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INCOTERMS 2020 – with line numbers

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In memory of our colleague and friend Jan Ramberg

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Introduction to Incoterms® 2020

Purpose, structure and standing of this Introduction

1 The purpose of the text of this Introduction is four-fold:

- to explain what the Incoterms® 2020 rules do and do NOT do and how they are best incorporated;
- to set out the important fundamentals of the Incoterms rules: the basic roles and responsibilities of seller and buyer, delivery, risk, and the relationship between the Incoterms rules and the contracts surrounding a typical contract of sale for export/import and also, where appropriate, for domestic sales;
- to explain how best to choose the right Incoterms rule for the particular sale contract; and
- to set out the central changes between *Incoterms® 2010* and *Incoterms® 2020*.

2 The Introduction follows this structure:

- | | |
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X Caution with variants of Incoterms rules

- 3 This Introduction gives guidance on the use of, and about the fundamental principles behind, the Incoterms 2020 rules.

I What the Incoterms rules do

- 4 The Incoterms rules explain a set of eleven of the most commonly-used three-letter trade terms, e.g. CIF, DAP, etc., reflecting business-to-business practice in contracts for the sale and purchase of goods.

- 5 The Incoterms rules describe

- *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.

The Incoterms rules cover these areas in a set of ten articles, numbered A1/B1 etc., the A articles representing the seller's obligations and the B articles representing the buyer's obligations. See paragraph 53 below.

II What the Incoterms rules do NOT do

- 6 The Incoterms rules are NOT in themselves – and are therefore no substitute for – a contract of sale. They are devised to reflect trade practice for no particular *type* of goods – and for *any*. They can be used

as much for the trading of a bulk cargo of iron ore as for five containers of electronic equipment or ten pallets of airfreighted fresh flowers.

7 The Incoterms rules do NOT deal with the following matters:

- 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.

8 These are matters for which the parties need to make specific provision in their contract of sale. Failure to do so is likely to cause problems later if disputes arise about performance and breach. In essence, the Incoterms 2020 rules are *not* themselves a contract of sale: they only become *part* of that contract when they are incorporated into a contract which already exists. Neither do the Incoterms rules provide the law applicable to the contract. There may be legal regimes which apply to the contract, whether international, like the Convention on the International Sale of Goods (the CISG); or domestic mandatory law relating, for example, to health and safety or the environment.

III How best to incorporate the Incoterms rules

9 If parties want the Incoterms 2020 rules to apply to their contract, the safest way to ensure this is to make that intention clear in their contract, through words such as

“[the chosen Incoterms rule] [named port, place or point] Incoterms 2020”.

10 Thus, for example,

CIF Shanghai Incoterms 2020, or
DAP No 123, ABC Street, Importland Incoterms 2020.

11 Leaving the year out could cause problems that may be difficult to resolve. The parties, a judge or an arbitrator need to be able to determine which version of the Incoterms rules applies to the contract.

12 The place named next to the chosen Incoterms rule is even more important:

- in all Incoterms rules except the C rules, the named place indicates where the goods are “delivered”, i.e. where risk transfers from seller to buyer;
- in the D rules, the named place is the place of delivery and also the place of destination and the seller must organise carriage to that point;
- in the C rules, the named place indicates the destination to which the seller must organise and pay for the carriage of the goods, which is not, however, the place or port of delivery.

282 **13** Thus, an FOB sale raising doubt about the port of shipment leaves
283 both parties uncertain as to where the buyer must present the ship to the
284 seller for the shipment and the transport of the goods – and as to where
285 the seller must deliver the goods on board so as to transfer risk in the
286 goods from seller to buyer. Again, a CPT contract with an unclear
287 named destination will leave both parties in doubt as to the point to
288 which the seller must contract and pay for the transport of the goods.

289
290 **14** It is best to avoid these types of issues by being as geographically
291 specific as possible in naming the port, place or point, as the case may
292 be, in the chosen Incoterms rule.

293
294 **15** When incorporating a particular Incoterms 2020 rule into a sale
295 contract, it is not necessary to use the trademark symbol. For further
296 guidance on trademark and copyright, please refer to the [Trademark
297 Note – TO COME] at the end of the Incoterms 2020 rules.

298
299
300 **IV Delivery, risk and costs in the Incoterms 2020 rules**

301
302
303 **16** A named place or port attached to the three letters, e.g. CIP Las
304 Vegas or CIF Los Angeles, then, is critical in the workings of the
305 Incoterms 2020 rules. Depending on which Incoterms 2020 rule is
306 chosen, that place will identify either the place or port at which the
307 goods are considered to have been “delivered” by the seller to the buyer,
308 the place of “delivery”, or the place or port to which the seller must
309 organise the carriage of the goods, i.e. their destination; or, in the case
310 of the D rules, both.

311
312 **17** In all Incoterms 2020 rules, A2 will define the place or port of
313 “delivery” – and that place or port is closest to the seller in EXW and
314 FCA (seller's premises) and closest to the buyer in DAP, DPU and DDP.

315
316 **18** The place or port of delivery identified by A2 is critical both for risk
317 and for costs.

19 The place or port of delivery under A2 marks the place at which risk transfers from seller to buyer under A3. It is at that place or port that the seller performs its obligation to provide the goods under the contract as reflected in A1 such that the buyer cannot recover against the seller for the loss of or damage to the goods occurring after that point has passed.

20 The place or port of delivery under A2 also marks the central point under A9 which allocates costs to seller and buyer. In broad terms, A9 allocates costs before the point of delivery to the seller and costs after that point to the buyer.

