

Free Alongside Ship (Port): Overview (FAS)

According to the Free Alongside Ship (FAS) Incoterm® guidelines, the seller clears the cargo for export and puts them next to the ship at the designated port of departure. The specified port of departure shall be either a loading dock or a barge, but not a container terminal.

The buyer oversees local transport, discharge, import formalities and duties, and onward carriage to the final destination in addition to handling the loading of the freight aboard the vessel. Nowadays, FAS is mainly reserved for interior canal cargo and sea freight.

Bulk freight, like grain or oil, is a common use for it. The seller is in charge of getting the items to the chosen port, or the spot where the ship is. The buyer is responsible for loading the cargo onto the vessel at the scheduled port.

Free Alongside Ship: Seller's Responsibilities

When transacting using FAS Incoterms®, the seller is accountable for the following:

- 1) Export packaging: The goods must be packaged by the vendor for shipping.
- 2) Charges for loading: The seller is liable for any charges involved in loading the cargo onto the initial carrier.
- 3) Delivery to place/port: The cost of transportation to the port or place of origin is the buyer's responsibility.
- 4) Export Duty, Taxes & Customs Clearance: In the event, the cargo is being exported, any costs associated are the responsibility of the seller.
- 5) Origin Terminal Handling Charges (OTHC) are another expense that falls under the seller's responsibility.

The seller often only oversees operations up until the designated vessel, although he is still responsible for the export customs procedures. The seller will create all necessary customs clearance paperwork, which he will then deliver to the buyer at the designated port.

Free Alongside Ship: Buyer's Responsibilities

In FAS, the buyer is responsible for paying all business expenses as soon as the supplier delivers the items to the designated vessel location. The buyer is accountable for the following:

- 1) After the shipment reaches the destination port, the buyer is responsible for paying all DTHC.
- 2) Delivery to destination: After the cargo reaches the port, the buyer's obligations continue; they are now responsible for any expenses related the final delivery.
- 3) Unloading at destination: The buyer is also responsible for the unloading costs.
- 4) If the cargo transported under the FAS Incoterm® is imported into the nation, the buyer is responsible for paying all import duty, taxes, and customs clearance fees. It is always advised that buyers choose a customs broker to help them import their freight.

Transfer of Risk in Free Alongside Ship

The buyer will be responsible for the risk factors up until the place of destination since the risk is transferred at the designated vessel. Additionally, he will be held responsible for the entire loss if he doesn't give the seller clear instructions regarding the location and place of the vessel. Since the buyer completes the entire freight and transportation process after the designated port, the risk and damage element of the products persists until they reach their final location.

Insurance in Free Alongside Ship

Since the buyer is in charge of the entire freight process, he is also in charge of the insurance. Since he bears the responsibility for the danger and harm to the goods, everything that goes wrong during the procedure will be his fault. Given that the items will be transported by sea and inland waterways, he will need to have maritime insurance and ocean freight insurance.

When to Use Free Alongside Ship Incoterm®

FAS has its roots in the era of sail-powered shipping. Nowadays, FAS is solely utilised for inland canal shipments and sea freight.

FAS is still frequently used when buying large pieces of machinery that are loaded onto a barge and transported further along a canal before being positioned alongside another vessel, when the buyers take over the shipping procedure.