or its equivalent electronic message, in conformity with the contract of sale and any other evidence of conformity, which may be required by the contract.

A2 Licences, authorisations and formalities

The seller must obtain at his own risk and expense any export licence or other official authorisation and carry out, where applicable (Refer to Introduction paragraph 14), all customs formalities necessary for the export of the goods.

A3 Contracts of carriage and insurance

a) Contract of carriage
No obligation
(Refer to Introduction paragraph 10).

b) Contract of insurance
No obligation
(Refer to Introduction paragraph 10).

B. The Buyer's Obligations

B1 Payment of the price

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

B2 Licences, authorisations and formalities

The buyer must obtain at his own risk and expense any import licence or other official authorisation and carry out, where applicable (Refer to Introduction paragraph 14), all customs formalities for the import of the goods and, where necessary, for their transit through any country.

B3 Contracts of carriage and insurance

a) Contract of carriage
The buyer must contract at his own expense for the carriage of the goods from the named port of shipment.

b) Contract of insurance
No obligation
(Refer to Introduction paragraph 10).



A4 Delivery

The seller must deliver the goods on the date or within the agreed period at the named port of shipment and in the manner customary at the port on board the vessel nominated by the buyer.

A5 Transfer of risks

The seller must, subject to the provisions of B5, bear all risks of loss of or damage to the goods until such time as they have passed the ship's rail at the named port of shipment.

A6 Division of costs

The seller must, subject to the provisions of B6, pay all costs relating to the goods until such time as they have passed the ship's rail at the named port of shipment; and where applicable (Refer to Introduction paragraph 14), the costs of customs formalities necessary for export as well as all duties, taxes and other charges payable upon export.

B4 Taking delivery

The buyer must take delivery of the goods when they have been delivered in accordance with A4.

B5 Transfer of risks

The buyer must bear all risks of loss of or damage to the goods

- from the time they have passed the ship's rail at the named port of shipment; and
- from the agreed date or the expiry date of the agreed period for delivery which arise because he fails to give notice in accordance with B7, or because the vessel nominated by him fails to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, 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.

B6 Division of costs

The buyer must pay all costs relating to the goods from the time they have passed the ship's rail at the named port of shipment; and any additional costs incurred, either because the vessel nominated by him fails to arrive on time, or is unable to take the goods, or closes for cargo earlier than the time notified in accordance with B7, or because the buyer has failed to give appropriate notice in accordance with B7, 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; and where applicable (Refer to Introduction paragraph 14), all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon import of the goods and for their transit through any country.

A7 Notice to the buyer

The seller must give the buyer sufficient notice that the goods have been delivered in accordance with A4.

A8 Proof of delivery, transport document or equivalent electronic message

The seller must provide the buyer at the seller's expense with the usual proof of delivery in accordance with A4. Unless the document referred to in the preceding paragraph is the transport document, the seller must render the buyer, at the latter's request, risk and expense, every assistance in obtaining a transport document for the contract of carriage (for example, a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, or a multimodal transport document).

Where the seller and the buyer have agreed to communicate electronically, the document referred to in the preceding paragraph may be replaced by an equivalent electronic data interchange (EDI) message.

B7 Notice to the seller

The buyer must give the seller sufficient notice of the vessel name, loading point and required delivery time.

B8 Proof of delivery, transport document or equivalent electronic message

The buyer must accept the proof of delivery in accordance with A8.



A9 Checking - packaging - marking

The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting), which are necessary for the purpose of delivering the goods in accordance with A4. The seller must provide at his own expense packaging (unless it is usual for the particular trade to ship the goods of the contract description unpacked) which is required for the transport of the goods, to the extent that the circumstances relating to the transport (for example modalities, destination) are made known to the seller before the contract of sale is concluded. Packaging is to be marked appropriately.

A10 Other obligations

The seller must render the buyer at the latter's request, risk and expense, every assistance in obtaining any documents or equivalent electronic messages (other than those mentioned in A8) issued or transmitted in the country of shipment and/or of origin which the buyer may require for the import of the goods and, where necessary, for their transit through any country.

The seller must provide the buyer, upon request, with the necessary information for procuring insurance.

B9 Inspection of goods

The buyer must pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export.

B10 Other obligations

The buyer must pay all costs and charges incurred in obtaining the documents or equivalent electronic messages mentioned in A10 and reimburse those incurred by the seller in rendering his assistance in accordance therewith.