Delivery points

Extremes and in-betweens: the four traditional Incoterms rules groups

21 Versions of the Incoterms rules before 2010 traditionally grouped the rules into four, namely E, F, C and D, with E and D lying at extreme poles from each other in terms of the point of delivery and the F and C rules lying in between. While the Incoterms rules have, since 2010, been grouped according to the means of transport used, the old groupings are still helpful in understanding the point of delivery. Thus, the delivery point in EXW is an agreed point for collection of the goods by the buyer, whatever the destination to which the buyer will take them. At the other extreme in DAP, DPU and DDP, the delivery point is the same as the destination point to which the seller or its carrier will carry the goods. In the first, EXW, risk transfers before the transport cycle even starts; in the second, the D rules, risk transfers very late in that cycle. Again, in the first, EXW and, for that matter, FCA (seller's premises), the seller performs its obligation to deliver the goods whether or not they actually arrive at their destination. In the second, the seller performs its obligation to deliver the goods only if they actually arrive at their destination.

22 The two rules at the extreme ends of the Incoterms rules are EXW and DDP. However, traders should consider alternative rules to these

two for their international contracts. Thus, with EXW the seller has to merely put the goods at the buyer's disposal. This may cause problems for the seller and the buyer, respectively, with loading and export clearance. The seller would be better advised to sell under the FCA rule. Likewise, with DDP, the seller owes some obligations to the buyer which can only be performed within the buyer's country, for example obtaining import clearance. It may be physically or legally difficult for the seller to carry out those obligations within the buyer's country and a seller would therefore be better advised to consider selling goods in such circumstances under the DAP or DPU rules.

23 Between the two extremes of E and D rules, there lie the three F rules (FCA, FAS and FOB), and the four C rules (CPT, CIP, CFR and CIF).

24 With all seven F and C rules, the place of delivery is on the seller's side of the anticipated carriage: consequently sales using these Incoterms rules are often called "shipment" sales. Delivery occurs, for example,

- a. when the goods are placed on board the vessel at the port of loading in CFR, CIF and FOB; or
- b. by handing the goods over to the carrier in CPT and CIP; or
- c. by loading them on the means of transport provided by the buyer or placing them at the disposal of the buyer's carrier in FCA.

In the F and C groups, risk transfers at the seller's end of the main carriage such that the seller will have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination. This feature, of being shipment sales with delivery happening at the seller's end early in the transit cycle, is common to the F and the C rules, whether they are the maritime Incoterms rules or the Incoterms rules intended for any mode[s] of transport.

25 The F and the C rules do, however, differ as to whether it is the seller or buyer who contracts for or arranges the carriage of the goods beyond

the place or port of delivery. In the F rules, it is the buyer who makes such arrangements, unless the parties agree otherwise. In the C rules, this obligation falls to the seller.

- 26** Given that a seller on any of the C rules contracts for or arranges the carriage of the goods beyond delivery, the parties need to know what the destination is to which it must arrange carriage – and *that* is the place attached to the name of the Incoterms rule, e.g. CIF the port of Dalian or CIP the inland city of Shenyang. Whatever that named destination is, that place is not and never becomes the place of delivery. Risk will have transferred on shipment or on handing over the goods at the place of delivery, but the contract of carriage must have been made by the seller for the named destination. Delivery and destination, then, in the C rules, are necessarily not the same place.

V Incoterms 2020 rules and the carrier

- 27** In the F and the C rules, placing the goods, for example, on board the vessel or handing them over to, or placing them at the disposal of, the carrier marks the point at which the goods are “delivered” by the seller to the buyer. Therefore this is the point at which risk transfers from the seller to the buyer.

- 28** Given those two important consequences, it becomes essential to identify who the carrier is where there is more than one carrier, each carrying out a separate leg of transport, for instance by road, rail, air or sea. Of course, where the seller has taken the far more prudent course of making one contract of carriage with one carrier taking responsibility for the entire carriage chain, in a so-called “through” contract of carriage, the problem does not arise. However, where there is no such “through” carriage contract, the goods could be handed over (where the CIP or CPT rules are used) to a road-haulier or rail company for onward transmission to a sea carrier. The same situation *may* arise with exclusively maritime transport where, for example, the goods are first

handed over to a river or feeder short-sea carrier for onward transmission to an ocean carrier.

29 In these situations, when does the seller “deliver” the goods to the buyer: when it hands the goods over to the first, second or third carrier?

30 Before we answer that question, a preliminary point. While in most cases the carrier will be an independent third party engaged under a contract of carriage by either the seller or the buyer (depending on whether the parties have chosen a C Incoterms rule or an F Incoterms rule), there are situations where no such independent third party is engaged at all because the seller or the buyer itself will carry the goods sold. This is more likely to happen in the D rules (DAP, DPU and DDP), where the seller may use its own means of transport to carry the goods to the buyer at the delivery destination. Provision has therefore been made in the Incoterms 2020 rules for a seller under the D rules either to contract for carriage *or to arrange for* carriage, that is to say through its own means of transport: see A4.

31 The question asked at paragraph 29 above is not simply a "carriage" question: it is an important "sale" question. The question is not which carrier can a seller or buyer of goods damaged in transit sue under the contract of carriage. The "sale" question is: where there is more than one carrier involved in the carriage of the goods from seller to buyer, at which point in the carriage string does the handing over of the goods mark the point of delivery and the transfer of risk *as between seller and buyer*?

32 There needs to be a simple answer to this question because the relationships between the multiple carriers used, and between the seller and/or the buyer with those several carriers, will be complex, depending as they do on the terms of a number of separate contracts of carriage. Thus, for example, in any such chain of contracts of carriage, one carrier, such as a carrier actually performing a leg of the transit by road, may well act as the seller’s agent in concluding a contract of carriage with a carrier by sea.

33 The Incoterms 2020 rules give a clear answer to this question where the parties contract on FCA. In FCA, the relevant carrier is the carrier nominated by the buyer to whom the seller hands over the goods at the place or point agreed in the contract of sale. Thus even if a seller engages a road haulier to take the goods to the agreed delivery point, risk would transfer not at the place and time where the seller hands the goods over to the haulier engaged by the seller, but at the place and time where the goods are placed at the disposal of the carrier engaged by the buyer. This is why the naming of the place or point of delivery as precisely as possible is so important in FCA sales. The same situation can arise in FOB if a seller engages a feeder vessel or barge to take the goods to the vessel engaged by the buyer. A similar answer is provided by *Incoterms® 2020*: delivery occurs when the goods are placed on board the buyer's carrier.

