













INCOTERMS® 2020

ICC (International Chamber of Commerce) has launched Incoterms® 2020, the newest edition of the renowned trade terms for the delivery of goods, providing certainty and clarity to business and traders everywhere.

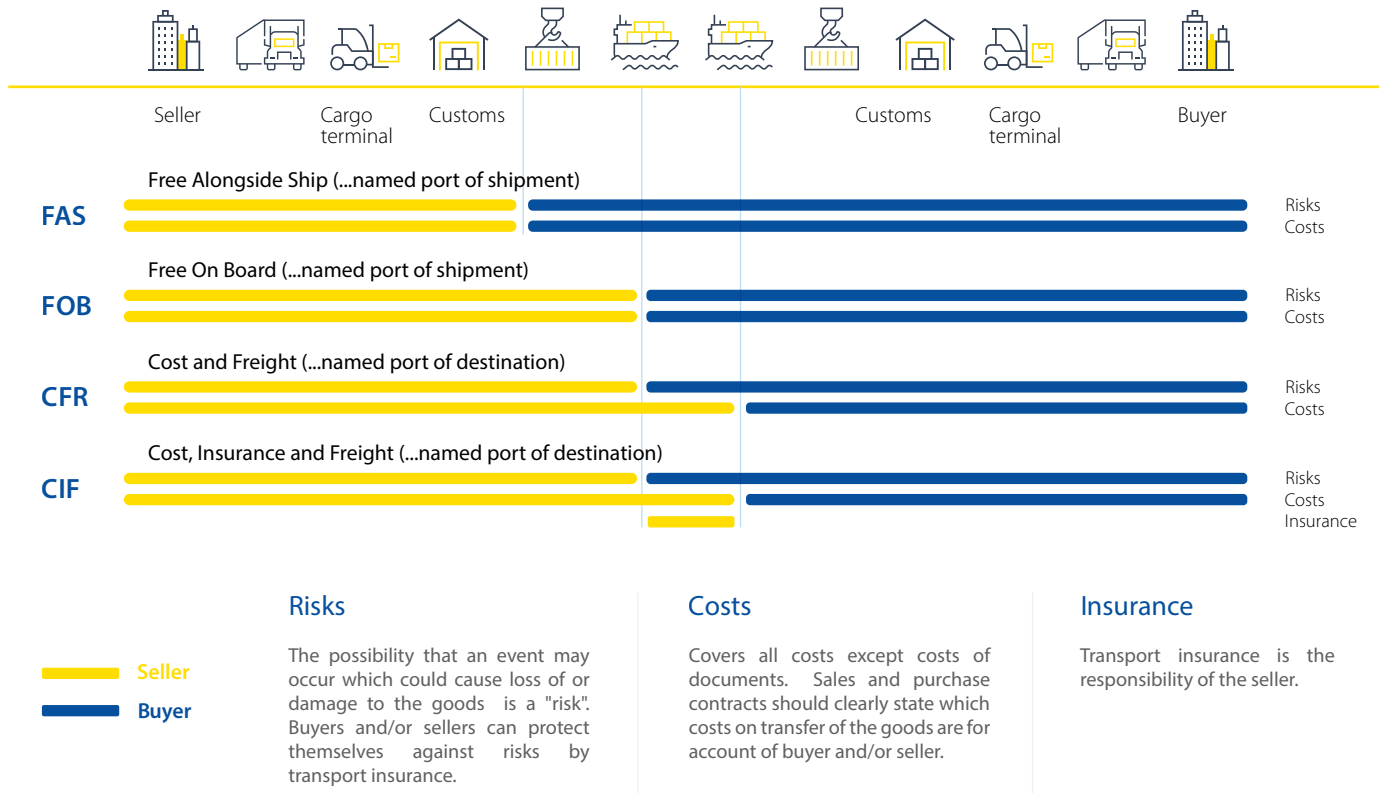
The new rules are effective as from January 1, 2020. As of this date, all sales contracts should make reference to the Incoterms® 2020 rules as the latest version of the Incoterms rules.

RULES FOR ANY MODE OR MODES OF TRANSPORT

												
	Seller		Cargo terminal	Customs				Customs		Cargo terminal		Buyer
EXW	EX Works (...named place)											Risks Costs
FCA(a)	Free Carrier (...named place=seller's premises)											Risks Costs
FCA(b)	Free Carrier (...named other place≠seller's premises)											Risks Costs
CPT	Carriage Paid To (...named place of destination)											Risks Costs
CIP	Carriage and Insurance Paid To (...named place of destination)											Risks Costs Insurance
DAP	Delivered At Place (...named place of destination)											Risks Costs
DPU	Delivered At Place Unloaded (...named place of destination)											Risks Costs
DDP	Delivered Duties Paid (...named place of destination)											Risks Costs



RULES FOR SEA AND INLAND WATERWAY TRANSPORT



THERE ARE TWO KEY CHANGES IN INCOTERMS® 2020 COMPARED TO THE 2010 EDITION:

- ◆ DAT (Delivered at Terminal) is renamed Delivered at Place Unloaded (DPU)
- ◆ FCA (Free Carrier) now allows for Bills of Lading to be issued after loading

OTHER CHANGES INCLUDE:

- ◆ CIF (Cost, Insurance and Freight) and CIP (Carriage and Insurance Paid To) set out new standard insurance arrangements, but the level of insurance continues to be negotiable between buyer and seller.
- ◆ Where listed, cost allocation between buyer and seller is stated more precisely - one article lists all costs the seller and the buyer are responsible for.
- ◆ FCA (Free Carrier), DAP (Delivered at Place), DPU (Delivered at Place Unloaded) and DDP (Delivered Duty Paid) now take account of buyer and seller arranging their own transport rather than using a third party.
- ◆ Security-related obligations are now more prominent.
- ◆ "Explanatory Notes for Users" for each Incoterm® have replaced the 2010 edition's Guidance Notes, and are designed to be easier for users.
- ◆ CIP now requires as default insurance coverage ICC A or equivalent. It was ICC C under Incoterms® 2010. Required insurance coverage under CIF remains.

