

# INCOTERMS® 2020



Forwarding is our passion. Since 1879.

On January 1, 2020 Incoterms® 2020 become the newest edition of the Incoterms® rules to help prepare business for the next century of global trade.

With Incoterms® the International Chamber of Commerce (ICC) presents a specific guidance to individuals participating in the import and export of global trade daily.

Incoterms® 2020 address today's increasing demands on security requirements, insurance coverage, financing and changes to trading practice and were restructured, updated and supplemented with practical operational advice.

With a simpler and clearer presentation, expanded introductions and explanatory notes, articles reordered to better reflect the logic of a sales transaction the application is facilitated.

Incoterms® rules are not in themselves – and therefore no substitute for – a contract of sale! They can be included in the purchase agreement/sales contract as follows:

[selected Incoterms® clause]  
[named port, place or location]  
[Incoterms® YYYY]

It is imperative to be precise with the exact version of chosen Incoterms® rules to avoid complications.

With the reference to Incoterms® rules in a contract of sales of goods the parties' respective obligations get clearly defined regarding risk, costs, arrangement of transport and customs clearance.

## Changes at a Glance:

- Incoterms® 2010 DAT changes to Incoterms® 2020 DPU. Any (agreed) location can be the destination in the future.
- Incoterms® 2020 consider the Bill of Lading with on-board notation for FCA. Selling & Buying party can obtain to provide the shipper a B/L with On-Board-Remark.
- Different coverage heights in CIF & CIP. In contrast to Incoterms® 2010, CIF includes the lowest possible insurance covering; CIP includes an 'all risk'-coverage, as per Institute Cargo Clauses ('A-Clause').
- Incoterms® 2020 [FCA, DAP, DPU, DDP] consider the arrangement of carriage with selling or buying parties own means.
- Inclusion of safety-related requirements for the transport of goods as well as clarification within distribution of security obligations and associated costs for all Incoterms® 2020.



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	Complete name	Sellers facility	First carrier	Alongside vessel POL	on Board	on Arrival	Alongside vessel POD	Destination Place	Buyers facility
<b>EXW</b>	Ex works	!							
<b>FCA</b>	Free Carrier	!							
<b>FAS</b>	Free alongside ship		!						
<b>FOB</b>	Free on Board			!					
<b>CFR</b>	Cost and Freight			!					
<b>CIF</b>	Cost, Insurance, Freight			!					
<b>CPT</b>	Carriage paid to	!							
<b>CIP</b>	Carriage/Insurance paid to	!							
<b>DAP</b>	Delivered at Place						!		
<b>DPU</b>	Delivered at Place Unloaded								!
<b>DDP</b>	Delivered duty Paid								!

Sellers obligation (costs & organisation)
  Buyers obligation (costs & organisation)
 ! = Transfer of Risk

\* Incoterms® are a trademark\*\* of the International Chamber of Commerce, a private business organization that has been committed to the facilitation of international trade, since its founding in 1919.

\*\* registered in several countries.