34 With the C rules, the position is more complex and may well attract different solutions under different legal systems. In CPT and CIP, the relevant carrier is likely to be regarded, at any rate in some jurisdictions, as the first carrier to whom the seller hands over the goods under A2 (unless the parties have agreed on the point of delivery). The buyer knows nothing of the contractual arrangements made between the seller and the first or subsequent carriers, or indeed between that first carrier and subsequent carriers. What the buyer does know, however, is that the goods are “in transit” to him or her – and that “transit” starts as far as the buyer knows, when the goods are put by the seller into the hands of the first carrier. The consequence is that risk transfers from seller to buyer at that early stage of “delivery” to the first carrier. The same situation can arise in CFR and CIF if a seller engages a feeder vessel or barge to take the goods to the agreed port of shipment, if any. A similar answer might be suggested in some legal systems: delivery occurs when the goods are placed on board the vessel at the agreed port of shipment, if any.

35 Such a conclusion, if adopted, may seem harsh on the buyer. Risk would transfer from seller to buyer in CPT and CIP sales when the goods

are handed over to the first carrier. The buyer does not know at that stage whether or not that first carrier is responsible for loss of or damage to the goods under the relevant carriage contract. The buyer is not a party to that contract, has no control over it and will not know its terms. Yet, despite this, the buyer would end up bearing the risk in the goods from the very earliest moment of handing over, possibly without recovery against that first carrier.

- 36** While the buyer would end up bearing the risk of loss of or damage to the goods at an early stage of the transport chain, it would, on this view however, have a remedy against the seller: A2/A3 do not operate in a vacuum: under A4, the seller must contract for the carriage of the goods “from the agreed point of delivery, if any, at the place of delivery to the named place of destination or, if agreed, any point at that place.” Even if risk has transferred to the buyer at the time the goods were handed over to the first carrier under A2/A3, if that first carrier does not undertake responsibility under its contract of carriage for the through carriage of the goods to the named destination, the seller, on this view, would remain liable to the buyer under A4. In essence, the seller should make a contract of carriage to the destination named under the contract of sale.

VI Rules for the contract of sale and their relationship to other contracts

- 37** This discussion of the role of the carrier in the delivery of the goods as between the seller and the buyer in the C and F Incoterms rules raises the question: what role do the Incoterms rules play in the contract of carriage, or, indeed, in any of the other contracts typically surrounding an export contract, for example an insurance contract or a letter of credit?

- 38** The short answer is that the Incoterms rules do not form part of those other contracts: where incorporated, the Incoterms rules apply to and govern *only* certain aspects of the contract of sale.

532
533 **39** This is not the same as saying, however, that the Incoterms rules have
534 no *impact* on those other contracts. Goods are exported and imported
535 through a network of contracts that, in an ideal world, should match the
536 one with the other. Thus, the sale contract, for example, will require the
537 tender of a transport document issued by the carrier to the seller/shipper
538 under a contract of carriage and against which the
539 seller/shipper/beneficiary might wish to be paid under a letter of credit.
540 Where the three contracts match, things go well; where they do not,
541 problems rapidly arise.

542
543 **40** What the Incoterms rules say, for example, about carriage or
544 transport documents, (in A4/B4 and A6/B6) or what they say about
545 insurance cover (A5/B5), does not *bind* the carrier or the insurer or any
546 of the banks involved. Thus, a carrier is only bound to issue a transport
547 document as required by the contract of carriage it makes with the other
548 party to *that* contract: it is not bound to issue a transport document
549 complying with the Incoterms rules. Likewise, an insurer is bound to
550 issue a policy to the level and in the terms agreed with the party
551 purchasing the insurance, not a policy which complies with the
552 Incoterms rules. Finally, a bank will look only at the documentary
553 requirements in the letter of credit, if any, not at the requirements of the
554 sales contract.

555
556 **41** However, it is very much in the interests of all the parties to the
557 different contracts in the network to ensure that the carriage or insurance
558 terms they have agreed with the carrier or insurer, or the terms of a letter
559 of credit, comply with what the sale contract says about ancillary
560 contracts that need to be made or documents that need to be obtained
561 and tendered. *That* task does not fall on the carrier, the insurer or the
562 bank, none of whom are party to the contract of sale and none of whom
563 are, therefore, party to or bound by the Incoterms 2020 rules. It *is*,
564 however, in the seller's and buyer's interest to try to ensure that the
565 different parts of the network of contracts match – and the starting point
566 is the sale contract – and therefore, where they apply, the Incoterms
567 2020 rules.

VII The eleven Incoterms 2020 rules – “sea and inland waterway” and “any mode(s) of transport”: getting it right

42 The main distinction introduced in the Incoterms 2010 rules, that between **“Rules for any Mode or Modes of Transport”** (comprising EXW, FCA, CPT, CIP, DAP, the newly named DPU – the old DAT -- and DDP), and **“Rules for Sea and Inland Waterway Transport”**, (comprising FAS, FOB, CFR and CIF) has been retained.

43 The four so-called “maritime” Incoterms rules are intended for use where the seller places the goods on board (or in FAS alongside) a vessel at a sea or river port. It is at this point that the seller delivers the goods to the buyer. When these rules are used, the risk of loss of or damage to those goods is on the buyer’s shoulders from that port.

44 The seven Incoterms rules for any mode or modes of transport (so-called “multi-modal”), on the other hand, are intended for use where

a. the point at which the seller hands the goods over to, or places them at the disposal of, a carrier, or

b. the point at which the carrier hands the goods over to the buyer, or the point at which they are placed at the disposal of the buyer, or

c. both points (a) and (b)

are not on board (or in FAS alongside) a vessel.

