

Incoterms® 2020

Incoterms®, or **I**nternational **C**ommercial **T**ERMS, 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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