

Close to your business.

Incoterms 2020

International Commercial Terms 2020

- **Incoterms** is the abbreviation for **International Commercial Terms**
- The Incoterms are known globally and are very important for the foreign trade. They regulate the **rights and obligations of buyers and sellers** in international trade. This includes the transfer of the goods to the buyer, transport costs, liability for loss of and damage to the goods and insurance costs.

The benefits:



No misunderstandings

Prevention of cost-intensive
legal disputes

Quick conclusion of contract

Clear regulation of mutual
contractual obligations



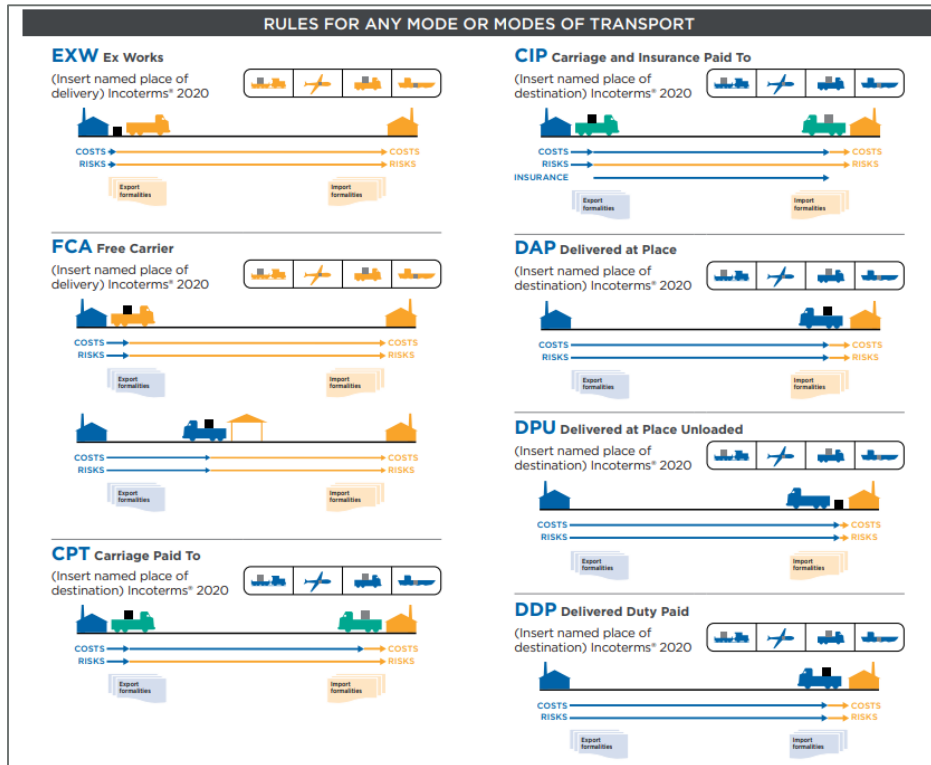
- The Incoterms **do not have force of law** because it is a rule work of the commercial organised ICC. Incoterms only come into effect when there is a sales or supply contract between buyer and seller.
- The clauses and terms of the older versions (e.g. Incoterms 2010), can still be used besides the actual version. Without any hint the clause of the last valid version 2020 will apply.
- The actual version was published on September 10th, 2019 and is valid since January 1st, 2020.

Regulation of rights and obligations within the purchase contract

The Incoterms do not regulate all parts of a sales contract, but they only set uniform regulations for the following parts:

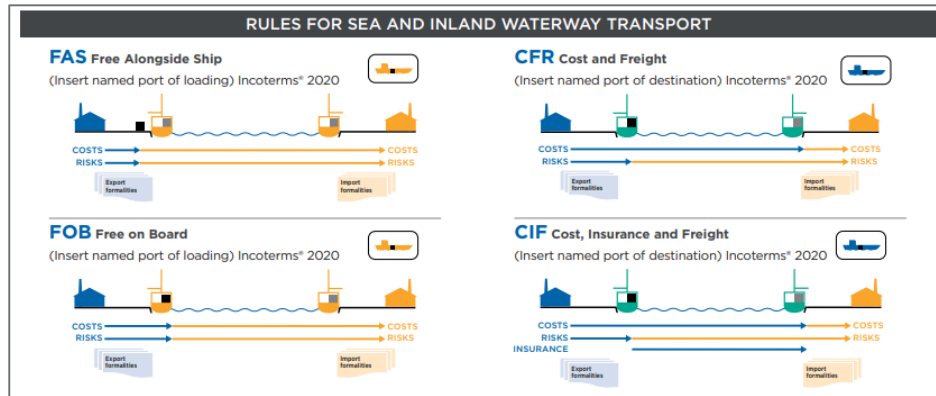
- General obligations: delivery of contractual goods (seller) respectively payment of the purchase price (seller)
- Delivery (seller) respectively takeover (seller)
- Transfer of risk (place and time of the takeover of the risks or damage of the goods from seller to the buyer)
- Transport
- Insurance
- Delivery and transport document
- Export and import clearance
- Audit/ packaging/ labelling
- Cost distribution
- Notification to the buyer respectively to the seller

Rules for any mode of transport



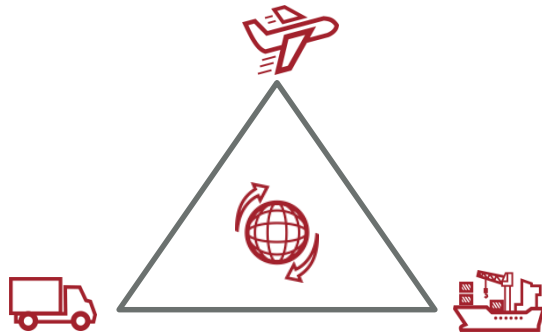
EXW	Ex works
FCA	Free carrier
CPT	Carriage paid to
CIP	Carriage and insurance paid to
DAP	Delivered at place
DPU	Delivered at place unloaded
DDP	Delivered duty paid

Rules for sea and inland waterway transport



FAS	Free alongside ship
FOB	Free on board
CFR	Cost and freight
CIF	Cost, insurance and freight

Classification according to the type of processing



E

Group E (EXW)

- Pick up clause
- One-point clause

F

Group F (FCA, FAS, FOB)

- Dispatch clauses without cost coverage for the main transport by the seller
- One-point clause

C

Group C (CPT, CIP, CFR, CIF)

- Dispatch clauses without cost coverage of the main transport by the seller
- Two-point clause

D

Group D (DAP, DPU, DDP)

- Arrival clause
- One-point clause

One- and two-point clause

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- The additional distinction between one-point and two-point clauses alludes to the fact that the **cost transfer** and the **transfer of risk** do **not occur at the same place**.
 - If the transfer of risk of loss or damage is at the same time as the cost transfer from seller to buyer, it is called a **one-point clause** (Group E, F and D).
 - If the transfer of risk and the cost transfer take place at different times, it is called a **two-point clause** (Group C).

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Further information: <https://icwbo.org/>