45 Where delivery happens and risk transfers in each of these seven Incoterms rules will depend on which particular rule is used. For example, in CPT, delivery happens at the seller's end when the goods are handed over to the carrier contracted by the seller. In DAP, on the

other hand, delivery happens when the goods are placed at the buyer's disposal at the named place or point of destination.

46 The order in which the Incoterms 2010 rules were presented has, as we have said, been largely retained in *Incoterms® 2020* and it is important to underline the distinction between the two families of Incoterms rules so that the right rule is used for the contract of sale depending on the means of transport used.

47 One of the most frequent problems in the use of the Incoterms rules is the choice of the wrong rule for the particular type of contract.

48 Thus, for example, an FOB inland point (for example an airport or a warehouse) sale contract makes little sense: what type of contract of carriage must the buyer make? Does the buyer owe the seller an obligation to make a contract of carriage under which the carrier is bound to take over the goods at the named inland point or at the nearest port to that point?

49 Again, a CIF named sea port sale contract where the buyer expects the goods to be brought to an inland point in the buyer's country makes little sense. Must the seller procure a contract of carriage and insurance cover to the eventual inland destination intended by the parties or to the seaport named in the sale contract?

50 Gaps, overlaps and unnecessary costs are likely to arise – and all this because the wrong Incoterms rule has been chosen for the particular contract. What makes the mismatch “wrong” is that insufficient regard has been given to the two most important features of the Incoterms rules, features which are mirrors of each other, namely the port, place or point of delivery and the transfer of risks.

51 The reason for the frequent misuse of the wrong Incoterms rule is that Incoterms rules are frequently regarded exclusively as price indicators: this or that is the EXW, FOB, or DAP price. The initials used in the Incoterms rules are doubtless handy abbreviations for the

formula used in the calculation of the price. Incoterms rules are not, however, exclusively, or even primarily, price indicators. They are a list of general obligations that sellers and buyers owe each other under well-recognised forms of sale contract – and one of their main tasks is to indicate the port, place or point of delivery where the risk is transferred.

VIII Order within the Incoterms 2020 rules

52 All the ten A/B articles in each of the Incoterms rules are important – but some are more important than others.

53 There has, indeed, been a radical shake-up in the *internal* order in which the ten articles within each Incoterms rule have been organised. In *Incoterms*® 2020, the internal order within each Incoterms rule now follows this sequence:

A1/B1	General obligations
A2/B2	Delivery/Taking delivery
A3/B3	Transfer of risks
A4/B4	Carriage
A5/B5	Insurance
A6/B6	Delivery/transport document
A7/B7	Export/import clearance
A8/B8	Checking/packaging/marking
A9/B9	Allocation of costs
A10/B10	Notices

54 It will be noticed that the Incoterms 2020 rules, after recording in A1
the basic goods/payment obligations of the parties, Delivery and the
Transfer of risks are moved to a more prominent location, namely to A2
and A3 respectively.

55 The broad sequence thereafter goes:

ancillary contracts (A4/B4 and A5/B5, carriage and insurance);
transport documents (A6/B6);
export/import clearance (A7/B7);
packaging (A8/B8);
costs (A9/B9); and
notices (A10/B10).

56 It is appreciated that this change in the order of the A/B articles will
take some time – and cost – to become familiar. It is hoped that with
delivery and risk now made more prominent, traders will find it easier
to identify the differences among the various Incoterms rules, i.e. the
different points in time and place at which the seller “delivers” the goods
to the buyer with risk transferring to the buyer from that time and point.

57 For the first time, the Incoterms rules are published both in the
traditional format setting out the eleven Incoterms rules and in a new
‘horizontal’ format setting out the ten articles within each Incoterms rule
under each of the headings listed above in paragraph 53, first for the
seller and then for the buyer. Traders can therefore now far more easily
see the difference, for example, between the place of delivery in FCA
and the place of delivery in DAP; or the items of cost which fall on a
buyer in CIF when compared with the items of cost which fall on a buyer
in CFR. It is hoped that this “horizontal” representation of the Incoterms
2020 rules will further assist traders in choosing the Incoterms rule most
appropriate to their commercial requirements.

IX Differences between Incoterms 2010 and 2020

58 The most important initiative behind the Incoterms 2020 rules has been to focus on how the presentation could be enhanced to steer users towards the right Incoterms rule for their sale contract. Thus:

- a. a greater emphasis in this Introduction on making the right choice;
- b. a clearer explanation of the demarcation and connection between the sale contract and its ancillary contracts;
- c. upgraded Guidance Notes presented now as Explanatory Notes to each Incoterms rule; and
- d. a re-ordering within the Incoterms rules giving delivery and risk more prominence.

All these changes, though cosmetic in appearance, are in reality substantial attempts on the part of ICC to assist the international trading community towards smoother export/import transactions.

59 Apart from these general changes, there are more substantive changes in the Incoterms 2020 rules when compared with *Incoterms*® 2010. Before looking at those changes, mention must be made of a particular development in trade practice which occurred since 2010 and which ICC has decided should *not* lead to a change in the Incoterms 2020 rules, namely Verified Gross Mass (VGM).

60 *A note on Verified Gross Mass (VGM).* Since 1 July 2016, Regulation 2 under the International Convention for the Safety of Life at Sea (SOLAS) imposed on shippers in the case of the shipment of containers the obligation either to weigh the packed container using calibrated and certified equipment, or to weigh the contents of the container and add the weight of the container when empty. In either case, the VGM is to be recorded with the carrier. A failure to comply bears the sanction under the SOLAS Convention that the container “should not be loaded onto a ship”: see para 4.2, MSC1/Circ.1475, 9 June 2014.

These weighing operations obviously incur expense and failure may lead to delay in loading. As this happened after 2010, it is unsurprising

that there was some pressure in the consultations leading to *Incoterms*® 2020 for a clear indication to be given as to who, as between seller and buyer, should bear such obligations.

61 It was felt by the Drafting Group that obligations and costs relating to VGM were too specific and complex to warrant explicit mention in the Incoterms 2020 rules.

