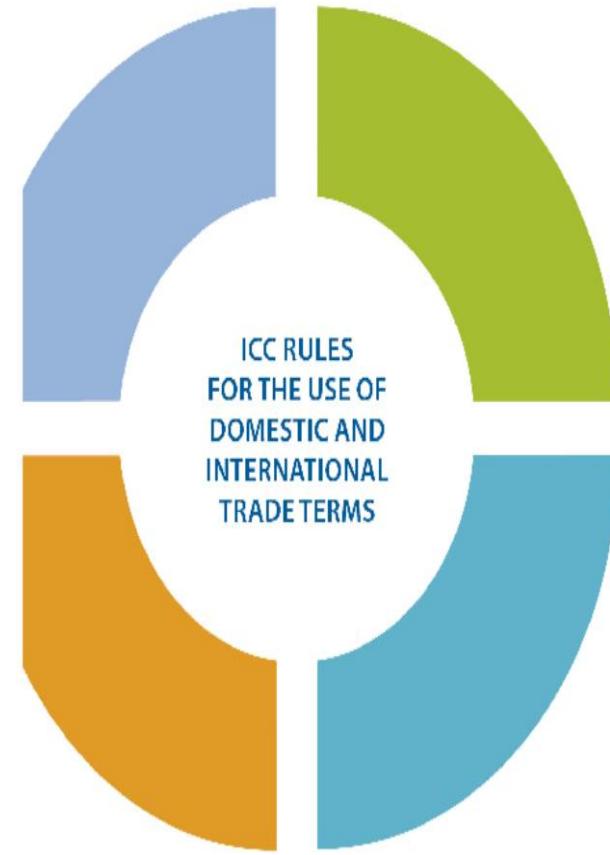


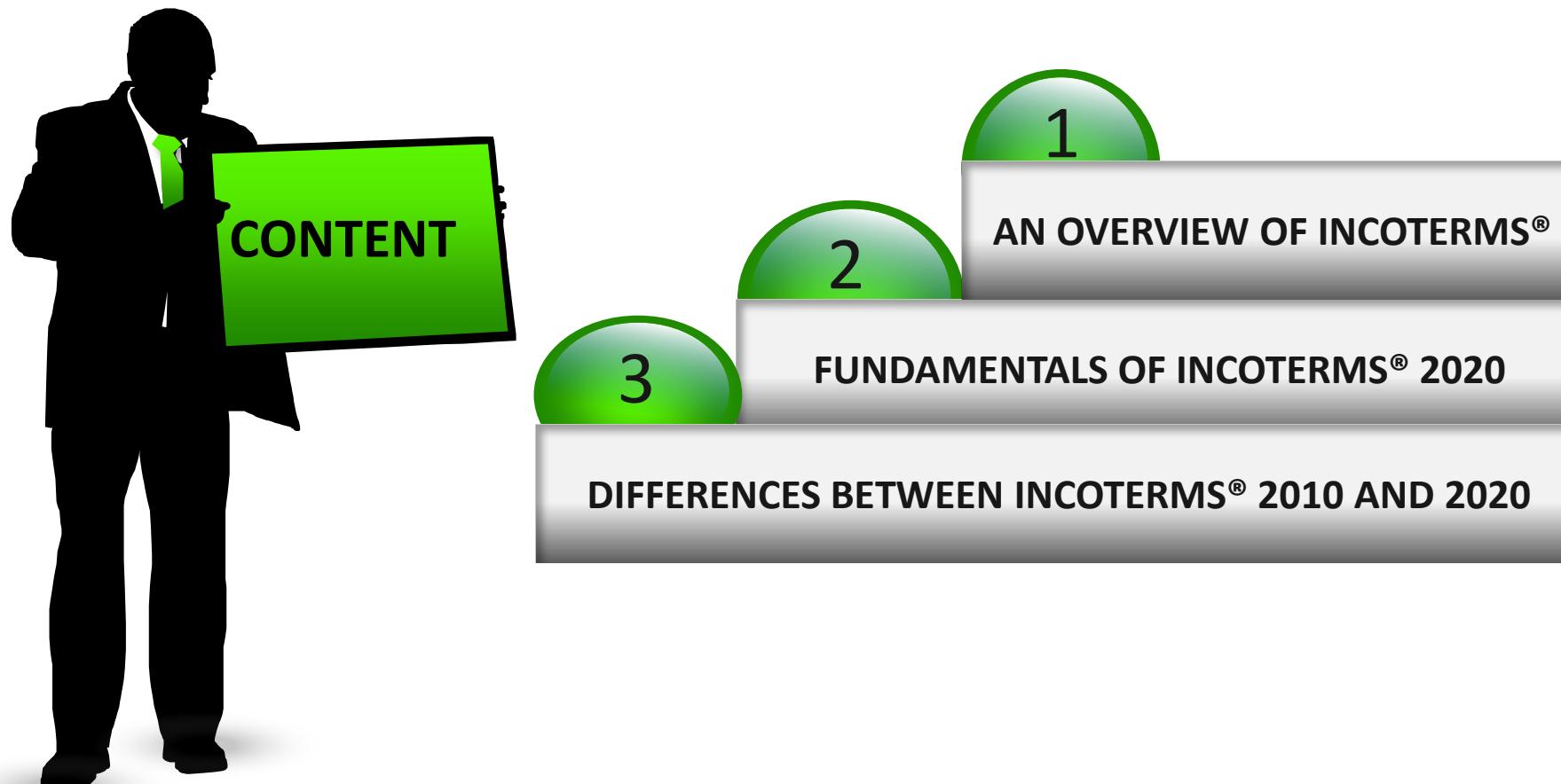


Incoterms®
2020 by the International
Chamber of Commerce (ICC)

INCOTERMS®2020



INCOTERMS® 2020



PART 1

AN OVERVIEW OF INCOTERMS

Part I

HISTORY AND DEVELOPMENT

FUNDAMENTALS

REMARKS

CLASSIFICATIONS

INCOTERMS QUIZ

	T/F
1. The Incoterms® rules are derived from 'International Contract Terms'	
2. The Incoterms® rules are a set of International Commercial Law	
3. The Incoterms® rules are not applicable to domestic trade transactions	
4. The Incoterms® rules address the transfer of property/title/ownership of the goods sold.	
5. The Incoterms® rules are applicable to contract of carriage	
6. The Incoterms® rules are automatically applicable to sale of goods contract	
7. Variations of Incoterms rules (FOB Stowed and trimmed; CIF landed;...) are stipulated in Incoterms	
8. Use of ® trademark symbol (the circled R trademark indicator) is required when referring to Incoterms	
9. The Incoterms® rules cater for materials transported by pipeline, such as oil and gas	

I. AN OVERVIEW OF INCOTERMS



1. HISTORY AND DEVELOPMENT

WHAT?

INCOTERMS

WHO?

WHEN?

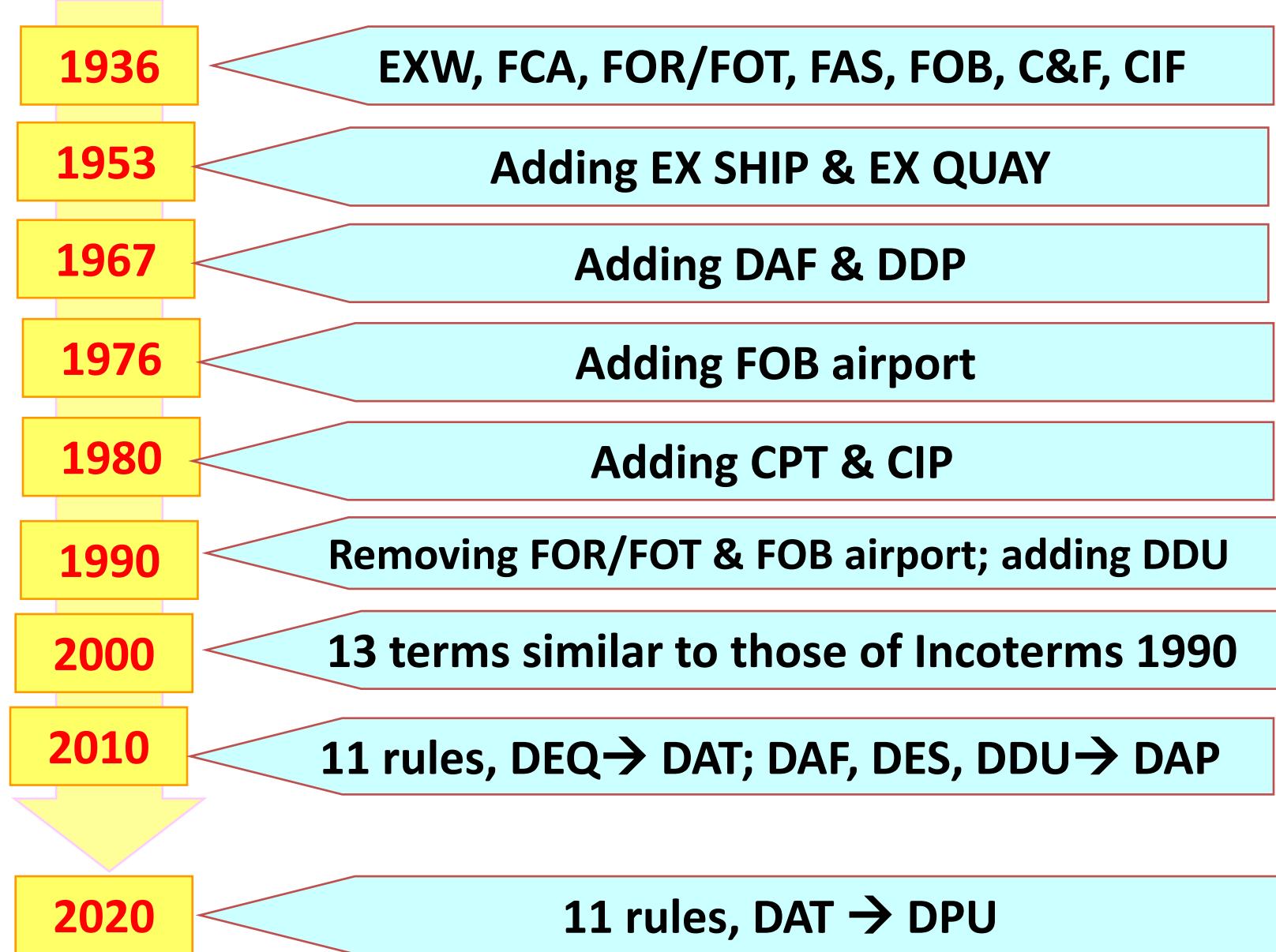
WHY?

WHY INCOTERMS?

DISCUSSION

- Incoterms = Trade terms?
- Incoterms = Shipping terms?
- Incoterms = Delivery terms?
- Incoterms = Payment terms?

1. HISTORY AND DEVELOPMENTS



INCOTERMS 2010 vs. 2000

	INCOTERMS 2000	INCOTERMS 2010
Name	INCOTERMS 2000	INCOTERMS ® 2010
Terms	TERMS	RULES
	DEQ	DAT
	DAF, DES, DDU	DAP
Grouping	4 groups: E-F-C-D	2 Groups
	International Trade	Domestic and International Trade
FOB, CFR, CIF	SHIP'S RAIL	ON BOARD

I. OVERVIEW OF INCOTERMS

2



FUNDAMENTALS OF INCOTERMS

2. FUNDAMENTALS OF INCOTERMS

WHAT THE INCOTERMS RULES DO

- **Obligations:** Who does what as between seller and buyer, e.g. who organises carriage or insurance of the goods or who obtains shipping documents and export or import licences;
- **Risk:** Where and when the seller “delivers” the goods, in other words where risk transfers from seller to buyer; and
- **Costs:** Which party is responsible for which costs, for example transport, packaging, loading or unloading costs, and checking or security-related costs.

2. FUNDAMENTALS OF INCOTERMS

WHAT THE INCOTERMS RULES DO NOT DO

- whether there is a contract of sale at all;
- the specifications of the goods sold;
- the time, place, method or currency of payment of the price;
- the remedies which can be sought for breach of the contract of sale;
- most consequences of delay and other breaches in the performance of contractual obligations;
- the effect of sanctions;
- the imposition of tariffs;
- export or import prohibitions;
- force majeure or hardship;
- intellectual property rights; or
- the method, venue, or law of dispute resolution in case of such breach.

Perhaps most importantly, it must be stressed that the Incoterms® rules **do NOT deal with the transfer of property/title/ownership of the goods sold.**

I. OVERVIEW OF INCOTERMS

3



REMARKS

3. REMARKS

- It is not mandatory to use INCOTERMS® in a sale contract.
- INCOTERMS® are not price clauses, but do have an impact on the pricing.
- Sales contracts which are based on a former version (e.g. INCOTERMS® 2000) remain valid according to the terms of that version.

3. REMARKS

- Buyers and sellers should refer to the appropriate version of the INCOTERMS®
e.g. FOB Hamburg, INCOTERMS® 2010.
- It is possible to add clauses or change the wording of INCOTERMS®.
e.g. CFR Charleston port USA incl. THC, CUC, ISPS in Charleston.
FCA Vienna Airport loaded on aircraft.
DDP Hanoi Vietnam VAT unpaid.

