



AGS-TECH Inc.

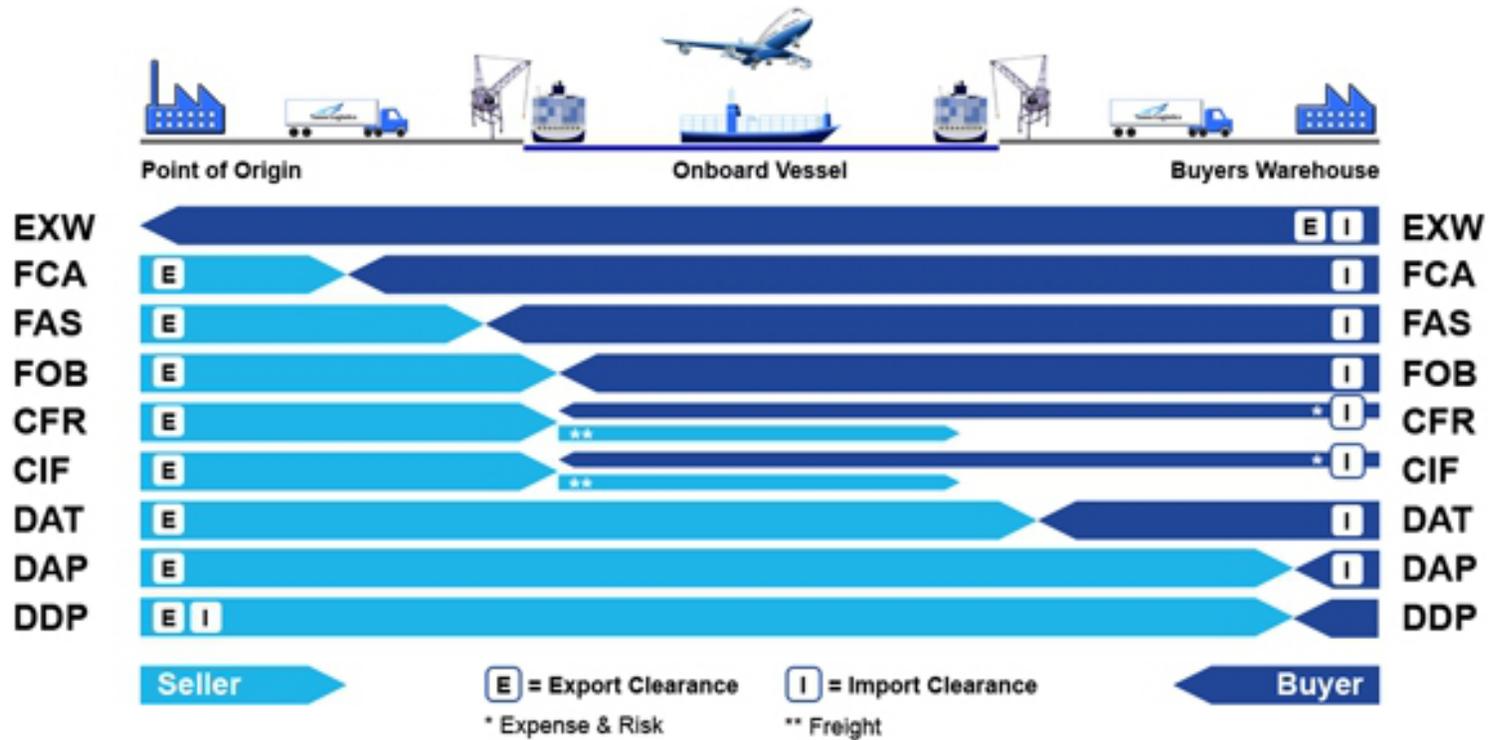
“Your One-Stop Source for Custom Manufacturing, Fabrication, Engineering and Integration”

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WIDELY USED INCOTERMS





Incoterms® 2015 Rules

CHART OF RESPONSIBILITY

Charges/Fees	Any Transport Mode		Sea/Inland Waterway Transport				Any Transport Mode				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
	Ex Works	Free Carrier	Free Alongside Ship	Free On Board	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered at Terminal	Delivered at Place	Delivered Duty Paid
Packaging	Buyer or Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller*	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty & Taxes	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance						Seller		Seller			
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller
Import Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

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Incoterms

The Incoterms rules or International Commercial terms are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) widely used in international commercial transactions. A series of three-letter trade terms related to common sales practices, the Incoterms rules are intended primarily to clearly communicate the tasks, costs and risks associated with the transportation and delivery of goods.

The Incoterms rules are accepted by governments, legal authorities and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries.

What are Incoterms?

INCOTERMS are a set of three-letter standard trade terms most commonly used in international contracts for the sale of goods. It is essential that you are aware of your terms of trade prior to shipment.

- **EXW – EX WORKS** (... named place of delivery)

The Seller's only responsibility is to make the goods available at the Seller's premises. The Buyer bears full costs and risks of moving the goods from there to destination.