62 Returning to the changes made by ICC to the Incoterms 2010 rules in the Incoterms 2020 rules, these are:

- [a] Bills of lading with an on-board notation and the FCA Incoterms rule
- [b] Costs, where they are listed
- [c] Different levels of insurance cover in CIF and CIP
- [d] Arranging for carriage with seller's or buyer's own means of transport in FCA, DAP, DPU and DDP
- [e] Change in the three-letter initials for DAT to DPU
- [f] Inclusion of security-related requirements within carriage obligations and costs
- [g] Explanatory Notes for Users

[a] *Bills of lading with an on-board notation and the FCA Incoterms rule*

63 Where goods are sold FCA for carriage by sea, sellers or buyers (or more likely their banks where a letter of credit is in place) might want a bill of lading with an on-board notation.

64 However, delivery under the FCA rule is completed before the loading of the goods on board the vessel. It is by no means certain that the seller can obtain an on-board bill of lading from the carrier. That carrier is likely, under its contract of carriage, to be bound and entitled to issue an on-board bill of lading only once the goods are actually on board.

65 To cater for this situation, FCA A6/B6 of *Incoterms*® 2020 now provides for an additional option. The buyer and the seller can agree that

the buyer will instruct its carrier to issue an on-board bill of lading to the seller after the loading of the goods, the seller then being obliged to tender that bill of lading to the buyer, typically through the banks. ICC recognises that, despite this somewhat unhappy union between an on-board bill of lading and FCA delivery, this caters for a demonstrated need in the marketplace. Finally, it should be emphasized that even where this optional mechanism is adopted, the seller is under no obligation to the buyer as to the terms of the contract of carriage.

- 66** Does it remain true to say that where containerised goods are delivered by seller to buyer by handing over to a carrier before loading onto a ship, the seller is well advised to sell on FCA terms rather than on FOB terms? The answer to that question is Yes. Where *Incoterms® 2020* have made a difference, however, is that where such a seller still wants or needs a bill of lading with an on-board notation, the new additional option in the FCA term A6/B6 makes provision for such a document.

[b] Costs: where they are listed

- 67** In the new ordering of the articles within the Incoterms 2020 rules, costs now appear at A9/B9 of each Incoterms rule. Apart from that relocation, however, there is another change that will become obvious to users early on. The various costs which fall to be allocated by various articles within the Incoterms rules have traditionally appeared in different parts of each Incoterms rule. Thus, for example, costs related to the obtaining of a delivery document in FOB 2010 were mentioned in A8, the article under the heading “Delivery Document”, but not in A6, the article under the heading “Allocation of Costs”.

- 68** In the Incoterms 2020 rules, however, the equivalent of A6/B6, namely A9/B9, now lists all the costs allocated by each particular Incoterms rule. A9/B9 in the Incoterms 2020 rules are consequently longer than A6/B6 in the Incoterms 2010 rules.

816 **69** The purpose is to provide users with a one-stop list of costs, so that
817 the seller or buyer can now find in one place all the costs for which it
818 would be responsible under that particular Incoterms rule. Items of cost
819 are also mentioned in their home article: thus, for example, the costs
820 involved in obtaining documents in FOB still also appear at A6/B6 as
821 well as at A9/B9. The thinking here was that users interested in
822 discovering the specific allocation of documentary costs might be more
823 inclined to go to the specific article dealing with delivery documents
824 rather than to the general article listing all the costs.

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826 [c] *Different levels of insurance cover in CIF and CIP*
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828 **70** In the Incoterms 2010 rules, A3 of both CIF and CIP imposed on the
829 seller the obligation to “obtain at its own expense cargo insurance
830 complying at least with the minimum cover as provided by Clauses (C)
831 of the Institute Cargo Clauses (Lloyd's Market Association/International
832 Underwriting Association "LMA/IUA") or any similar clauses.”
833 Institute Cargo Clauses (C) provides cover for a number of listed risks,
834 subject to itemised exclusions; Institute Cargo Clauses (A), on the other
835 hand, covers “all risks”, again subject to itemised exclusions. During the
836 consultations leading to the Incoterms 2020 rules, the case was made for
837 moving from Institute Cargo Clauses (C) to Institute Cargo Clauses (A),
838 thus increasing the cover obtained by the seller for the benefit of the
839 buyer. This could, of course, also involve an additional cost in premium.
840 The contrary case, namely to stay with Institute Cargo Clauses (C), was
841 equally strongly put, particularly by those involved in the maritime trade
842 of commodities. After considerable discussion within and beyond the
843 Drafting Group, the decision was made to provide for different
844 minimum cover in the CIF Incoterms rule and in the CIP Incoterms rule.
845 In the first, which is much more likely to be used in the maritime
846 commodity trades, the status quo has been retained, with Institute Cargo
847 Clauses (C) as the default position, although it is, of course, open to the
848 parties to agree to higher cover. In the second, namely the CIP
849 Incoterms rule, the seller must now obtain insurance cover complying
850 with Institute Cargo Clauses (A): although it is, of course, again open to
851 the parties to agree on a lower level of cover.

[d]Arranging for carriage with own means of transport in FCA, DAP, DPU and DDP.

71 In the Incoterms 2010 rules, it was assumed throughout that where the goods were to be carried from the seller to the buyer, they would be carried by a third-party carrier engaged for the purpose either by the seller or the buyer, depending on which Incoterms rule was used.

72 It became clear in the deliberations leading to *Incoterms*® 2020, however, that there were some situations where, although the goods were to be carried from the seller to the buyer, they could be so carried without any third-party carrier being engaged at all. Thus, for example, there was nothing stopping a seller on a D rule from arranging for such carriage without outsourcing that function to a third party, namely by using its own means of transportation. Likewise, with an FCA purchase, there was nothing to stop the buyer from using its own vehicle for the collection of the goods and for their transport to the buyer's premises.