3. REMARKS

1. The contract No.170211 VCT-FETA on 17/1/2011 b/w VIET COTTON YARN INVESTMENT TRADING JSC & FETA TEKSTIL SAN.TIC.LTD.STI:

“ ALL OTHER CONDITIONS, WHICH NOT STATED IN THIS CONTRACT, WILL REFER TO INCOTERMS 2000”

2. The contract No. BVQA400 b/w FORMOSA INDUSTRIES CORPORATION & NANYA PLASTICS CORPORATION:

“ The INCOTERMS 2000 will be used for this contract”

I. INCOTERMS®

4



CLASSIFICATIONS

PART 2

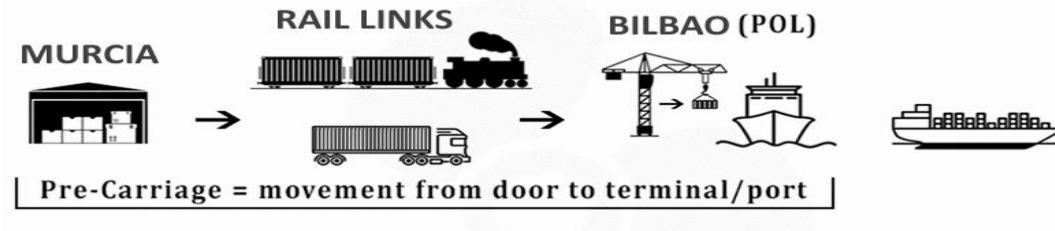
FUNDAMENTALS OF

INCOTERMS®2020

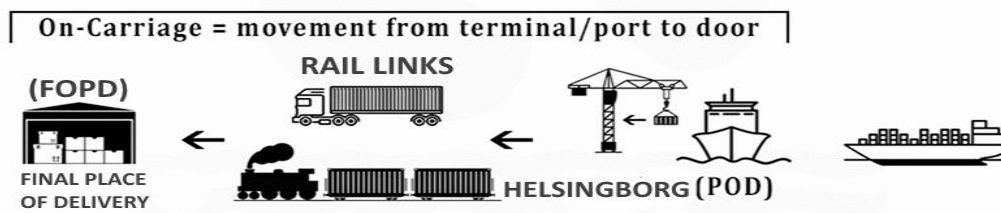
KEY DEFINITIONS

- Pre-carriage
- Main-carriage
- On-carriage
- Door-to-door
- Door-to-port
- Port-to-port
- Port-to-door
- Omni-modal
- On-board
- Delivery

KEY DEFINITIONS



- ❖ Pre-carriage = any inland movement BEFORE the container is delivered to the port/terminal



- ❖ On-carriage = any inland movement AFTER the container is picked up from the port/terminal

Category 1 : Rules for any Mode or Modes of Transport (Multi-modal)

EXW Ex Works

FCA Free Carrier

CPT Carriage Paid To

CIP Carriage Insurance Paid To

DPU Delivered at Place Unloaded

DAP Delivered at Place

DDP Delivered Duty Paid

Category 2 : Rules for Sea and Inland Waterway Transport (Maritime)

FAS

Free Alongside Ship

FOB

Free On Board

CFR

Cost & Freight

CIF

Cost, Insurance & Freight

The seller's obligations

- A1 General obligations
- A2. Delivery
- A3. Transfer of risks
- A4. Carriage
- A5. Insurance
- A6. Delivery/Transport Document
- A7. Export- Import Clearance
- A8.Checking/Packaging/Marking
- A9. Allocations of costs
- A10. Notices

The buyer's obligations

- B1. General obligations
- B2. Taking Delivery
- B3. Transfer of risks
- B4. Carriage
- B5. Insurance
- B6. Delivery/Transport Document
- B7. Export- Import Clearance
- B8.Checking/Packaging/Marking
- B9. Allocations of costs
- B10. Notices

EXW - Ex Works

EXW (insert named place of delivery) Incoterms® 2020



- “**Ex Works**” means that the seller delivers when it places the goods at the disposal of the buyer at the seller’s premises or at another named place (i.e., works, factory, warehouse, etc.).
- The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

EXW – EX WORKS

- **EXW (insert named place of delivery) Incoterms® 2020**

→ EXW ABC Co.,Ltd , 15 D5 Street, Ward 25, Binh Thanh District, Hochiminh City, Viet Nam, Incoterms 2020

➤ **The Seller's obligations:**

- **General obligations (A1):**
- **Delivery (A2):**

EXW – EX WORKS

- The Seller's obligations:
 - Transfer of risks (A3):
 - Carriage and Insurance (A4, A5):
 - Customs Clearance (A7):
 - Notices (A10):

→ *Free from loading, carriage and insurance, customs formalities*

→ *EXW represents the minimum responsibility for the seller*

EXW – EX WORKS

- **The buyer's obligations:**
 - **Taking delivery (B2):**
 - **Transfer of risks (B3):**
 - **Carriage (B4):**
 - **Insurance (B5):**
 - **Customs Clearance (B7):**
 - **Notice (B10):**

EXW – EX WORKS

➤ **Notes:**

- Transport mode: EXW may be used irrespective of the mode or modes of transport, if any, selected.
- EXW may be suitable for domestic trades, where there is no intention at all to export the goods.
- EXW imposes the least set of obligations on the seller → The buyer should use it with care.
- EXW may be used if:

VARIATIONS OF EX-WORKS

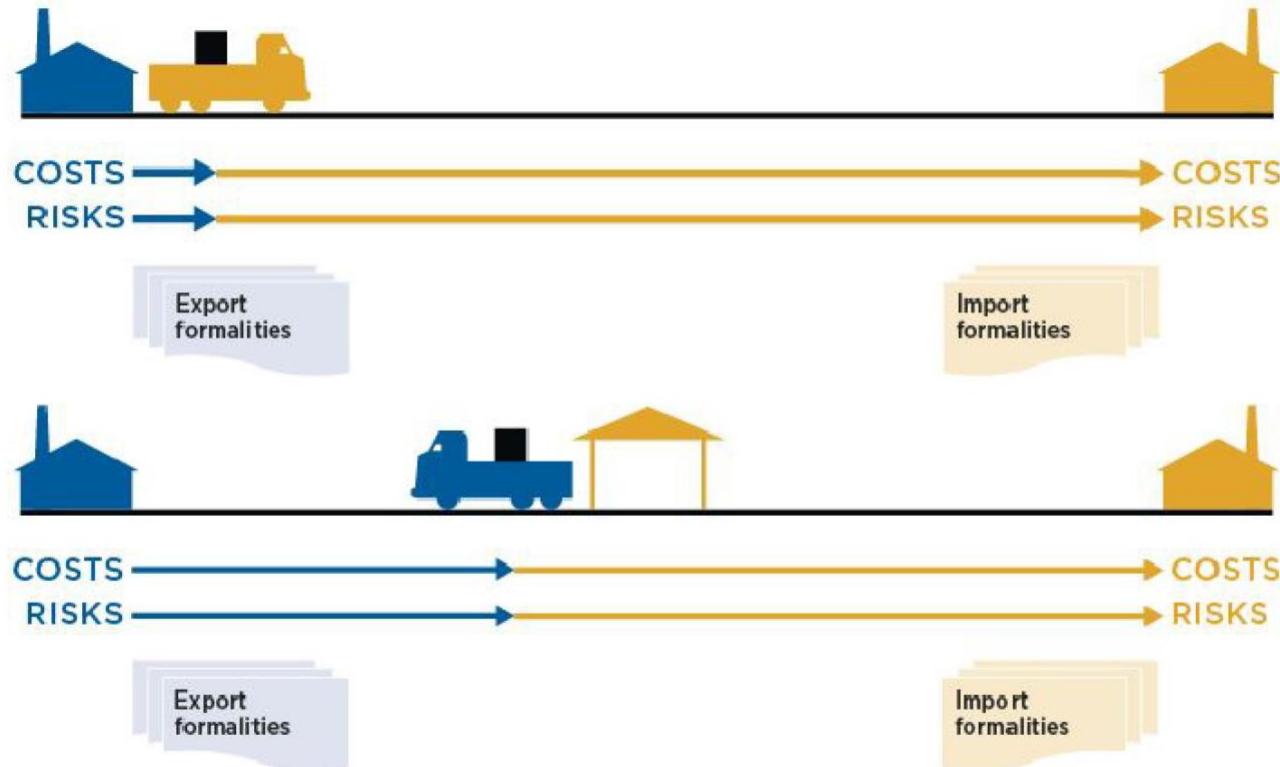
- **EXW-LOADED**
 - Why is it common?
 - *Who would bear the risk of loss of or damage to the goods occurring while the loading operation?*

DISCUSSION

A US exporter received a letter of credit with the anticipated price quote, Ex Works. However, the letter of credit required an on-board ocean bill of lading from Oakland, California, to be presented to the bank before it released the payment. Discuss the risks the exporter may suffer.

FCA - Free Carrier

FCA (insert named place of delivery) Incoterms® 2020



- “Free Carrier” means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller’s premises or another named place.
- The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

FCA: Free carrier

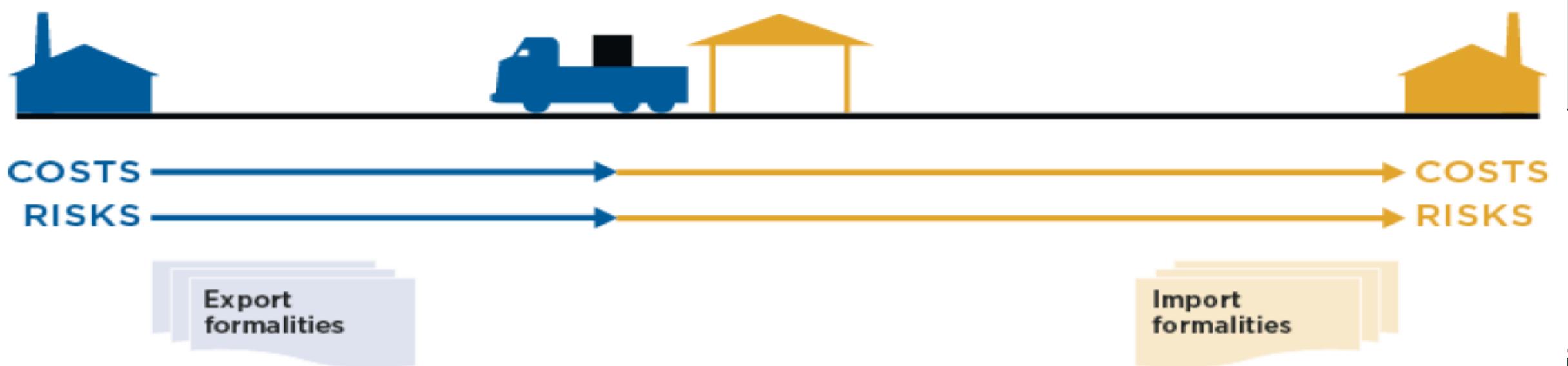
FCA means that the seller delivers the goods to the buyer in one or other of two ways.

1- When the named place is the seller's premises:



FCA: Free carrier

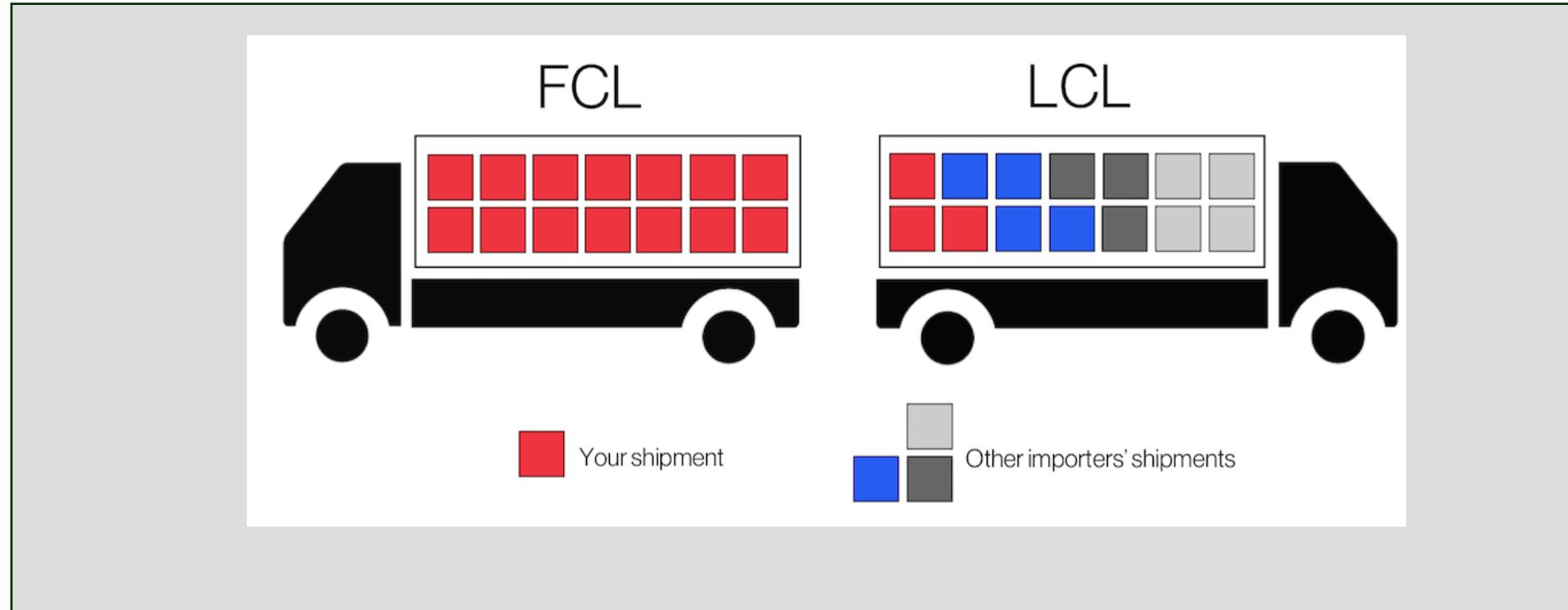
2- When the named place is another place, the goods are delivered:



Named place in container transport by sea

- ❖ **Container Yard (CY)** is a place where containers are stored before loading on to the vessel or after unloading from the vessel/ship once it arrives at Port. A Container Yard is primarily used for FCL (Full container load shipment).
- ❖ **Container freight station (CFS)** is majorly used for LCL (Less than container load) shipments. The goods before loading on to the vessel/ship are taken to CFS to be consolidated and after arriving to the port are taken to CFS to be de-consolidated. The goods are also weighted and checked at CFS before loading on the vessel.

