

What does FOB mean?

FOB is the abbreviation "free-on-board." The FOB terms describe who pays the freight charges and who has title to the goods during shipment.

Differences between FOB Destination and FOB Origin:

FOB
followed by the shipping point means that the buyer pays for shipping and that the ownership of the merchandise passes to the purchaser prior to shipment.

FOB
destination means that the seller pays the shipping charges and retains ownership until the goods reach the destination.