73 The Incoterms 2010 rules appeared not to take account of these eventualities. The Incoterms 2020 rules now do, by expressly allowing not only for the making of a contract of carriage, but also for simply arranging for the necessary carriage.

[e] Change in the three-letter name for DAT to DPU

74 The only difference between DAT and DAP in the Incoterms 2010 rules was that in DAT the seller delivered the goods once unloaded from the arriving means of transport into a "terminal"; whereas in DAP, the seller delivered the goods when the goods were placed at the disposal of the buyer *on* the arriving means of transport *for* unloading. It will also be recalled that the Guidance Note for DAT in *Incoterms*® 2010 defined the word "terminal" broadly to include "any place, whether covered or not...".

887 **75** ICC decided to make two changes to DAT and DAP. First, the order
888 in which the two Incoterms 2020 rules are presented has been inverted,
889 and DAP, where delivery happens before unloading, now appears before
890 DAT. Secondly, the name of the rule DAT has been changed to DPU
891 (Delivered at Place Unloaded), emphasising the reality that the place of
892 destination could be any place and not only a “terminal”. However, if
893 that place is not in a terminal, the seller should make sure that the place
894 where it intends to deliver the goods is a place where it is able to unload
895 the goods.

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897 [f] *Inclusion of security-related requirements within carriage obligations and*
898 costs

900 **76** It will be recalled that security-related requirements made a rather
901 subdued entry into the Incoterms 2010 rules, through A2/B2 and
902 A10/B10 in each rule. The Incoterms 2010 rules were the first revision
903 of the Incoterms rules to come into force after security-related concerns
904 became so prevalent in the early part of this century. Those concerns,
905 and the associated shipping practices which they have created in their
906 wake, are now much more established. Connected as they are to carriage
907 requirements, an express allocation of security-related obligations has
908 now been added to A4 and A7 of each Incoterms rule. The costs incurred
909 by these requirements are also now given a more prominent position in
910 the costs article, namely A9/B9.

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913 [g] *Explanatory Notes for Users*

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915 **77** The Guidance Notes appearing at the start of each Incoterms rule in
916 the 2010 version now appear as “Explanatory Notes for Users”. These
917 Notes explain the fundamentals of each Incoterms 2020 rule, such as
918 when it should be used, when risk transfers and how costs are allocated
919 between seller and buyer. The Explanatory Notes are intended (a) to
920 help the user accurately and efficiently steer towards the appropriate
921 Incoterms rule for a particular transaction; and (b) to provide those
922 deciding or advising on disputes or contracts governed by *Incoterms*®

2020 with guidance on matters which might require interpretation. For guidance on more fundamental issues that cut across the Incoterms 2020 rules more generally, reference may, of course, also be made to the text of this Introduction.

X Caution with variants of Incoterms rules

78 Sometimes the parties want to alter an Incoterms rule. The Incoterms 2020 rules do not prohibit such alteration, but there are dangers in so doing. In order to avoid any unwelcome surprises, the parties would need to make the intended effect of such alterations extremely clear in their contract. Thus, for example, if the allocation of costs in the Incoterms 2020 rules is altered in the contract, the parties should also clearly state whether they intend to vary the point at which delivery is made and the risk transfers to the buyer.

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** I am very grateful for comments received on earlier drafts of this personal Introduction to the new rules, both from ICC national committees and from my colleagues on the Drafting Group. The views expressed in this Introduction, however, remain my own and do not therefore form part of the Incoterms® 2020 rules themselves.*

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RULES FOR ANY MODE OR MODES OF TRANSPORT

EX WORKS

EXW (insert named place of delivery) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Ex Works” means that the seller delivers the goods to the buyer

- when it places the goods at the disposal of the buyer at a named place (like a factory or warehouse), and
- that named place may or may not be the seller’s premises.

For delivery to occur, 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.

2. ***Mode of transport*** This rule may be used irrespective of the mode or modes of transport, if any, selected.

3. ***Place or precise point of delivery*** The parties need only name the *place* of delivery. However, the parties are well advised *also* to specify as clearly as possible the precise *point* within the named place of delivery. A named precise *point* of delivery makes it clear to both parties when the goods are delivered and when risk transfers to the buyer; such precision also marks the point at which costs are for the buyer’s account. If the parties do *not* name the *point* of delivery, then they are taken to have left it to the seller to select the point “that best suits its purpose”. This means that the buyer may incur the risk that the seller may choose a point just before the point at which goods are lost or damaged. Best for the buyer therefore to select the precise point within a place where delivery will occur.

4. ***A note of caution to buyers*** EXW is the Incoterms rule which imposes the least set of obligations on the seller. From the buyer’s perspective, therefore, the rule should be used with care for different reasons as set out below.

5. ***Loading risks*** Delivery happens – and risk transfers -- when the goods are placed, not loaded, at the buyer’s disposal. However, risk of loss of or damage to the goods occurring while the loading operation is carried out by the seller, as it may well be, might arguably lie with the buyer, who has not physically participated in the loading. Given this possibility, it would be advisable, where the seller is to load the goods, for the parties to agree in advance who is to bear the risk of any loss of or damage to the goods during loading. This is a common situation simply because the seller is

more likely to have the necessary loading equipment at its own premises or because applicable safety or security rules prevent access to the seller's premises by unauthorised personnel. Where the buyer is keen to avoid any risk during loading at the seller's premises, then the buyer ought to consider choosing the FCA rule (under which, if the goods are delivered at the seller's premises, the seller owes the buyer an obligation to load, with the risk of loss of or damage to the goods during that operation remaining with the seller).