Named place in container transport by sea



FCL = Full Container Load

LCL = Less than Container Load

FCA – Free Carrier

- *FCA (insert Named place of delivery) Incoterms 2020*
FCA Tan Son Nhat Airport, Viet Nam – Incoterms 2020.

FCA – Free Carrier

➤The seller's obligations:

- **Delivery (A2):**
- **Transfer of risks (A3)**
- **Carriage and Insurance (A4, A5): No obligation**
- **Delivery document (A6): .**
- **Export Clearance (A7)**
- **Checking, packaging, packing (A8)**
- **Allocation of costs (A9)**
- **Notices (A10)**

FCA – Free Carrier

➤The buyer's obligations:

- Transfer of risks (B3):

-Carriage (B4)

-Delivery document (B6):

-Import clearance (B7)

-Allocation of costs (B9)

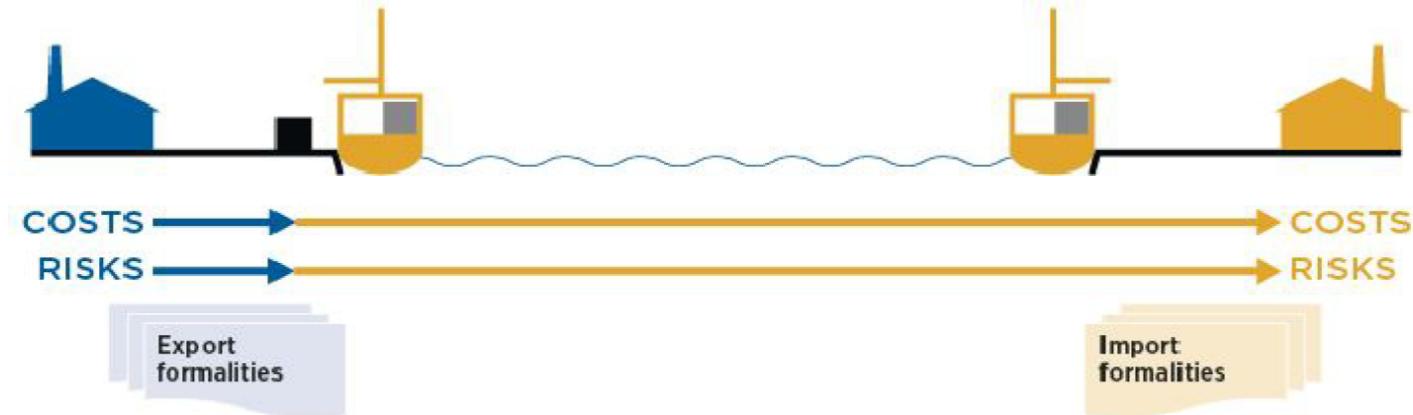
-Notices (B10):

-Notes:

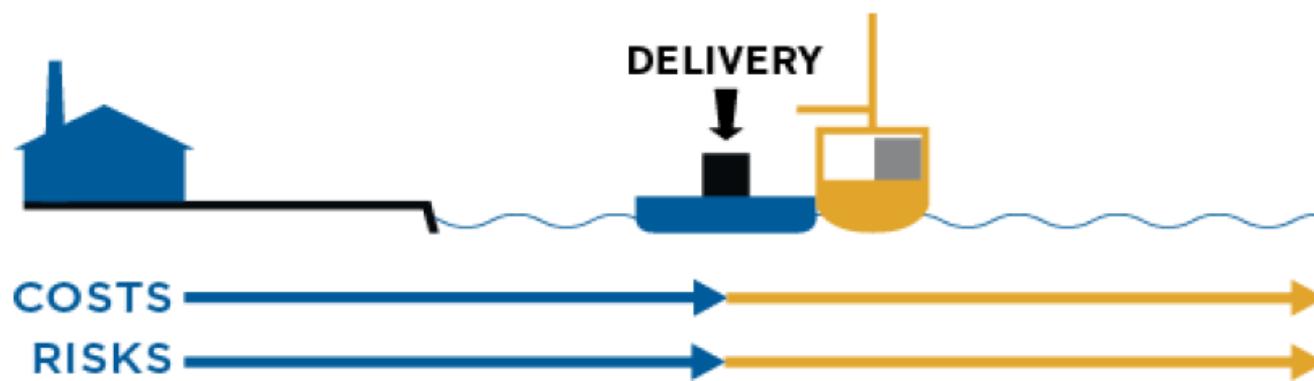
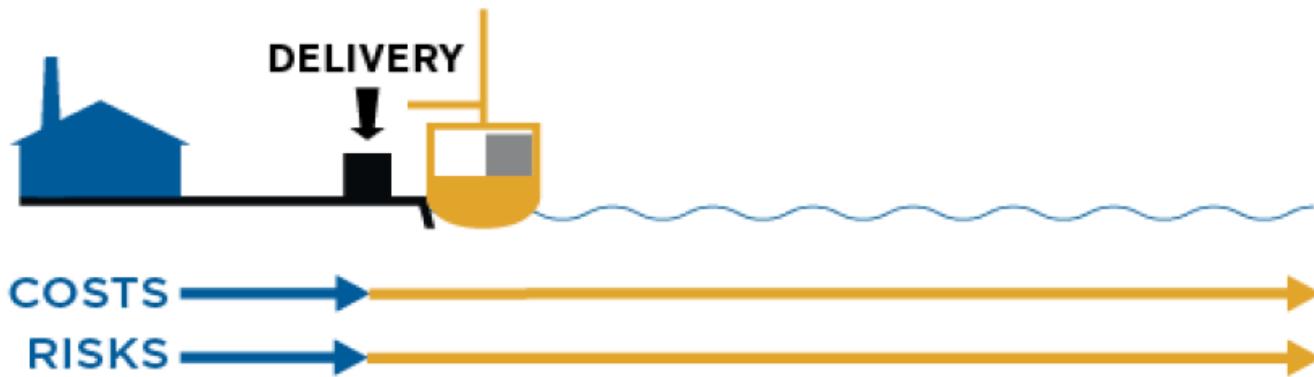
- Used irrespective of mode of transport
- Especially suitable for container transport
- FCA should be used instead of FAS or FOB if the seller does not intend to deliver the goods alongside the ship or on board.

FAS - Free Alongside Ship

FAS (insert named port of shipment) Incoterms® 2020



- “**Free Alongside Ship**” means that the seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment.
- The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.



INCOTERMS® 2020

FAS – Free Along Side Ship

*FAS (insert named port of shipment) Incoterms
2020*

- FAS Cat Lai port, Viet Nam, Incoterms 2020
- How to place the goods alongside ship?

INCOTERMS® 2020

FAS: Free alongside ship (insert Named port of shipment) Incoterms® 2020

Free Alongside Ship means that the seller delivers the goods to the buyer when the goods are placed alongside the ship (e.g. on a quay or a barge) nominated by the buyer at the named port of shipment or when the seller procures goods already so delivered.



QUI NHON PORT





FAS – Free Alongside ship

➤The seller's obligations:

- Delivery (A2):

-The seller must deliver the goods either by placing them alongside the vessel nominated by the buyer at the loading point, if any, indicated by the buyer at the named port of shipment or by procuring the goods so delivered.

The seller must deliver the goods on the agreed date or at the time within the agreed period notified by the buyer or, if no such time is notified, then at the end of the agreed period and in the manner customary at the port.

- Transfer of risks (A3)

- Carriage (A4):

- Insurance (A5)

- Delivery document (A6):

- The seller must provide the buyer, at the seller's cost, with the usual proof that the goods have been delivered

- Unless such proof is a transport document, the seller must provide assistance to the buyer, at the buyer's request, risk and cost, in obtaining a transport document.

-Export clearance (A7)

FAS – Free Alongside ship

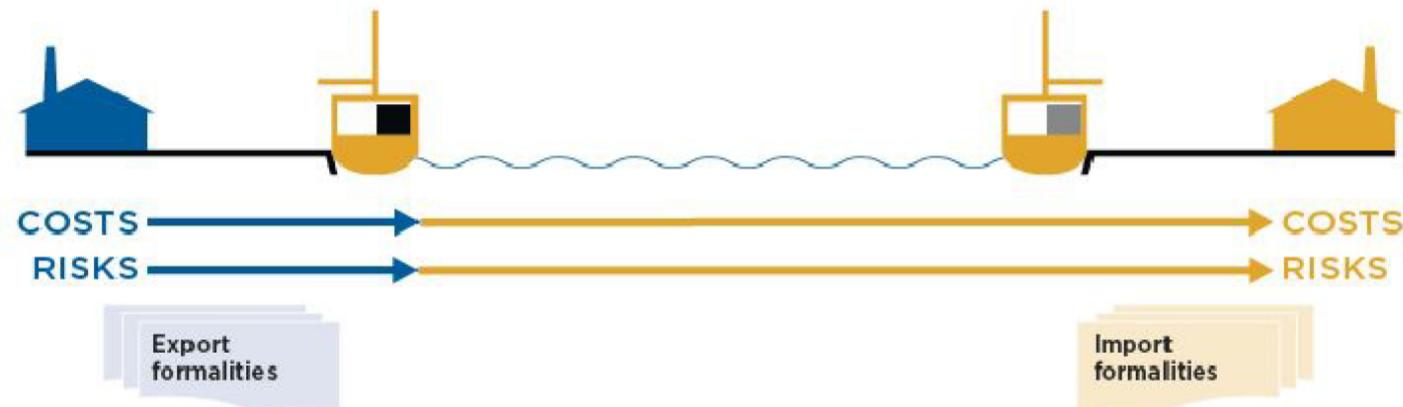
➤ **The buyer's obligations:**

- Transfer of risks (B3)
- Carriage (B4)
- Delivery document (B6)
- Import Clearance (B7)
- Allocation of costs B9
- Notices (B10):
- **Notes:**

- Used only for sea or inland waterway transport
- Not suitable for containerized goods (using FCA instead of FAS);
- Lighterage/barge charges need to be allocated

FOB - Free On Board

FOB (insert named port of shipment) Incoterms® 2020



- “Free On Board” means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered.
- The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

FOB: Free on board + Named port

“Free on Board” means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered.



INCOTERMS® 2020

- ❖ **FOB – Free on board**
- *FOB + Named port of shipment, Incoterms 2020*
- FOB Cat Lai Port, Viet Nam – Incoterms 2020

FOB – Free on board

➤**The seller's obligations:**

- **Delivery (A2):**
- **Risk transfer (A3)**
- **Carriage (A4):..**
- **Insurance (A5)**
- **Delivery document (A6): Export clearance (A7)**

DISCUSSION

An exporter and importer have agreed upon the Incoterms® 2020 rule FOB Cape Town port. At the time the sales contract was agreed upon, it was unknown which shipping line or vessel would be used. At the time of export, the exporter loads the container at its premises and its forwarding agent arranges for the container to be sent to the export stack for the vessel as advised by the importer/agent; the container is placed into the export stack and the importer is notified. The vessel nominated by the buyer is delayed due to wind and collects the cargo only after the scheduled loading date.

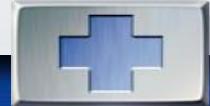
During the time after the export agent has placed the container into the export stack, (which is customary in procuring the container so delivered in South African ports) and the placing of the container on board the vessel nominated by the buyer at the loading point, the goods are damaged.

Who would bear the risk of damage to the goods?

DISCUSSION

Same as above, except the vessel is not delayed due to wind, but the cargo is left behind on the quayside due to a ‘short shipment’ resulting from the vessel being overladen at the previous port of call. The cargo is damaged between the time of delivery into the export stack and when the container is shipped on the next available vessel.

Who would bear the risk of damage to the goods?



