"INCOTERMS relates to the obligations and responsibilities of the Buyer and Seller " Elaborate.

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The International Commercial Terms also known as “INCOTERMS” are universally recognized in all countries as the set of standardized definitions of international trade terms, which include EXW, FOB, and CIF. These INCOTERMS serve the purpose of defining the trade contract obligations and responsibilities between both the buyer and the seller.

Since its’ initiation in 1936, it has proven to be an invaluable cost-saving tool for shipments without compare. This is because instead of the exporter and the importer needing to undergo a tiresome and lengthy negotiation about the list of conditions of each transaction, both parties only need to set an agreement on a commercial term without discussing who will be responsible for the costs and risks.

The INCOTERMS include important conditions such as who is responsible for the cost of transporting the goods, where the goods should be collected and transported to and which party is responsible for the goods at each step during the shipping process.

The Seller’s responsibilities include the following: Goods, Licenses and Customs Formalities, Carriage and Insurance, Delivery, Risk Transfer, Costs, Notice to the Buyer, Proof of Delivery, Transport Documents, Checking, Packing, Marking and Security. The Buyer’s responsibilities include the following: Payment, Licenses and Customs Formalities, Carriage and Insurance, Taking Delivery, Risk Transfer, Costs, Notice to Seller, Proof of Delivery, Inspection and Other-Payments.

In conclusion, the benefits of INCOTERMS include reduced risks in any transactions. This is because INCOTERMS include specifying the seller's and buyer's responsibilities obligations which results in no unnecessary confusion with regards to rules of transportation from port of export to port of import.

Thank You and Have a Nice Day! :)