6. **Export clearance** With delivery happening when the goods are at the buyer's disposal either at the seller's premises or at another named point typically within the seller's jurisdiction or within the same Customs Union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation in export clearance is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods by placing them at the disposal of the buyer at the agreed point, if any, at the named	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2 and notice given under A10.

place of delivery, not loaded on any collecting vehicle. If no specific point has been agreed within the named place of delivery, and if there are several points available, the seller may select the point that best suits its purpose. The seller must deliver the goods on the agreed date or within the agreed period.	
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If the buyer fails to give notice in accordance with B10, then the buyer bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyer's request, risk and cost, with any information in the possession of the seller, including transport-related security requirements, that the buyer needs for arranging carriage.	B4 Carriage It is up to the buyer to contract or arrange at its own cost for the carriage of the goods from the named place of delivery.
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost with information in the possession of the seller	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.

that the buyer needs for obtaining insurance.	
A6 Delivery/ transport document The seller has no obligation to the buyer.	B6 Proof of delivery The buyer must provide the seller with appropriate evidence of having taken delivery.
A7 Export/import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all export/transit/import clearance formalities required by the countries of export/transit/import, such as: • export/transit/import licence; • security clearance for export/transit/import; • pre-shipment inspection; and • any other official authorization.	B7 Export/import clearance Where applicable, it is up to the buyer to carry out and pay for all export/transit/import clearance formalities required by the countries of export/transit/import, such as: • export/transit/import licence; • security clearance for export/transit/import; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marking The buyer has no obligation to the seller.
A9	B9

Allocation of costs The seller must pay all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9.	Allocation of costs The buyer must: a) pay all costs relating to the goods from the time they have been delivered under A2; b) reimburse all costs and charges incurred by the seller in providing assistance or information under A4, A5, or A7; c) pay, where applicable, all duties, taxes and other charges, as well as the costs of carrying out customs formalities payable upon export; and d) pay any additional costs incurred by failing either to take delivery of the goods when they have been placed at its disposal or to give appropriate notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer any notice needed to enable the buyer to take delivery of the goods.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time within an agreed period and/or the point of taking delivery within the named place, give the seller sufficient notice.

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FREE CARRIER

FCA (insert named place of delivery) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Free Carrier (named place)” means that the seller delivers the goods to the buyer in one or other of two ways.

- First, when the named place is the seller’s premises, the goods are delivered
 - when they are loaded on the means of transport arranged by the buyer.
- Second, when the named place is another place, the goods are delivered
 - when, having been loaded on the seller’s means of transport,
 - they reach the named other place and
 - are ready for unloading from that seller’s means of transport and
 - at the disposal of the carrier or of another person nominated by the buyer.

Whichever of the two is chosen as the place of delivery, that place identifies where risk transfers to the buyer and the time from which costs are for the buyer’s account.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.

3. ***Place or point of delivery*** A sale under FCA can be concluded naming only the place of delivery, either at the seller’s premises or elsewhere, without specifying the precise point of delivery within that named place. However, the parties are well advised *also* to specify as clearly as possible the precise *point* within the named place of delivery. A named precise *point* of delivery makes it clear to both parties when the goods are delivered and when risk transfers to the buyer; such precision also marks the point at which costs are for the buyer’s account. Where the precise point is not identified, however, this may cause problems for the buyer. The seller in this case has the right to select the point “that best suits its purpose”: that point becomes the point of delivery, from which risk and costs transfer to the buyer. If the precise point of delivery is not identified by naming it in the contract, then the parties are taken to have left it to the seller to select the point “that best suits its purpose”. This means that the buyer may incur the risk that the

seller may choose a point just before the point at which goods are lost or damaged. Best for the buyer therefore to select the precise point within a place where delivery will occur.

4. ***‘or procure goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly, although not exclusively, common in the commodity trades.
5. ***Export/import clearance*** FCA requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.
6. ***Bills of lading with an on-board notation in FCA sales*** We have already seen that FCA is intended for use irrespective of the mode or modes of transport used. Now if goods are being picked up by the buyer’s road-haulier in Las Vegas, it would be rather uncommon to expect a bill of lading with an on-board notation to be issued by the carrier *from Las Vegas*, which is not a port and which a vessel cannot reach for goods to be placed on board. Nonetheless, sellers selling FCA Las Vegas do sometimes find themselves in a situation where they *need* a bill of lading with an on-board notation (typically because of a bank collection or a letter of credit requirement), albeit necessarily stating that the goods have been placed on board in Los Angeles as well as stating that they were received for carriage in Las Vegas. To cater for this possibility of an FCA seller needing a bill of lading with an on-board notation, FCA Incoterms 2020 has, for the first time, provided the following optional mechanism. If the parties have so agreed in the contract, the buyer must instruct its carrier to issue a bill of lading with an on-board notation to the seller. The carrier may or may not, of course, accede to the buyer’s request, given that the carrier is only bound and entitled to issue such a bill of lading once the goods are on board in Los Angeles. However, if and when the bill of lading is issued to the seller by the carrier at the buyer’s cost and risk, the seller must provide that same document to the buyer, who will need the bill of lading in order to obtain discharge of the goods from the carrier. This optional mechanism becomes unnecessary, of course, if the parties have agreed that the seller will present to the buyer a bill of lading stating simply that the goods have been received for shipment rather than that they have been shipped on board. Moreover, it should be emphasized that even where this optional mechanism is adopted, the seller is under no obligation to the buyer as to the terms of the contract of carriage. Finally, when this optional mechanism is adopted, the dates of delivery inland and loading on board will necessarily be different, which may well create difficulties for the seller under a letter of credit.