INCOTERMS® 2020

- ❖ what is meant by ‘placing’ the goods ‘on board’ the vessel? Are securing, dunnage, and/or trimming of the cargo required??
- ❖ *‘FOB secured stowed and trimmed’?*



INCOTERMS® 2020

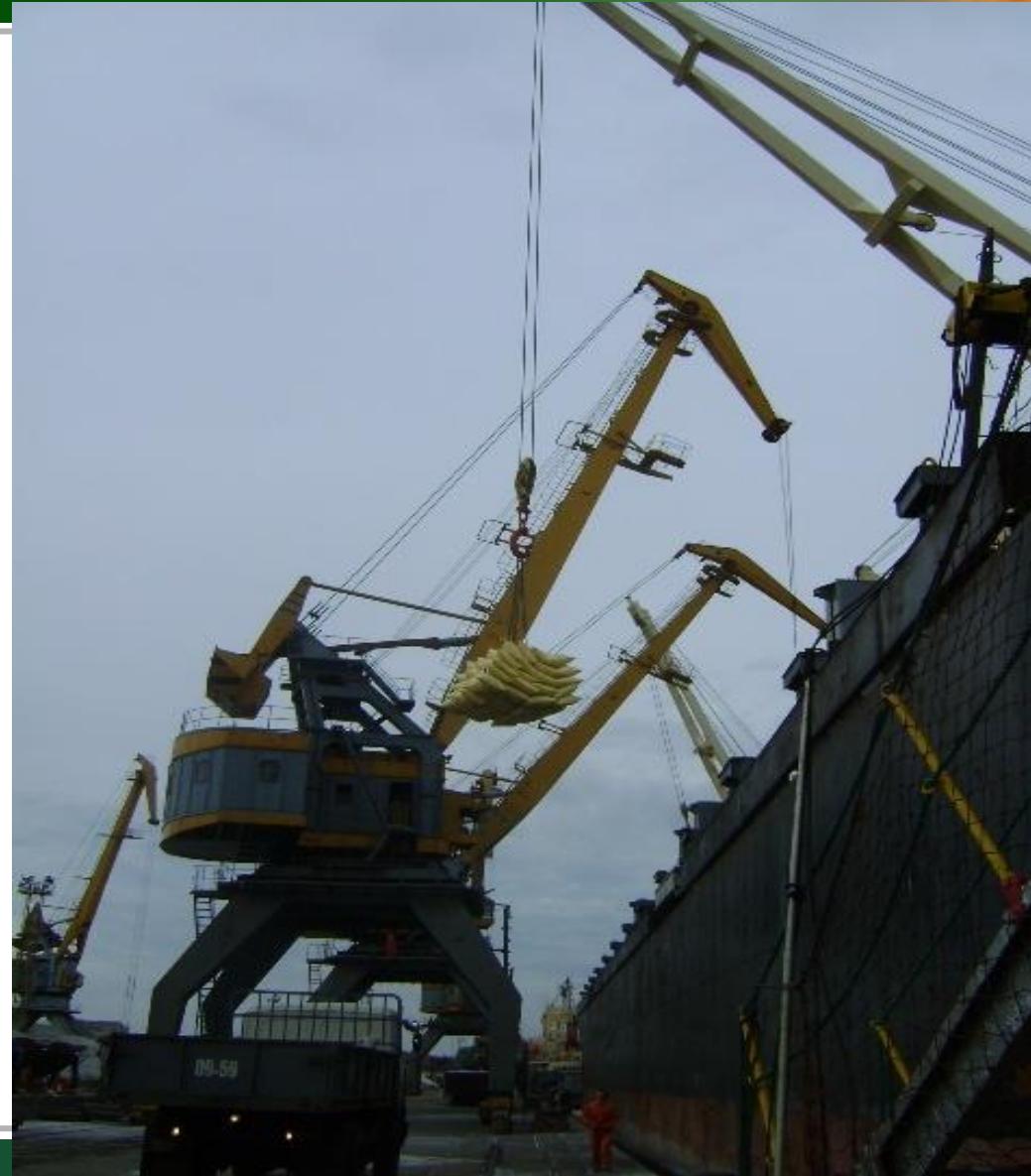
- ❖ If goods are dropped during loading and land on deck causing damage. Who would be liable for this?
- ❖ Under FOB, what happens if goods are destroyed during loading when only part of the goods has been put on board? Has delivery been made, so that risk for the goods already on board has passed to the buyer?
- ❖ Who pays the cost of B/L?



What does 'on board' mean?

- ❖ Port custom
- ❖ Type of goods (out of gauge/super heavy)
- ❖ RORO (Roll-on Roll off) Transport or
LOLO (Lift-on Lift-off) Transport





FOB – Free on board

➤ **The buyer's obligations:**

- Transfer of risks (B3)
- Carriage(B4)
- Delivery document: B6
- Import clearance(B7)
- Cost allocations B9
- Notice (B10):
- **Notes:**

- Used only for sea or inland waterway transport
- Not suitable for containerized goods (using FCA instead of FOB);
- Custom of loading port;
- Variations of FOB (FOB stowed, FOB trimmed)
- Usage of transport terms: FI, FO, FIO...

Difference between FOB and FAS

- Delivery point;
- Allocation of cost and risks related to delivery:
 - + Risks of loading: Seller;
 - + Costs of loading: liner charter/voyage charter;
- Custom of the loading port;
- Proof of delivery: received for shipment/on board;

LINER CHARTER

- Liners are ship trading between fixed and predetermined number of ports regardless whether they are full or empty.
- Liners follow a schedule of ports of loading and discharge, usually adhering to a published timetable on set conditions of carriage and often charged at a published rate or freight.
- Liner cargo is almost made up of manufactured or partly-manufactured goods
- The vast majority (90%) of liner cargo is carried in container
- Liner freight includes loading, stowage/trimming and discharge expenses

VOYAGE CHARTER

- Voyage chartering happens when a charter rents whole or part of a ship for transporting his cargoes from port(s) of loading to port(s) of discharge for a single or some of voyages
- Ships are running as the charterer's requirements
- It almost always carries raw materials, very often in bulk such as iron ore, grain, coal, and oil.
- Freight is determined by market to competitive and negotiated with or without I, O, S, T → FIOST?
- Obligations and responsibility of carriers may be governed by both Bill of lading and charterparty.

BILL OF LADING

1. Definition

❖ Bill of lading is a document issued by a carrier to a shipper (exporter/seller/consignor), signed by the captain, agent, or owner of a vessel, furnishing written evidence regarding receipt of the goods (cargo), the conditions on which transportation is made (contract of carriage), and the engagement to deliver goods at the prescribed port of destination to the lawful holder of the bill of lading (Hinkelmann, Edward G., 2008).

2. Functions

- ❖ Receipt of shipment: confirming whether goods have been received in good condition.
- ❖ Evidence of carriage contract: having the carrier's or the carrier agent's signature only.
- ❖ Document of title → *security for payment*

3. Types of B/L

- ❖ By receiver
- ❖ By negotiability
- ❖ By notes on B/L
- ❖ By shipment
- ❖ Transport process



3.1. By receiver

3.1.1. Straight B/L

- ❖ In the box consignee the name of the addressee is entered.
- ❖ Only he has the right to receive the goods.
- ❖ Non-negotiable Bill.
- ❖ Not beneficial to use with COLLECTION and L/C mode of payment.

3.1. By receiver

3.1.2. To order B/L (2 common cases)

a. To order blank endorsed

“TO ORDER” or “TO ORDER OF THE SHIPPER”

- ❖ The shipper would endorse in blank on the back of the Bill of Lading by signing with authorized signature and stamping with the company's seal (same seal as the one in L/C).



中远海运集装箱运输有限公司
COSCO SHIPPING LINES CO., LTD.

ORIGINAL

PAGE: 1 OF 2 Tel: +86 21 3512 4888

E-Business: elines.coscoshipping.com

PORT TO PORT OR COMBINED TRANSPORT BILL OF LADING

1. Shipper Insert Name Address and Phone/Fax		Booking No. 6255593230 Bill of Lading No. COSU6255593230	
SONG HY CO LTD VO VAN KIET STREET, SEVEN VILLAGE, LONG GIANG WARD, PHUOC LONG DISTRICT, BINH PHUOC PROVINCE, VIETNAM VAT : 3800231114		Export References CSO/AGREEMENT NUMBER SGN02006004	
2. Consignee Insert Name Address and Phone/Fax TO THE ORDER		Forwarding Agent and References FMC/CHB No.	
3. Notify Party Insert Name Address and Phone/Fax FABRICA DE PATATAS LA SANTAMARIA S. L PS DE SANTA MARIA DE LA CABEZA NO 47 28045 MADRID SPAIN VAT/EORI/ID NUMBER : ES-B82164039		Point and Country of Origin	
4. Combined Transport * Pre-Carriage by		Also Notify Party-routing & Instructions	
5. Combined Transport * Place of Receipt HOCHIMINH, VIETNAM			
6. Ocean Vessel Voy. No. LADY OF LUCK 120S		7. Port of Loading HOCHIMINH, VIETNAM	
8. Port of Discharge VALENCIA, SPAIN		Service Contract No. Doc. Form No.	
Marks & Nos. Container / Seal No. TEMU3002933 /11875333	No. of Container or Packages /	Description of Goods (if Dangerous Goods, See Clause 20) 700 CARTONS / FCL/FCL / 20GP/	Gross Weight 16470.000KGS
N/M	700 CARTONS	220 CARTONS OF VIETNAMESE CASHEW KERNELS WW180, 264 CARTONS OF VIETNAMESE CASHEW KERNELS WW240 216 CARTONS OF VIETNAMESE CASHEW KERNELS WW320 CONTRACT NO : PLN/001225/19 HS CODE: 08013200	Measurement 255 AGENT FOR TH COSCO SHIPPING
14 DAY FREE DND COMBINED AT DESTINATION SHIPPED ON BOARD ON LADY OF LUCK V.120S ON 13 JAN 2020 AT HO CHI MINH CITY, VIETNAM ** TO BE CONTINUED ON ATTACHED LIST **			
Declared Cargo Value US\$		Description of Contents for Shipper's Use Only (Not part of This B/L Contract)	
10. Total Number of Containers and/or Packages (in words) Subject to Clause 7 Limitation		SAY ONE CONTAINER TOTAL	
11. Freight & Charges	Revenue Tons	Rate	Per
Received in external apparent good order and condition except as otherwise noted. The total number of the packages or units stuffed in the container, the description of the goods and the weights shown in this Bill of Lading are furnished by the merchant, and which the carrier has no reasonable means of checking and is not a part of this Bills of Lading contract. The carrier has issued <u>3</u> original Bills of Lading, all of this tenor and date, one of the original Bills of Lading must be surrendered and endorsed or signed against the delivery of the shipment and whereupon any other original Bills of Lading will be void. The shipper agrees to be bound by the terms and conditions of this Bill of Lading as if each had personally signed this Bill of Lading.			
<small>*Applicable Only When Document Used as a Combined Transport Bill of Lading. Demurrage and Detention shall be charged according to the tariff published on the Home page of http://lines.coscoshipping.com. If any ambiguity or query, please search by Demurrage & Detention Tariff Enquiry. The complete TERMS AND CONDITIONS appearing on the reverse side of this Bill of Lading are available at http://lines.coscoshipping.com, which also provides other services and more detailed information.</small>			
Date Laden on Board 13 JAN 2020 Signed by: COSCO SHIPPING LINES (VIETNAM) COMPANY LIMITED 			
Signed for the COSCO SHIPPING LINES CO., LTD. No.378 Dong Da Ming Road Shanghai 200080, China			

3.1. By receiver

b. To order of a Bank

- ❖ Ex: To order of HSBC Vietnam.
- ❖ It is the issuing bank that would endorse the B/L to enable the applicant to take up of the delivery of the cargo once the documents presented are complying or once the applicant accepts to pay the discrepant documents.

3.1. By receiver

3.1.3. To bearer B/L

- ❖ Any holder in due course can claim the goods.
- ❖ Should not give it directly to the buyer with L/C or Collection payment.

3.2. By negotiability

❖ **Negotiability** is the characteristic of a document that allows it to be legally and freely transferable. It allows the passing of its ownership from one party to another by endorsement or delivery.

3.2. By negotiability

3.2.1. Negotiable B/L

B/L can be transferred by its consignee to a third party by endorsing and delivering it to another party. (To order, To bearer B/L)

3.2.2. Non-negotiable B/L

B/L can not be transferred by its consignee to a third party by endorsing and delivering it to another party. (Straight B/L)

3.3. By notes on B/L

3.3.1. Clean Bill of Lading

❖ A bill of lading issued by a carrier declaring that the goods have been received in an appropriate condition, without the presence of defects.

“Shipped in good order and condition”.

3.3. By notes on B/L

3.3.2. Unclean Bill of Lading

❖ A bill of lading indicating some damage to, or loss of the goods.
It is also called a claused bill of lading.

"goods insufficiently packed in accordance with the Carriage of Goods by Sea Act,"
“five boxes broken”, “some bags torn”, “case No. 12 missing,”

3.3. By notes on B/L

- ❖ In practice, a clean BL will be essential for the sales contract and must be issued to fulfill the requirements stated in letters of credit.
- ❖ Most banks refuse to accept any unclean bills of lading.
- ❖ By offering a letter of indemnity to carrier, indemnifying the latter against all possible consequences.

3.4. By shipment on board

3.4.1. Received for shipment B/L

- ❖ A B/L which serves only as a receipt for goods accepted for shipment on a named ship (vessel), and does not certify their placement on board.
- ❖ Used where the goods arrive at the port of departure before the vessel does.

3.4. By shipment on board

3.4.2. Shipped on board B/L

- ❖ This B/L evidences goods having been loaded on board the specified vessel with loading date on it. In these cases, the date of issuance of the B/L will be deemed to be the date of shipment.



