

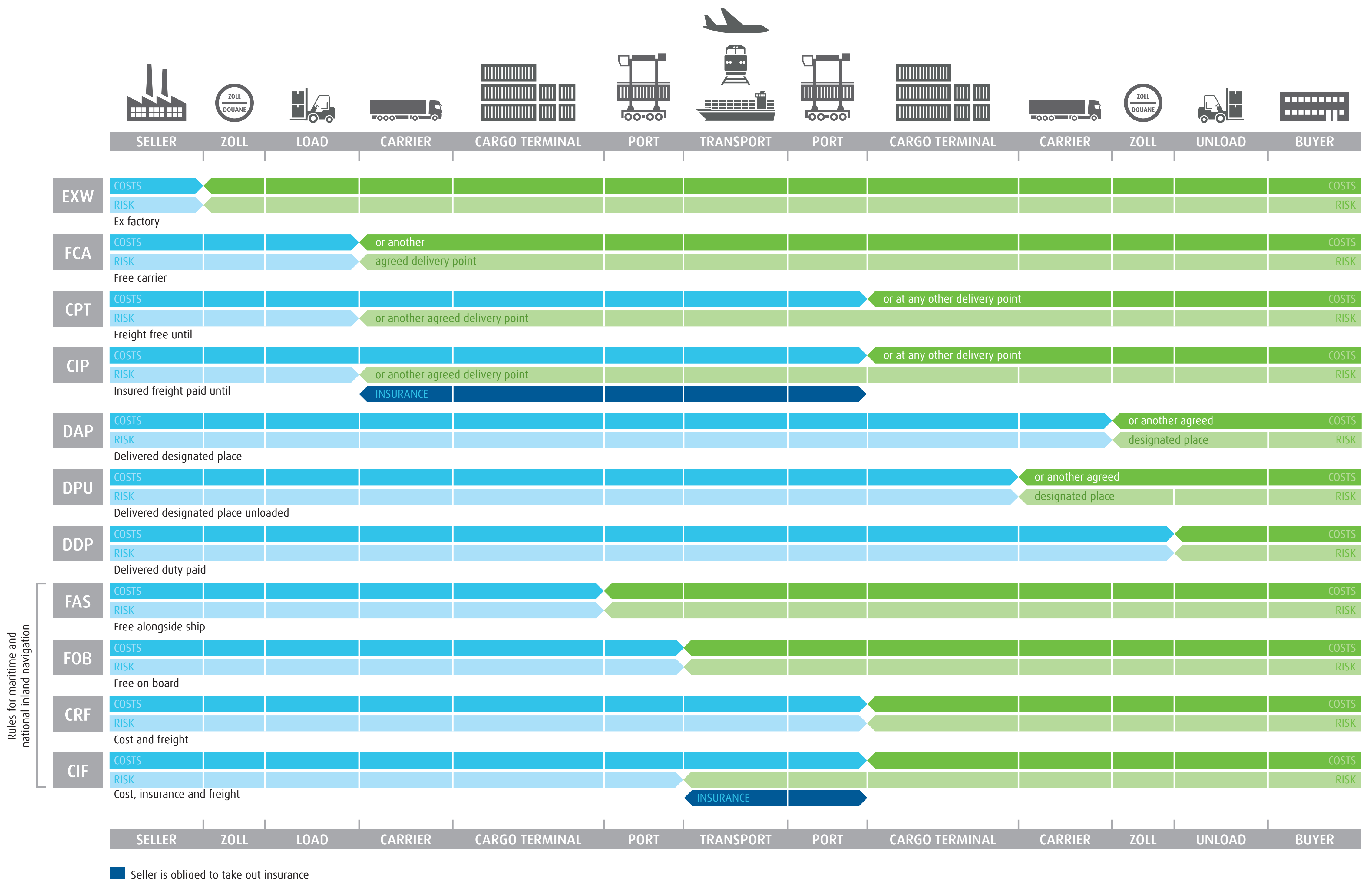
INCOTERMS® 2020 RULES

Rules for multimodal or modal transport and for maritime and national inland navigation

Incoterms® define the responsibilities of buyers and sellers in the international trading system. They are thus the definitive rules for the allocation of costs and risks among the parties involved. The Incoterms® clauses are regularly a part of contracts for the worldwide sale of goods and are part of the daily language of trade.

The International Chamber of Commerce (ICC) has published an Incoterms® 2020 rulebook that identifies and explains 11 Incoterms® trade terms and explains them. It takes into account the latest developments in business practice and updates the existing rules to make them more accessible and user-friendly.

The Incoterms® 2020 clauses came into force on 1 January 2020.



RISKS

The possibility that an event occurs that could lead to the loss of or damage to the goods. Buyer and/or seller can protect themselves against risks by taking out transport insurance.

COSTS

All costs, except for the cost of documents. Purchase and insurance contracts should clearly indicate which costs are to be borne by the buyer and/or seller upon delivery of the goods.

INSURANCE

The transport insurance is the responsibility of the seller.

DIFFERENCES BETWEEN INCOTERMS® 2010 AND 2020:

- + For the Incoterms® clause FCA (Free Carrier), there is now the possibility to put an „on-board“ note on the bill of lading (Bill of Lading) before loading onto a ship.
- + Costs now appear bundled in A9/B9 of each Incoterms® clause.
- + CIP now requires insurance with the minimum protection as per Institute Cargo clause (A) (All risks, subject to the listed exclusions).
- + CIF now requires insurance with the minimum protection as per Institute Cargo clause (C) (Listed risks, subject to listed exclusions).
- + The Incoterms® clauses Free Carrier (FCA), Delivered at Place (DAP), Delivered at Place Unloaded (DPU) and Delivered Duty Paid (DDP) now take into account that the goods can be transported by own means of transport, without contracting third parties.
- + The Delivered at Terminal (DAT) clause has been changed to Delivered at Place Unloaded (DPU) to highlight that the destination can be any place and not just a „terminal“.
- + Incoterms® 2020 now explicitly shifts responsibility for security-related requirements and ancillary costs to the seller.

USEFUL INFORMATION

The Incoterms® do not constitute a complete purchase contract, but become part of it.

For its application, the following structure should be used: „[Selected Incoterms® clause] [Named Port or Place] Incoterms® 2020“.

Example: „CIF Shanghai Incoterms® 2020“ or „DAP 10 Downing Street, London, United Kingdom Incoterms® 2020“.

If no year is specified for the Incoterms®, the following applies:

Incoterms® 2010 shall apply until December 31, 2019, and Incoterms® 2020 shall apply as of January 1, 2020.

If another year is specified, e.g. Incoterms® 1980, the corresponding rules apply.