- **FCA – FREE CARRIER** (... named place of delivery)

The Seller delivers the goods, cleared for export, to the carrier selected by the Buyer. The Seller loads the goods if the

carrier pickup is at the Seller's premises. From that point, the Buyer bears the costs and risks of moving the goods to destination.

- **CPT – CARRIAGE PAID TO** (... named place of destination)

The Seller pays for moving the goods to destination. From the time the goods are transferred to the first carrier, the Buyer bears the risks of loss or damage.

- **CIP – CARRIAGE AND INSURANCE PAID TO** (... named place of destination)

The Seller pays for moving the goods to destination. From the time the goods are transferred to the first carrier, the Buyer bears the risks of loss or damage. The Seller, however, purchases the cargo insurance.

- **DAT – DELIVERED AT TERMINAL** (... named terminal at port or place of destination)

The Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the Buyer's disposal at a named terminal at the named port or place of destination. "Terminal" includes any place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The Seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

- **DAP – DELIVERED AT PLACE** (... named place of destination)

The Seller delivers when the goods are placed at the Buyer's disposal on the arriving means of transport ready for unloading at the named place of destination. The Seller bears all risks involved in bringing the goods to the named place.

- **DDP – DELIVERED DUTY PAID** (... named place)

The Seller delivers the goods -cleared for import – to the Buyer at destination. The Seller bears all costs and risks of moving the goods to destination, including the payment of Customs duties and taxes.

2. MARITIME-ONLY TERMS

- **FAS – FREE ALONGSIDE SHIP** (... named port of shipment)

The Seller delivers the goods to the origin port. From that point, the Buyer bears all costs and risks of loss or damage.

- **FOB – FREE ON BOARD** (... named port of shipment)

The Seller delivers the goods on board the ship and clears the goods for export. From that point, the Buyer bears all costs and risks of loss or damage.

- **CFR – COST AND FREIGHT** (... named port of destination)

The Seller clears the goods for export and pays the costs of moving the goods to destination. The Buyer bears all risks of loss or damage.

- **CIF – COST INSURANCE AND FREIGHT** (... named port of destination)

The Seller clears the goods for export and pays the costs of moving the goods to the port of destination. The Buyer bears all risks of loss or damage. The Seller, however, purchases the cargo insurance.

Do You Know Your Container Sizes?



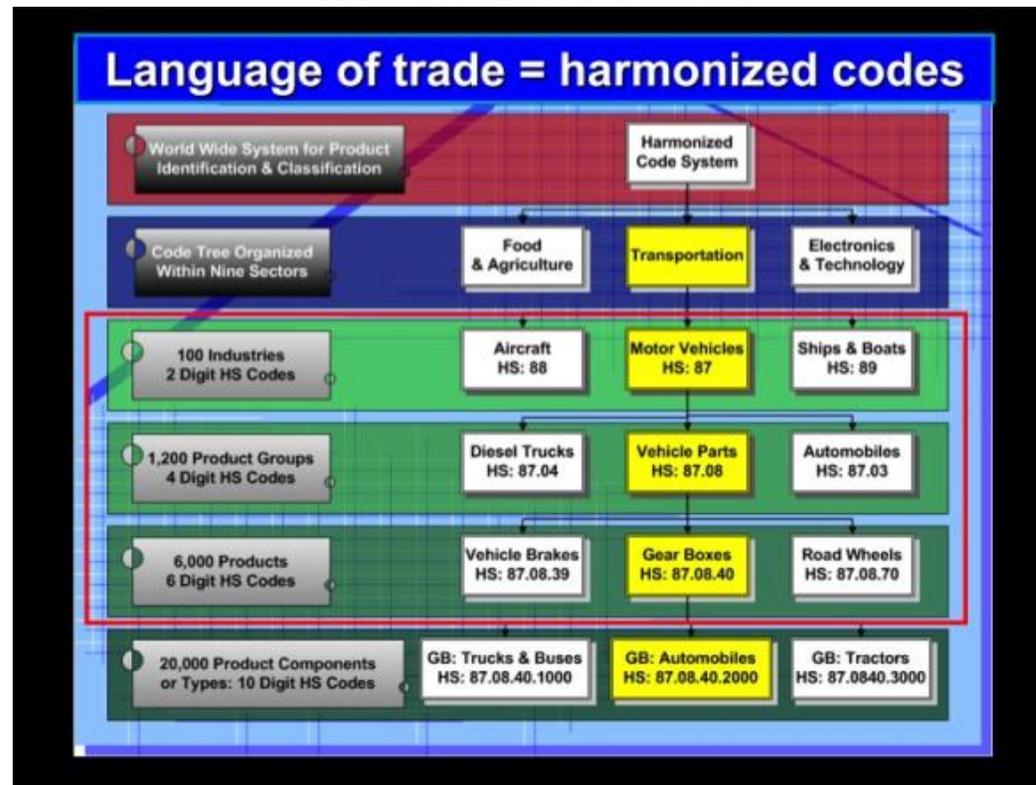
- Shipping containers come in many sizes and shapes and can be used for many purposes. The cost of shipping can often be brought down by using a different size container, or planning a shipment according to standard sizing. But what are the standard sizes?