3.5. By transport process

3.5.1. Direct B/L

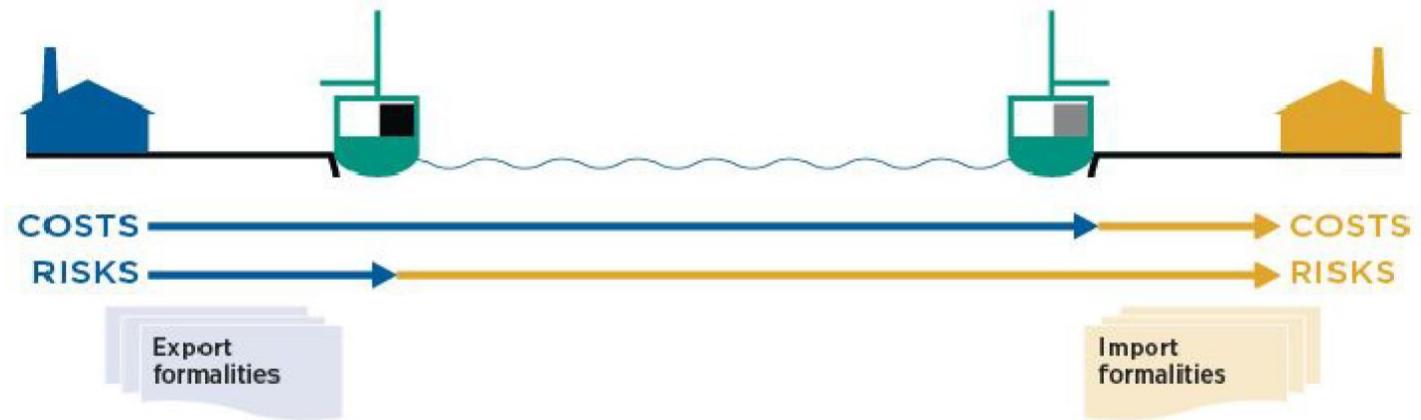
- ❖ Direct B/L means that the goods are shipped from the port of loading direct to the port of destination without involving transhipment.

3.5.2. Through B/L

- ❖ Different ships from origin to destination.

CFR - Cost and Freight

CFR (insert named port of destination) Incoterms® 2020



- “**Cost and Freight**” means that the seller delivers the goods on board the vessel or procures the goods already so delivered.
- The risk of loss of or damage to the goods passes when the goods are on board the vessel. the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

INCOTERMS® 2020

CFR: Cost and freight + Named port

Cost and Freight” means that the seller delivers the goods to the buyer

- on board the vessel
- or procures the goods already so delivered.

The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

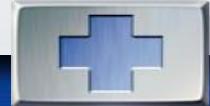


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❖ CFR – Cost and Freight

➤ *CFR + port of destination, Incoterms 2020*

CFR Hai Phong Port, Việt Nam – Incoterms
2020



INCOTERMS® 2020

❖ **CFR – Cost and Freight**

➤ **Seller's obligations:**

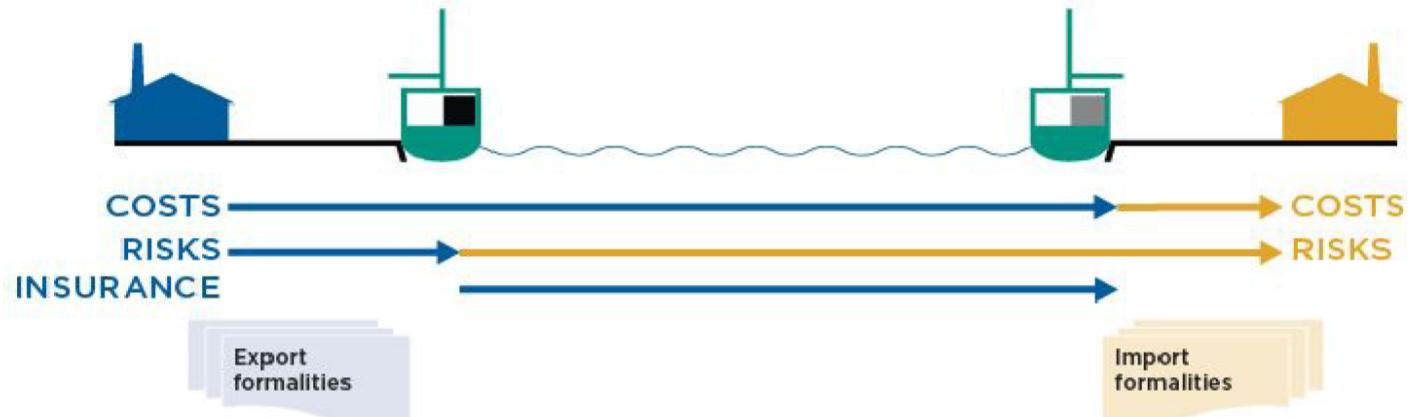
- Delivery (A2):
- Transfer of risks (A3)
- Carriage (A4):
- Insurance (A5)
- Transport document (A6):
- Export clearance (A7)
- Cost allocation (A9)



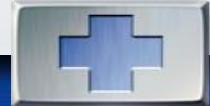
- **Buyer's obligations**
- Taking delivery and transfer of risks (B2, B3)
 - ⇒ *Loading costs? Risks of unloading?*
 - Import clearance (B7)
 - Cost allocations (B9)
 - Notices (B10)
- ❖ **Notes:**
 - Not suitable for containerized goods (using CPT instead of CFR).
 - The buyer should contract for insurance.
 - CNF, C&F, C + F: not recommended.

CIF - Cost, Insurance and Freight

CIF (insert named port of destination) Incoterms® 2020



- “Cost, Insurance and Freight” means that the seller delivers the goods on board the vessel or procures the goods already so delivered.
- The risk of loss of or damage to the goods passes when the goods are on board the vessel.
- The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.



INCOTERMS® 2020

- ❖ CIF - Cost, Insurance and Freight
- *CIF + Named port of destination, Incoterms 2020*

CIF Cat Lai Port, Viet Nam, Incoterms 2020.

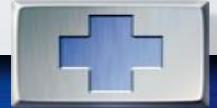
- The seller fulfils his obligations by placing the **insured** goods on board the vessel nominated by the seller at the agreed port of loading or by procuring the goods already so delivered;
- Parties' main obligations are similar to those in CFR, except for **insurance obligation**



INCOTERMS® 2020

- Seller's insurance obligation:

-



1/1/09

INSTITUTE CARGO CLAUSES (C)

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clauses 4, 5, 6 and 7 below,
 - 1.1 loss of or damage to the subject-matter insured reasonably attributable to
 - 1.1.1 fire or explosion
 - 1.1.2 vessel or craft being stranded grounded sunk or capsized
 - 1.1.3 overturning or derailment of land conveyance
 - 1.1.4 collision or contact of vessel craft or conveyance with any external object other than water
 - 1.1.5 discharge of cargo at a port of distress,
 - 1.2 loss of or damage to the subject-matter insured caused by
 - 1.2.1 general average sacrifice
 - 1.2.2 jettison.

ICC – INTERNATIONAL CARGO CLAUSES (Lloyd's Market Association/International Underwriting Association 'LMA/IUA') – 01.01.2009

Risks Covered and the Exclusions	Institute Cargo Clauses		
	(A)	(B)	(C)
Loss or damage to the subject matter insured <u>proximately caused by</u> [in Clauses (A)] and <u>reasonably attributable to</u> [in Clauses (B) and (C)]:			
Fire or explosion	•	•	•
Vessel or craft stranded, sunk, burnt or capsized	•	•	•
Land conveyance overturned or derailed	•	•	•
Collision or contact of vessel, craft or conveyance with any external object except water	•	•	•
Discharge of cargo at port of distress	•	•	•
▪	(A)	(B)	(C)
<u>Earthquake, lightning or volcanic eruption</u>	•	•	•
<u>Malicious damage</u>	•	•	•
Theft	•	•	•
<u>Delay</u>	•	•	•
<u>Inherent vice</u> or nature of the subject matter insured	•	•	•
<u>Willful misconduct of the assured</u>	•	•	•

BAOVIE  **Insurance**

BẢO HIỂM BẢO VIỆT

HAIPHONG BRANCH:

24 Dien Bien Phu Str., Ngo Quyen Dist., Haiphong City, Vietnam

Tel: (84) 31. 3551338, 3836268

Fax: (84) 31. 3859870

CARGO INSURANCE POLICY

No HPH.D01.HX.11.HD.0027

COPY

This policy of insurance witnesses that in consideration of a premium, as agreed, being paid to Baoviet Insurance by the Assured for own account or the Assignee or others, the Insurer makes insurance on the following goods, subject to the General Conditions of Marine Cargo Insurance as printed overleaf and the conditions and/or clauses as specified hereinafter or annexed hereto or written hereon:

Name & address of the Assured

VIET HOA BINH COMPANY LIMITED
HOA BINH, VIETNAM

Name of Vessel/ Flight

NITHI BHUM N157

Documentary Credit(L/C) No.

TO BE ADVISED

B/L (or AWB) No.

HPH MAA 1102002

From

HAIPHONG SEAPORT, VIETNAM

Transhipment

NIL

To

CHENNAI SEAPORT, INDIA

Date of departure

TO BE ADVISED

*Estimated date of arrival**Subject matter insured*

9" RAW STICKS

631 BAGS = 10,096 KGS

Sum Insured

110% OF THE INVOICE VALUE = 9,682.7 USD

Conditions or special coverage

COVERING INSTITUTE CARGO CLAUSES "C" (I.C.C 01.01.1982)

TERRORISM EXCLUSION CLAUSE

SANCTION LIMITATION& EXCLUSION CLAUSE - JC2010/014-11/8/2010.

Issued at Haiphong on 28-FEB-2011

**BAO VIET INSURANCE CORPORATION
HAIPHONG BRANCH**



NGUYEN KIEN TRI
DEPUTY MANAGER CARGO/DEPT

In case of loss or damage apply survey to

MR SENTHIL KUMAR

BRANCH MANAGER

TMB MANSION

3RD FLOOR, 739

ANNA SALAI

CHENNAI

600 002

TEL: +91 98410 74535/ +91 93821 31821

FAX: +91 44 2852 3349

EMAIL: CHENNAI@WILSUR.COM

OR THE NEAREST LLOYD'S AGENTS.

Claim payable in HAIPHONG, VIETNAM

by the BAO VIET INSURANCE CORP., HAIPHONG BRANCH

back, before and act accordingly



BAOVIET INSURANCE

Head Office: 36 Hai Ba Trung Str, Hanoi, Vietnam
Tel: (84-4) 933.4163 Fax: (84-4) 933.4164

ORIGINAL

Tel: 048254922, 8246971 Fax: 048257339

CARGO INSURANCE POLICY

No. VP.D18.HX.08.HD257

THIS POLICY OF INSURANCE witnesses that in consideration of a premium, as agreed, being paid to Baoviet Insurance by the Assured for own account or the Assignee or others, the Insurer makes insurance on the following goods, subject to the General Conditions of Marine Cargo Insurance as printed overleaf and the condition and/or clauses as specified hereinafter or annexed hereto or written hereon:

NAME OF ASSURED

IMPORTADORES
VALENCIA S.A.
SPAIN

Name and/or No. of Vessel/Flight :	Documentary Credit (L/C) No.
NAN FENG CHAN 4620E	0615314679800 REF NUMBER EXP 3/21
B/L No.	Contract No.
BHPHVL410848	01/PNHE/2008
From : HAIPHONG PORT IN VIETNAM	To: VALENCIA PORT, SPAIN
Sailing on or about:	15/03/2008
Subject Matter Insured:	
424 BUNDLES = 83,718 PCS BAMBOO BASKETS NW: 5,512 KGS; GW: 6,360 KGS IN 01X40' GP CONTAINER	
Sum Insured:	Premium
110%CIF: USD 23 195.30	VAT
Premium Rate:	Total Amount:
Conditions or special coverage	
COVERING INSTITUTE CARGO CLAUSES (A) (1.1.82) PLUS SRCC, WITHOUT FRANCHISE. CLAIMS MUST BE PAYABLE IN TO THE ORDER OF APPLICANT, STATING AGENT'S COMPANY REPRESENTATIVE IN SPAIN	

In the event of loss or damage apply for survey to
MACDREWS S.A. DOCTOR JUAN JOSE DOMINE No1-4
46011 VALENCIA SPAIN

TEL: (34)-96 3241400; FAX: (34)- 96 3241401

Claim payable in

VALENCIA SPAIN

By

BAOVIET INSURANCE CORPORATION

Issued in Ha Noi on 15/03/2008
BAOVIET INSURANCE CORPORATION
HEAD OFFICE



Pham Anh Toan

In case of loss or damage please refer to
the "IMPORTANT" notice printed on the
back hereof and act accordingly

SALE CONTRACT

No	HCI19.030/TSI01
Re	-
Date	23/05/2019

SELLER / EXPORTER

HOANCHAU - ASIA COMPANY LIMITED

41 Ho Ba Kien St, Ward 15, District 10, HCMC Vietnam

Tel: +84 8 39703 333 Fax: +84 8 39702 333

Represented by: Mrs. Dinh Thi Bich Chau - Managing Di THAI GOLD TOP LOGISTICS CO., LTD

BUYER

TASSPOL SEAFOODS

13 NAKORNLUANG 11, BANGPAI, BANGKHAE, BANGKOK 10160

THAILAND

CONSIGNEE

530 BANCHADO ROAD, SAIKONGINTAI, KHLONGSAMWA, BANGKOK, THAILAND

1. COMMODITY | SPECIFICATION | UNIT PRICE | QUANTITY

Description of goods	Size	Quantity	Weight	Unit price	Total amount
		ctns (+/-10%)	kgs (+/-10%)	Usd/kg CNF Bangkok Port, Thailand	USD (+/-10%)
FROZEN INDIAN MACKEREL, AAA GRADE Net weight: 90%, glazing 10%. Packing: Block, 10KG/ bulk bag/ ctn	8/12 pcs/kg	2,380	23,800	1.23	29,274.00
TOTAL (1 CONT 40'')		2,380	23,800		29,274.00

Saying : US Dollars Thirty Three Thousand Two Hundred and Ten only.

