

Incoterms® 2020

Incoterms®, or **International Commercial TERMS**, were created in 1936 by the International Chamber of Commerce (ICC) in order to harmonize and unify the world trade.

The last update took place in 2010: trade has changed so much in 10 years that the update was necessary to follow the current business practices. Incoterms® added to the sales contract act as « international language » in order to reduce the possible interpretations as to the responsibility of each

party involved. Incoterms® define the responsibilities of buyers and sellers concerning the delivery of goods under sales contracts. Incoterms® 2020 take into account the latest developments in commercial practice, updates and include some of the old rules.

The new classification system divides the 11 Incoterms® into two distinct groups :

Multimodal Incoterms (regardless of the mode of transport)

| | |
|------------|--|
| EXW | Ex works (... named place of delivery) |
| FCA | Free carrier (... named place of delivery) |
| CPT | Carriage paid to (... named place of destination) |
| CIP | Carriage and insurance paid to (... named place of destination) |
| DAP | Delivered at place (... named place of destination) |
| DPU | Delivered at place unloaded (... named place of destination) |
| DDP | Delivered duty paid (... named place of destination) |

Purely maritime Incoterms

| | |
|------------|---|
| FAS | Free alongside ship (... named port of shipment) |
| FOB | Free on board (... named port of shipment) |
| CFR | Cost and freight (... named port of destination) |
| CIF | Cost insurance & freight (... named port of destination) |

Incoterms® 2020 Rules Responsibility Quick Reference Guide



| | Freight Collect Terms | | | | | | Freight Prepaid Terms | | | | |
|--|-------------------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------|-------------------------------------|-----------------------------|
| Groups | Any mode or Modes of transportation | | Sea and Inland Waterway Transport | | | | Any mode or Modes of Transport | | | | |
| Incoterms | EXW | FCA | FAS | FOB | CFR | CIF | CPT | CIP | DAP | DPU | DDP |
| | Ex Works (Place) | Free Carrier (Place) | Free Alongside Ship (Port) | Free On Board (Port) | Cost and Freight (Port) | Cost Insurance & Freight (Port) | Carriage Paid To (Place) | Carriage & Insurance Paid to (Place) | Delivered at Place (Place) | Delivered at Place Unloaded (Place) | Delivered Duty Paid (Place) |
| Transfer of Risk | At Buyer's Disposal | On Buyer's Transport | Alongside Ship | On Board Vessel | On Board Vessel | On Board Vessel | At Carrier | At Carrier | At Named Place | At Named place Unloaded | At Named Place |
| OBLIGATIONS & CHARGES | | | | | | | | | | | |
| Export Packaging | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Loading charges | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Delivery to Port/Place | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Export Duty, Taxes & Customs clearance | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Origin Terminal Charges | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Loading on Carriage | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Carriage Charges | Buyer | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Insurance | To determine-Negotiable | To determine-Negotiable | To determine-Negotiable | To determine-Negotiable | To determine-Negotiable | *Seller | To determine-Negotiable | **Seller | To determine-Negotiable | To determine-Negotiable | To determine-Negotiable |
| Destination Terminal Charges | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller |
| Delivery to destination | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller | Seller | Seller |
| Unloading at destination | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller | Buyer |
| Import Duty, Taxes & Customs Clearance | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller |

*CIF Seller: Minimum insurance coverage obligation Clause "C"

** CIP Seller: Insurance coverage obligation Clause "A"

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