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Type of Container	Interior Dimensions (mm)	Door Opening (mm)	Load Capacity (cbm)	Cargo Loadable (cbm)	Max Payload (kg)	Container Weight (kg)	Max Gross (kg)
20' Dry	L: 5,897 W: 2,344 H: 2,385	W: 2,337 H: 2,272	33.0		28,190	2,290	30,480
40' Dry	L: 12,301 W: 2,344 H: 2,382	W: 2,337 H: 2,272	67.4		26,710	3,770	30,480
40' H.C.	L: 12,301 W: 2,344 H: 2,690	W: 2,337 H: 2,577	76.0		26,490	3,990	30,480
40' H.C. Reefer	L: 11,583 W: 2,290 H: 2,538	W: 2,290 H: 2,508	67.3	63.3	27,7	4,800	32,500
20' Open Top	L: 5,898 W: 2,346 H: 2,354	W: 2,338 H: 2,244	32.6		21,550	2,450	24,000
40' Open Top	L: 12,022 W: 2,346 H: 2,381	W: 2,337 H: 2,244	66.4		26,460	4,020	30,480
20' Flat Rack	L: 5,958 W: 2,081 H: 2,077		25.0		27,760	2,720	34,000
40' Flat Rack	L: 11,986 W: 2,081 H: 1,968		52.7		39,020	5,980	45,000

Sizes and weights may change depending on manufacturer.

What are the HS Codes ?



HS stands for Harmonized Commodity Description and Coding System. The HS is the international standard for reporting goods to customs and other government agencies. It is a numeric language that is used by more than 200 countries worldwide, and covers 98% of international merchandise trade. The HS was created and is administered by the Brussels-based World Customs Organization (WCO). HS codes are essentially the language of international trade. They are the 6-digit numerical codes that describe “what” is being shipped to and from countries worldwide, HS code form the basis upon which all modern customs management systems operate. Most

customs authorities require HS codes to be provided on import and export declarations. The first 6 digits of the HS code are common to all countries. Each country is permitted to add additional numbers to suit its own tariff and statistical needs, creating 8, 10, and sometimes 12 digit national codes. HS classification is the process of assigning numerical HS codes to products for import or export. In most countries, importers and exporters are legally required to declare their goods to Customs using HS codes. HS codes identify the rates of duty and tax that will be assessed, prohibitions or restrictions that might be imposed, and permits or licenses that might be required.

Importer Security Filing (“ISF”, or “10+2”)

In many countries, importers are required to report HS codes to Customs before their goods are loaded for export. In the United States, this mandatory advanced cargo reporting program is called the “Importer Security Filing” (“ISF”, or “10+2”). “10 + 2”, which is officially known as the “Importer Security Filing” or “ISF”, is a mandatory reporting requirement by U.S. Customs and Border Protection (CBP). As of January 1, 2009, importers have been required to report 10 data elements to CBP prior to their shipments being loaded for export to the US. Their carriers are required to report the 2 additional data elements. This reporting requirement must be fulfilled and submitted at least 24 hours prior to the loading of the goods at the foreign port of embarkation. If ISF was not completed or filed in time, customs may deny loading of the shipment. One of the 10 data elements that importers are required to submit before their goods are loaded for export to the United States is its proper HS code. It was created so that Customs and Border Protection (CBP) can use enhanced electronic cargo data to assess risk and target cargo before it is shipped to the United States. ISF/10+2 data will remain confidential and is treated as law enforcement sensitive, and will be protected under the Trade Secrets Act.

HS codes are used by companies to comply with trade regulations, to calculate the true and total landed cost of imported articles and components, to identify selling and sourcing opportunities abroad, and to link the procurement and compliance elements of the supply chain. HS classification is extremely difficult. Several government studies have shown that 1 out of every 3 entry lines is misclassified. These high rates of error are caused by two main factors. First, the HS nomenclature and the rules governing the classification process (i.e. the General Rules of Interpretation and HS Legal Notes) are very complex. The average national tariff schedule is more than 2,000 pages and, although many millions of products are theoretically classifiable, only a few thousand are explicitly described in the nomenclature. Second, there is a profound gap between how products are described in the HS nomenclature and how they are expressed in normal commercial terms. For example, in order to properly

classify an “electric toothbrush”, it must somehow be recognized as an “Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 85.08. Other.”
These factors mean that it is nearly impossible to find most products by a simple keyword search. HS codes are subject to revision every 5 years. National tariff codes change more frequently — sometimes several times per year.

Other Sources of Information for International Trade

Government agencies and other sources can also provide helpful information for Importing and exporting:

- **Canada Border Services Agency (CBSA)** <http://www.cbsa-asfc.gc.ca>
- **U.S. Customs and Border Protection** <http://www.cbp.gov>
- **HS Code - Foreign Trade Online** <https://www.foreign-trade.com/reference/hscod.htm>