Delivery term: CNF Bangkok Port, Thailand
Destination country: Thailand

Date of shipment: May, 2019

Note: Delay transfer deposit may cause late shipment and
price adjustment

Buyer:

TCHIBO GMBH

UBERSEERING 18, D-22297 HAMBURG, GERMANY

Agent:

COMCO TRADING CO., LTD

Buyer's Ref:

And

Seller:

VSCOM PTE. LTD.,

30 CECIL STREET, #19-08 PRUDENTIAL TOWER, SINGAPORE 049712

IT HAS BEEN MUTUALLY AGREED TO SELL AND BUY COFFEE BEANS under the following terms and conditions:

- ORIGIN	: VIETNAM ROBUSTA COFFEE BEANS GRADE 1 SCREEN 16, CROP 2018-2019		
- QUALITY	: Grade 1	- Black and Broken Beans	: 2.0% Max.

- Moisture : 12.5% Max. (OVEN TEST METHOD TO BE APPLIED)
- Foreign matter : 0.5% Max.
- Free from mouldy and fermented beans, clean cups..
- Min. 90% above screen 16.

Important: Glyphosate guaranteed below 0.07mg/kg at port of loading as final.**"Subject to Approval of Pre-shipment sample with replacement by overseas Buyers"**

- PRICE : Price fixation at ICE Robusta Coffee Futures basis **SEPTEMBER 2019 plus US\$110 per MT** FOB HoChiMinh City, net shipped weight, 0.5% franchise. Price to be fixed at **Seller's call**, prior to First Notice Day of **SEPTEMBER 2019** and **Fixation order latest 5 days prior to goods arrival in HAMBURG** with the sale of **22 LOTS OF 10 MTS EACH. THC AT ORIGIN ARE FOR SELLERS' ACCOUNT.**

- QUANTITY : Abt. **216.000 MTS – in bulk (10 containers X 21.600MTS NET EACH)**

- SHIPMENT : **JUNE 2019**. Shipping line and vessels to be nominated by Buyers.

- TERMS OF PAYMENT : Net cash against emailed documents on first presentation. Send original docs with overnight courier upon receipt of the payment advice. All banking charges outside Vietnam are for Buyer's account.

- Price-fixing : All orders to be advised verbally: AA's to be within the trading range of the day. In case shipment is effected prior to fixation / contract remains unfixed, the payment to be made for **70%** of the coffee value basis the close of the relevant futures market position on the B/L date; a market decrease below this level shall entitle the Buyer to ask the Seller for an immediate margin payment. **ROLL OVER IS NOT ALLOWED**

- ARBITRATION : Hamburg HPA / SDKV.

- All other terms have to be in compliance with European Standard Contract for Coffee (ESCC) 2018 edition, and as per Renewed Annex I " **Specific requirements for green coffee**" signed between Tchibo and contractor date: November 22th, 2018

DOCUMENT TO BE: - Quantity & Quality Certificate issued by "VCC&C or Cafecontrol" Vietnam prior to shipment (100% weighing)

PROVIDED BY - Invoice - Fumigation Certificate - Tchibo Traceability Information Sheet

SELLERS - Full set of Clean on Board Bills of Lading - Weight Note

This contract is made by fax under the above terms and conditions and comes into effect from the signing date.

SALES CONTRACT

Contract No : 2216-DGL(VN)
Date : May 10th, 2016

Buyer : DGL INTERNATIONAL (VIETNAM) LIMITED COMPANY
169/3 Nguyen Duc Canh Street, Grand View Complex, Tan Phong Ward, District 7,
HCMC, Vietnam
Tel: (848) 54123917/54123918
Represented by Mr ONG GUAN HIN .Position: General Manager.

Seller: MYCHEM SDN. BHD
Lot 27219, Lorong Haji Abdul Manan 2, Off Jalan Haji Abdul Manan, Batu 5,
Jalan Meru, 42200 Klang, Selangor, Malaysia
Tel: 603-3393 6009
Fax: 603-3392 6009
Represented by Mr LIM KIAN JOO Position: Director

Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the under-mentioned product pursuant to the terms and conditions as follows after negotiation between the parties:

1. Product name, Item No, Quantity, Unit Price and Value:

QUANTITY		DESCRIPTION OF GOODS	UNIT PRICE	SUBTOTAL
(Pcs)	(Carton)		(RM)	(RM)
6744	281	S501 White 410g (Sealant)	4.635	31,258.44
3,360	140	S501 Black 410g (Sealant)	4.635	15,573.60
7,680	320	Awning & Roofing 300ml (Sealant)	2.920	22,425.60
8,400	280	PS Acrylic Flexi-fill 440g (Sealant)	2.187	18,370.80
14,400	96	High-Temp RTV Gray 35gx5 (Sealant)	1.063	15,307.20
PACKING COST (RM)			595.20	
TOTAL FOB (RM)			103,530.84	
FREIGHT & INSURANCE (RM)			7,861.33	
TOTAL CIF (RM)			111,392.17	

Ringgit Malaysian:

One hundred and eleven thousand, three hundred and ninety two point seventeen only

Condition of delivery: CIF (Cost, Insurance and Freight) are interpreted as defined in Incoterms 1990).

2. Port of Loading : Port Kelang, Malaysia
3. Port of discharge : Ho Chi Minh, Vietnam
4. Country of Origin : Malaysia
5. Time of shipment : June 02nd, 2016
6. Documents :
- Detailed packing list
- Certificate of Origin
- Certificate of Analysis
- Bill of Lading Receipt



CPT - Carriage Paid to

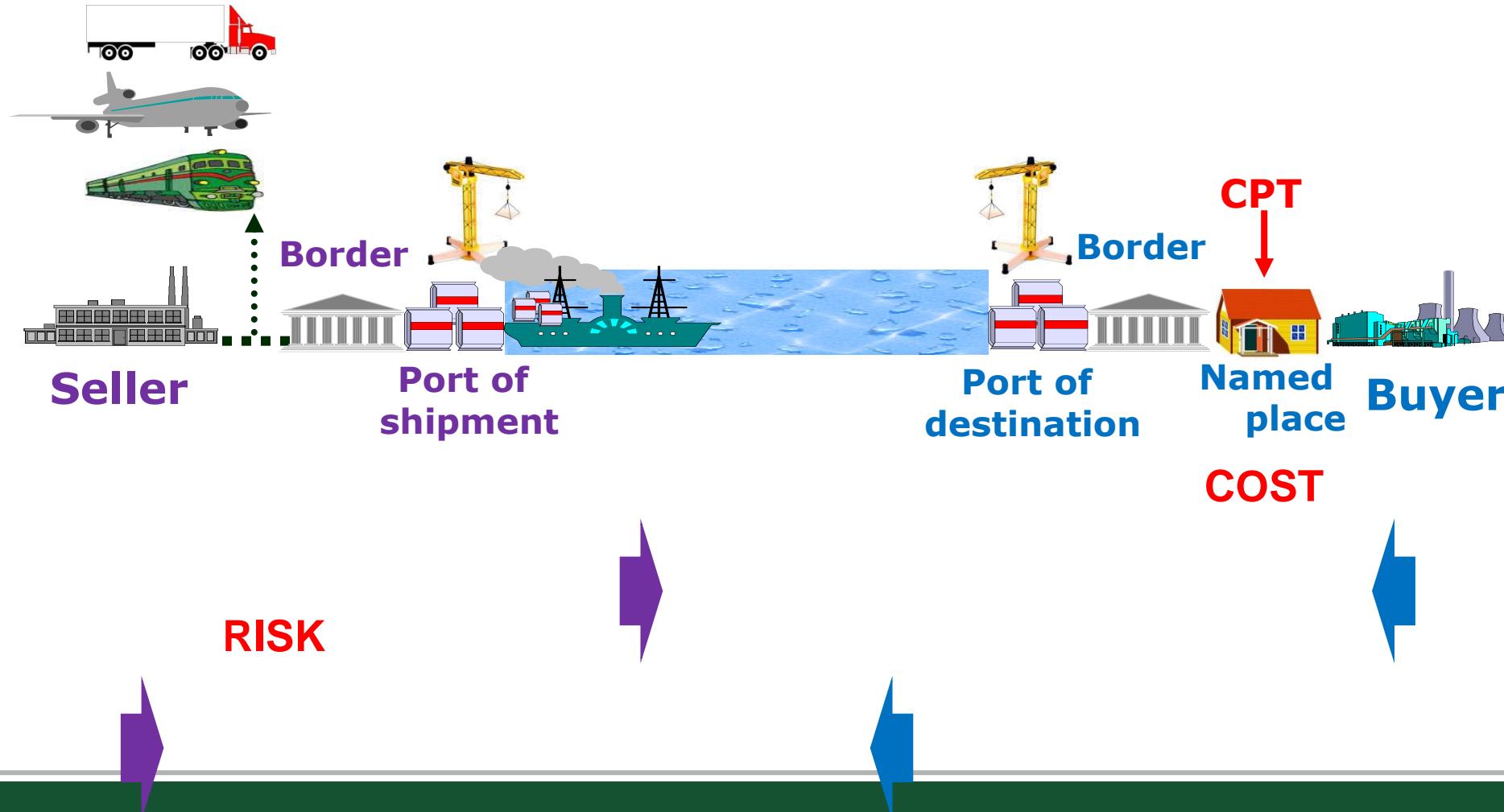
CPT (insert named place of destination) Incoterms® 2020

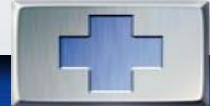


- “**Carriage Paid To**” means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

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CPT: Carriage paid to + Named place





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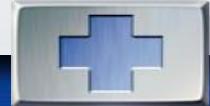
- ❖ **CPT – Carriage paid to**
 - *CPT + Named place of destination*
CPT Noibai Airport, Vietnam – Incoterms 2020

- ❖ "Carriage Paid To" means that the seller delivers the goods—and transfers the risk—to the buyer by handing them over to the carrier contracted by the seller or by procuring the goods so delivered. The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used.



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- ❖ **CPT – Carriage paid to**
 - *Seller's obligations*
 - Delivery and transfer of risks (A2,A3)
 - Carriage (A4)
 - Insurance (A5)
 - Transport Document (A6):
 - *Custom clearance(A7)*



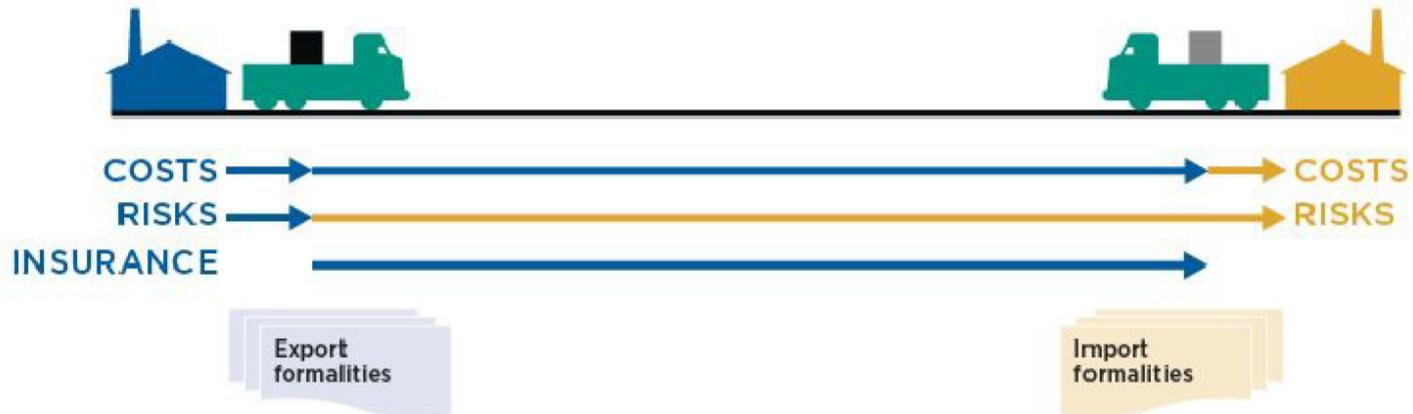
INCOTERMS® 2020

➤ Buyer's obligations

- ❖ Take delivery, bear all risks of loss of or damage to the goods from the time they have been delivered;
- ❖ Notice the seller of time of dispatching/place of destination and bear all arising costs and risks if fail to perform B10;
- ❖ Pay all additional charges relating to the goods in transit or unloading costs, unless such costs are for the seller's account under contract of carriage;
- ❖ Clear the goods for import;
- ❖ **Notes:**
 - ❖ All modes of transport;
 - ❖ If the two parties do not intend to deliver the goods on board, CPT should be used instead of CFR;
 - ❖ The buyer should contract for insurance;

CIP - Carriage and Insurance Paid to

CIP (insert named place of destination) Incoterms® 2020



- “**Carriage and Insurance Paid to**” means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.
- The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.



INCOTERMS® 2020

- ❖ **CIP – Carriage and Insurance Paid to**
- ❖ *CIP + Named place of destination, Incoterms 2020*
CIP Noibai Airport, Vietnam, Incoterms 2020
- **Tổng quan:**
 - The seller fulfils his obligations by delivering the insured goods to the carrier or another person nominated by the seller at a place agreed between the parties
 - Parties' obligations are similar to those in CPT.
 - Seller's obligations
 - Buyer's obligations
 - Transport document
 - Insurance issue



INCOTERMS® 2020

➤ Insurance obligation:

- Unless otherwise agreed or customary in the particular trade, the seller must obtain at its own cost cargo insurance complying with the cover provided by Clauses (A) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses as appropriate to the means of transport used. T
- The insurance shall be contracted with underwriters or an insurance company of good repute and entitle the buyer, or any other person having an insurable interest in the goods, to claim directly from the insurer.
- The insurance shall cover, at a minimum, the price provided in the contract plus 10% (i.e. 110%) and shall be in the currency of the contract.
- The insurance shall cover the goods from the point of delivery to at least the named place of destination.
- The seller must provide the buyer with the insurance policy or certificate or any other evidence of insurance cover.



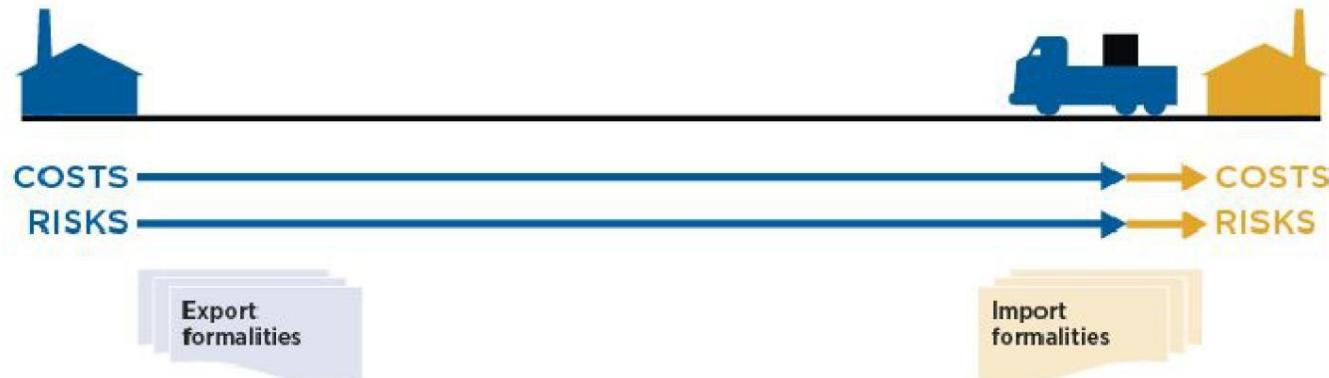
INCOTERMS® 2020

❖ Notes for C group

- Two critical points
- Avoid stipulating date of delivery at destination (date of arrival)
'CIF Rotterdam not later than...'
'Shipment to be arrived at discharging port before...'
- Unsuitability of minimum cover for manufactured goods
- *C-terms are not equivalent to D-terms*

DAP - Delivered at Place

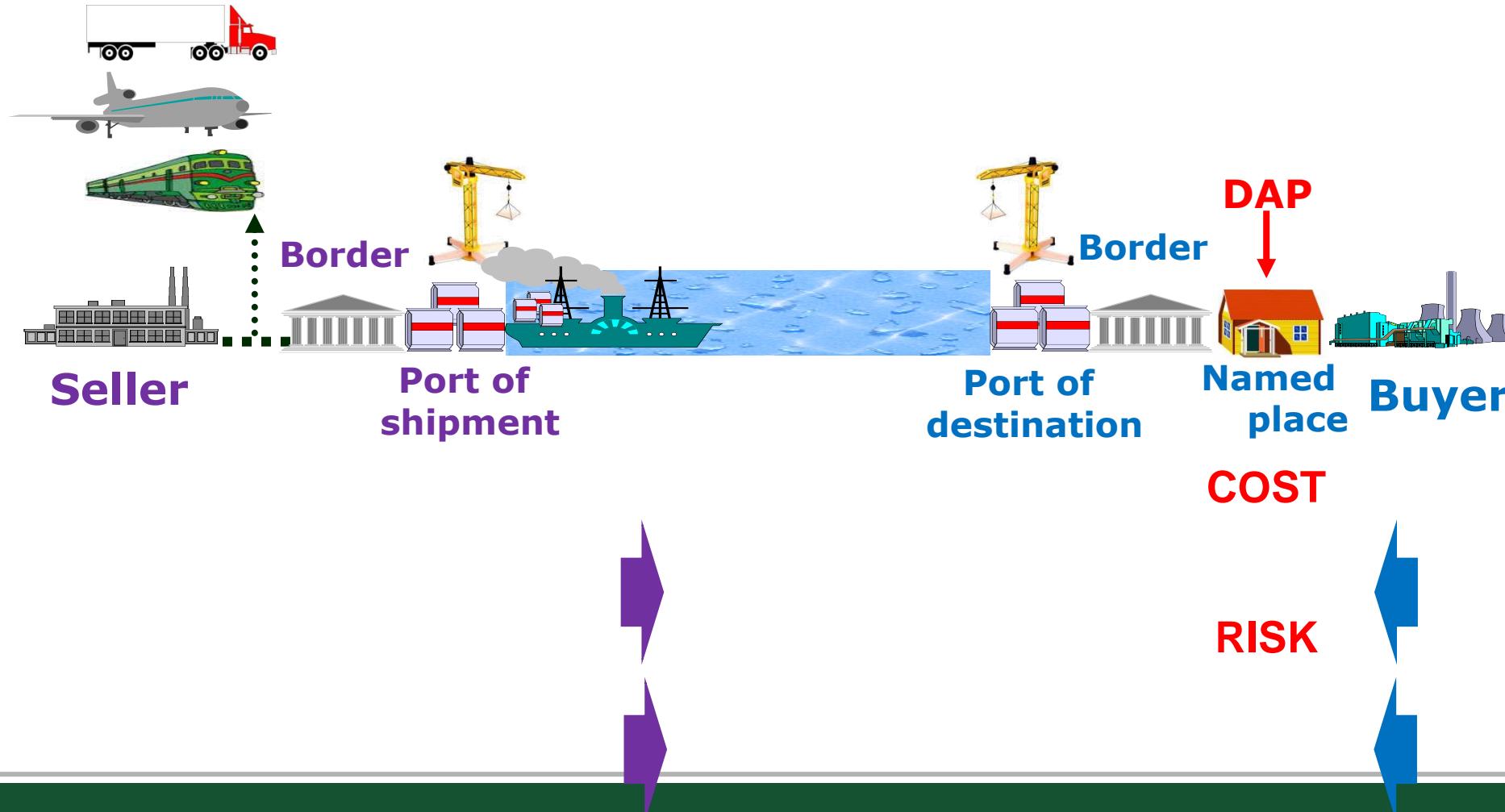
DAP (insert named place of destination) Incoterms® 2020

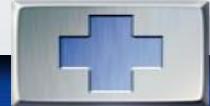


- “**Delivered at Place**” means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

INCOTERMS® 2020

DAP: Delivered at place + Named place





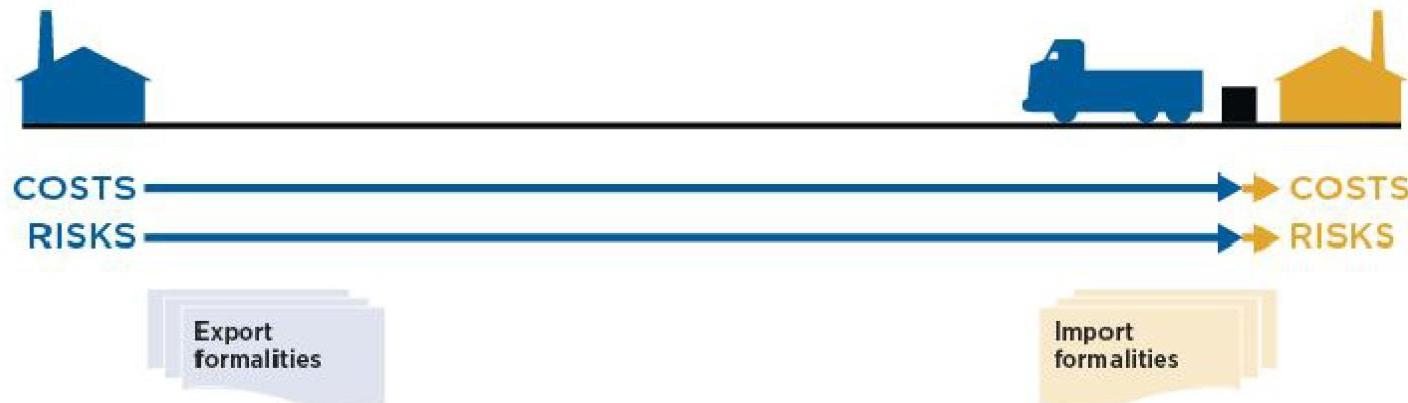
INCOTERMS® 2020

- DAF – Delivered at Frontier
- DES – Delivered ex Ship
- DDU – Delivered Duty Unpaid

2000	2010
DAF	
DES	DAP
DDU	

DPU - Delivered at Place Unloaded

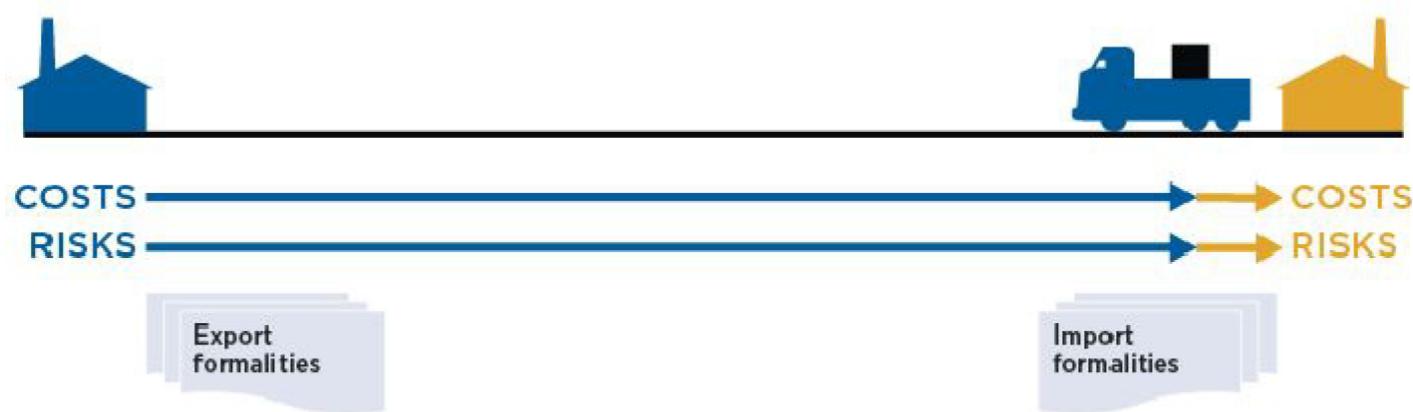
DPU (insert named place of destination) Incoterms® 2020



- “**Delivered at Place Unloaded**” means that Seller delivers the goods and transfer risk to Buyer, when the goods once unloaded from the arriving means of transport are placed at the disposal of the Buyer & at the named place or destination or at an agreed point within that place, if any point has been agreed
- The contract of carriage must be arranged by the Seller up to the agreed point of delivery of destination
- The Seller is liable to unload the good from the means of transportation
- DPU requires the Seller to clear the goods for export however the Seller is under no obligation to clear the good for import or transit through third countries
- Buyer must arrange for import customs clearance and customs duties

DDP - Delivered Duty Paid

DDP (insert named place of destination) Incoterms® 2020



- “Delivered Duty Paid” means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination.
- The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

ADDITIONS TO DDP

- ❖ **DDP exclusive of duty, VAT and other import charges.**

NOTES FOR D GROUP

- *DAP and DDP do not include unloading*
- If any difficulties seem likely to arise in relation to the import of the goods into the buyer's country, the seller should try to avoid using the term DDP.
- DPU or DAP and difficulties of reaching the final destination

Can you bear all costs and risks until the goods are delivered to the buyer?

Y

Can you obtain the required import licenses and carry out the import formalities

Y

Can you bring the goods to the named place of destination?

Y

N

N

N

Can you organize transport and pay the freight up to the agreed place of destination (without guarantee of arrival)

Y

Is the place of destination a sea port?

Y

Are the goods shipped in a container?

N

N

Y

Can you bring the goods to the agreed place of international/main shipment and carry out all formalities upon exportation

Y

Is the place of destination a sea port?

Y

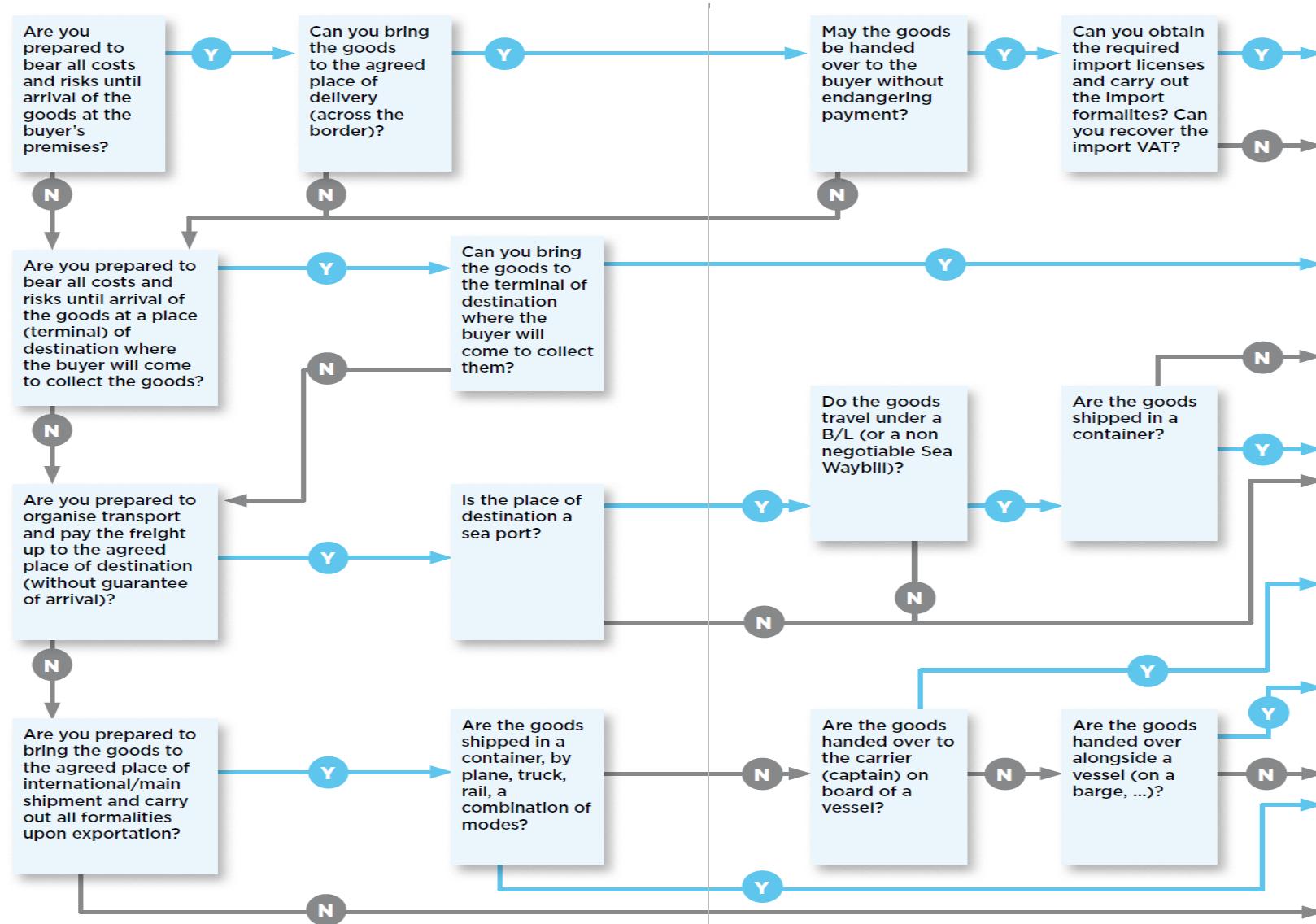
Are the goods shipped in a container?

N

N

Y

N



J&J Ltd. of Guangzhou, China, sold solar panel displays to Sunshine Technologies for \$300,000 USD CIF. J&J contracted their freight forwarder, Better Freight International Ltd., to move the cargo on a door-to-port basis to the port of Chicago, Illinois. Better Freight was notified that the shipment would be ready for pick up from J&J on the first of the month. The goods were picked up on time and moved to the port of loading for export loading. The proper Importer Security Filing (ISF) information was filed in a timely manner and the shipping carrier Main Container Line loaded the container accordingly. While in transit, the container was subject to carriage stress, and movement causing damage to the solar panels resulting in 100% loss of the quality of the goods. Sunshine, upon investigation, discovered that the freight forwarder Better Freight and the container carrier Main Container Line were notorious for damaged cargo and poor stowage of containers from the Far East. Sunshine filed a claim with J&J for the full value of the cargo plus a 30% profit that was expected after U.S. importation and U.S. resale. The seller, J&J, upon receipt of notification of the claim for damages refused the claim and informed Sunshine Technologies that they, J&J, were not liable for the loss or damage.

PART 3

CHANGES TO INCOTERMS®2020

Incoterms®2020

EXW Ex Works (named place of delivery)

FCA Free Carrier (named place of delivery)

FAS Free Alongside Ship (named port of shipment)

FOB Free On Board (named port of shipment)

CFR Cost & Freight (named port of destination)

CIF Cost, Insurance & Freight (named port of destination)

CPT Carriage Paid To (named place of destination)

CIP Carriage & 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)

Black = Unchanged

Green = New

Purple = Modified

Incoterms®2020

- **Overall changes:** steering users towards the right Incoterms® rule for their sale contract.
 - a greater emphasis in this Introduction on making the right choice;
 - a clearer explanation of the demarcation and connection between the sale contract and its ancillary contracts;
 - upgraded Guidance Notes presented now as Explanatory Notes to each Incoterms® rule; and
 - a re-ordering within the Incoterms® rules giving delivery and risk more prominence

ORDER WITHIN THE INCOTERMS RULES

2010	2020
A1-B1. General obligations of the seller-buyer	A1-B1. General obligations
A2-B2. Licences, authorizations, security clearances and other formalities	A2-B2. Delivery – Taking Delivery
A3-B3. Contracts of carriage and insurance	A3-B3. Transfer of risks
A4-B4. Delivery – Taking delivery	A4-B4. Carriage
A5-B5. Transfer of risks	A5-B5. Insurance
A6-B6. Allocation of costs	A6-B6. Delivery/Transport Document
A7-B7. Notices to the buyer-seller	A7-B7. Export- Import Clearance
A8-B8. Delivery document – Proof of delivery	A8-B8. Checking/Packaging/Marking
A9-B9. Inspection of goods	A9-B9. Allocations of costs
A10-B10. Assistance with information and related costs	A10-B10. Notices

Incoterms®2020

- **Major changes:**

1. Bills of lading with an on-board notation and the FCA Incoterms® rule
2. Costs, where they are listed
3. Different levels of insurance cover in CIF and CIP
4. Arranging for carriage with seller's or buyer's own means of transport in FCA, DAP, DPU and DDP
5. Change in the three-letter initials for DAT to DPU
6. Inclusion of security-related requirements within carriage obligations and costs
7. Explanatory Notes for Users

CHANGES TO INCOTERMS®2020

1. On-board B/L in FCA

A6-B6 (Delivery/Transport document)

'If the parties have so agreed, the buyer must instruct the carrier to issue to the seller, at the buyer's cost and risk, a transport document stating that the goods have been loaded (such as a bill of lading with an onboard notation)'

CHANGES TO INCOTERMS®2020

2. COSTS

- **A6/B6: one-stop list of costs**

CHANGES TO INCOTERMS®2020

3. Different levels of insurance cover in CIF and CIP

- A5-B5 Insurance

'Unless otherwise agreed or customary in the particular trade, the seller must obtain at its own cost cargo insurance complying with the cover provided by Clauses (A) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses as appropriate to the means of transport used.'

CHANGES TO INCOTERMS®2020

4. CARRIAGE IN FCA, DAP, DPU, DDP

	2010 A3a- B3a	2020 A4-B4
FCA	Carrier	Carrier/Buyer
DAP, DAT/DPU, DDP		Carrier/Seller

	2010 A3a-B3a	2020 A4-B4
FCA	B3a): ‘Contract for the carriage of the goods’.	B4; ‘The buyer must contract or..... for the carriage of the goods’
DAP, DAT/DPU, DDP	A3a): ‘Contract for the carriage of the goods’	A4: ‘ The seller must contract or for the carriage of the goods’

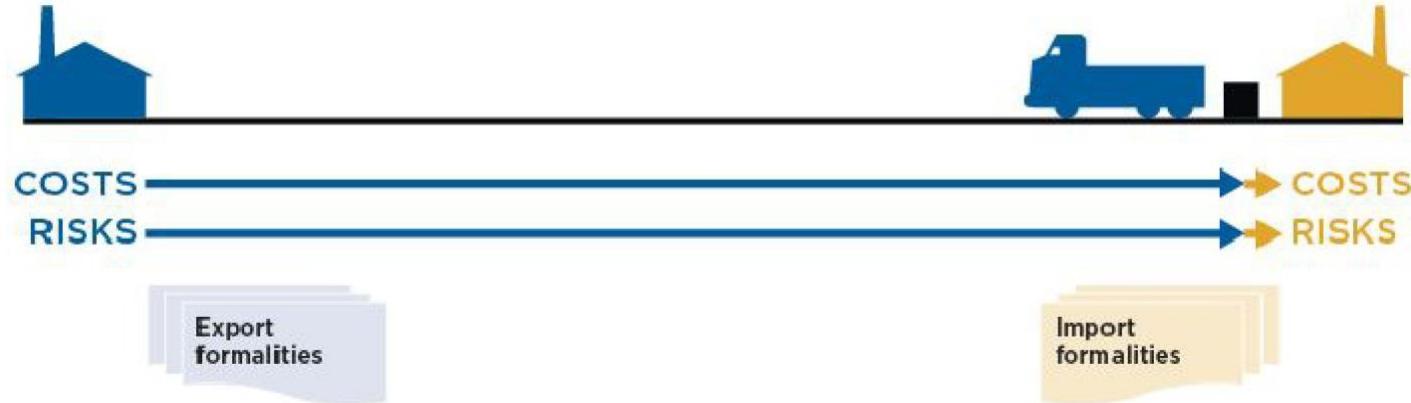
CHANGES TO INCOTERMS®2020

5. DAT → DPU

	2010		2020
DELIVERED	AT TERMINAL	OUT OF TERMINAL	AT/OUT OF TERMINAL
NOT UNLOADED			
UNLOADED			

DPU – DELIVERED AT PLACE UNLOADED (Named place of destination)

DPU (insert named place of destination) Incoterms® 2020



CHANGES TO INCOTERMS®2020

6. Security-related requirements within carriage obligations and costs

2010	2020
A2 Licences, authorizations, security clearances and other formalities	A4 Carriage The seller must comply with <u>any transport-related security requirements up to delivery</u> A7 Export/Import Clearance <i>a) Export Clearance</i> Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: <ul style="list-style-type: none">- Export licence;- <u>Security clearance</u> for export;- Pre-shipment inspection; and- Any other official authorisation

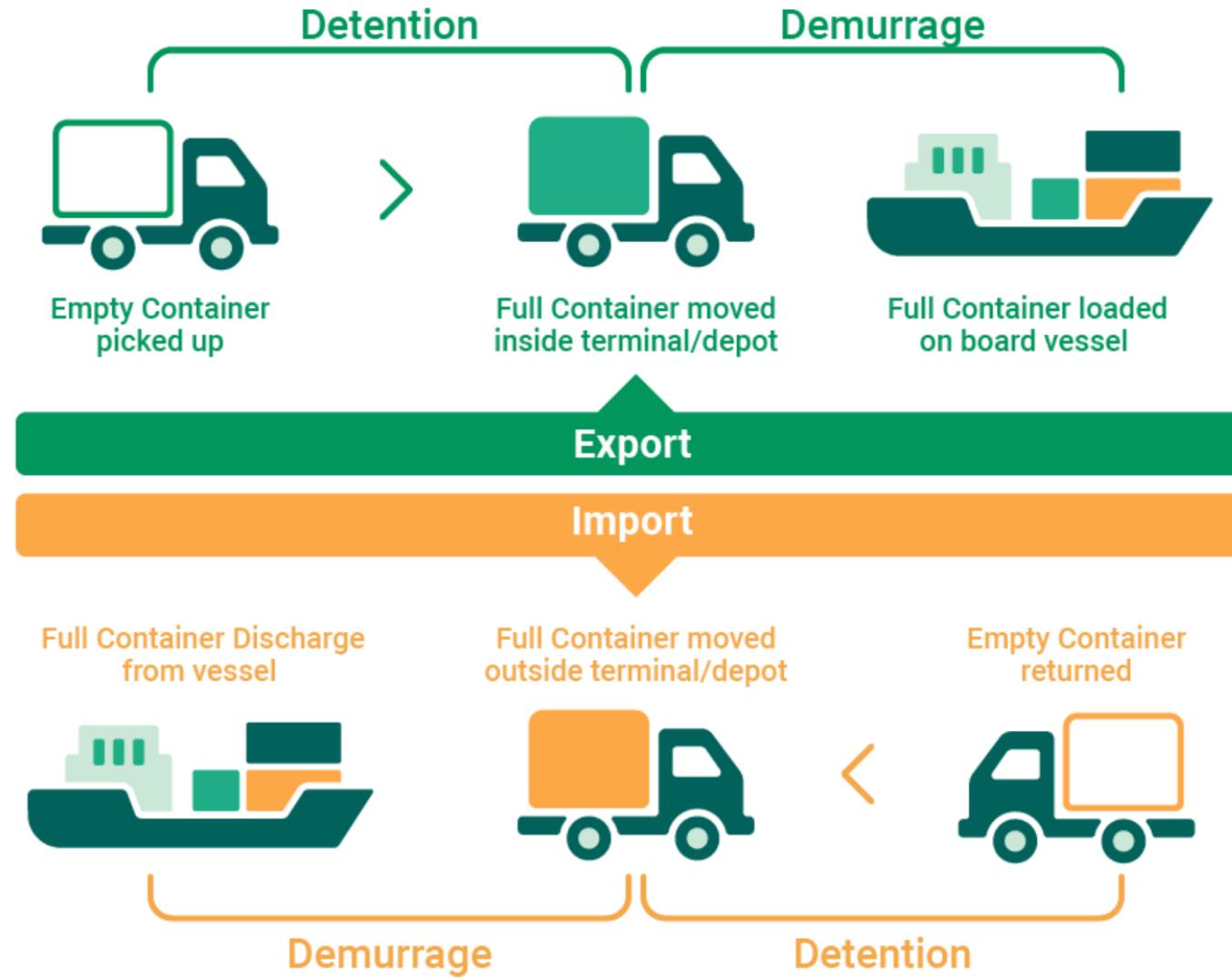
DISCUSSION

Which factors affecting the choice of an Incoterms rule?

DISCUSSION

What are advantages and disadvantages of the seller organising transport?

Demurrage (DEM) and Detention (DET)





Thank You