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A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods to the carrier or another person nominated by the buyer at the named point, if any, at the named place, or procure goods so delivered. The seller must deliver the goods 1. on the agreed date - or 2. at the time within the agreed period notified by the buyer under B10(b) - or, 3. if no such time is notified, then at the end of the agreed period. Delivery is completed either: a) If the named place is the seller's premises, when the goods have been loaded on the means of transport provided by the buyer; or b) In any other case, when the goods are placed at the disposal of the carrier or another person nominated by the buyer on	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.

the seller's means of transport ready for unloading. If no specific point has been notified by the buyer under B10(d) within the named place of delivery, and if there are several points available, the seller may select the point that best suits its purpose.	
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If: a) the buyer fails to nominate a carrier or another person under A2 or to give notice in accordance with B10; or b) the carrier or person nominated by the buyer under B10(a) fails to take the goods into its charge, then, the buyer bears all risks of loss of or damage to the goods: (i) from the agreed date, or in the absence of an agreed date, (ii) from the time selected by the buyer under B10(b); or, if no such time has been notified, (iii) from the end of any agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyer's request, risk and cost, with any information in the possession of the seller,	B4 Carriage The buyer must contract or arrange at its own cost for the carriage of the goods from the named place of delivery, except when the contract of

including transport-related security requirements, that the buyer needs for arranging carriage. If agreed, the seller must contract for carriage on the usual terms at the buyer's risk and cost. The seller must comply with any transport-related security requirements up to delivery.	carriage is made by the seller as provided for in A4.
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost, with information in the possession of the seller that the buyer needs for obtaining insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.
A6 Delivery/transport document The seller must provide the buyer at the seller's cost with the usual proof that the goods have been delivered in accordance with A2. The seller must provide assistance to the buyer, at the buyer's request, risk and cost, in obtaining a transport document. Where the buyer has instructed the carrier to issue to the seller a transport document under B6, the seller must provide any such document to the buyer.	B6 Delivery/transport document The buyer must accept the proof that the goods have been delivered in accordance with A2. 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).
A7 Export/import clearance a) Export clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as:	B7 Export/import clearance a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any

• export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/markings The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/markings The buyer has no obligation to the seller.
A9 Allocation of costs The seller must pay:	B9 Allocation of costs The buyer must pay:

a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; c) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and d) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b); c) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and d) any additional costs incurred, either because: (i) the buyer fails to nominate a carrier or another person under B10, or (ii) the carrier or person nominated by the buyer under B10 fails to take the goods into its charge, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer sufficient notice either that the goods have been delivered in accordance with A2 or that the carrier or another person nominated by the buyer has failed to take the goods within the time agreed.	B10 Notices The buyer must notify the seller of a) the name of the carrier or another person nominated within sufficient time as to enable the seller to deliver the goods in accordance with A2; b) the selected time, if any, within the period agreed for delivery when the carrier or person nominated will receive the goods;

	c) the mode of transport to be used by the carrier or the person nominated including any transport-related security requirements; and d) the point where the goods will be received within the named place of delivery.
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CONFIDENTIAL

CARRIAGE PAID TO

CPT (insert named place of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “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.

Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are handed over to a carrier in Las Vegas (which is not a port) for carriage to Southampton (a port) or to Winchester (which is not a port). In either case, delivery transferring risk to the buyer happens in Las Vegas, and the seller must make a contract of carriage to either Southampton or Winchester.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.
3. ***Places (or points) of delivery and destination*** In CPT, two locations are important: the place or point (if any) at which the goods are delivered (for the transfer of risk) and the place or point agreed as the destination of the goods (as the point to which the seller promises to contract for carriage).
4. ***Identifying the place or point of delivery with precision*** The parties are well advised to identify both places, or indeed points within those places, as precisely as possible in the contract of sale. Identifying the place or point (if any) of delivery as precisely as possible is important to cater for the common situation where several carriers are engaged, each for different legs of the transit from delivery to destination. Where this happens and the parties do not agree on a specific place or point of delivery, the default position is that risk transfers when the goods have been delivered to the first

carrier at a point entirely of the seller's choosing and over which the buyer has no control. Should the parties wish the risk to transfer at a later stage (e.g. at a sea or river port or at an airport), or indeed an earlier one (e.g. an inland point some way away from a sea or river port), they need to specify this in their contract of sale and to carefully think through the consequences of so doing in case the goods are lost or damaged.

5. **Identifying the destination as precisely as possible** The parties are also well advised to identify as precisely as possible in the contract of sale the point within the agreed place of destination, as this is the point to which the seller must contract for carriage and this is the point to which the costs of carriage fall on the seller.
6. **'or procuring the goods so delivered'** The reference to "procure" here caters for multiple sales down a chain ('string sales'), particularly common in the commodity trades.
7. **Costs of unloading at destination** If the seller incurs costs under its contract of carriage related to unloading at the named place of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.
8. **Export/import clearance** CPT requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, or to pay any import duty or to carry out any import customs formalities.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery	B2 Taking delivery

The seller must deliver the goods by handing them over to the carrier contracted in accordance with A4 or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.	The buyer must take delivery of the goods when they have been delivered under A2 and receive them from the carrier at the named place of destination or if agreed, at the point within that place.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If the buyer fails to give notice in accordance with B10, then the buyer bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named place of destination or, if agreed, any point at that place. The contract of carriage must be made on usual terms at the seller's cost and provide for carriage by the usual route in a customary manner of the type normally used for carriage of the type of goods sold. If a specific point is not agreed or is not determined by practice, the seller may select the point of delivery and the point at the named place of destination that best suit its purpose. The seller must comply with any transport-related security requirements for transport to the destination.	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.

A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost, with information in the possession of the seller that the buyer needs for obtaining insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.
A6 Delivery/transport document If customary or at the buyer's request, the seller must provide the buyer, at the seller's cost, with the usual transport document[s] for the transport contracted in accordance with A4. This transport document must cover the contract goods and be dated within the period agreed for shipment. If agreed or customary, the document must also enable the buyer to claim the goods from the carrier at the named place of destination and enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer or by notification to the carrier. When such a transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.	B6 Delivery/transport document The buyer must accept the transport document provided under A6 if it is in conformity with the contract.
A7 Export/import clearance a) Export clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as:	B7 Export/import clearance a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any

• export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marking The buyer has no obligation to the seller.
A9 Allocation of costs The seller must pay: a) all costs relating to the goods until they have been delivered in accordance with	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered

A2, other than those payable by the buyer under B9; b) transport and all other costs resulting from A4, including the costs of loading the goods and transport-related security costs; c) any charges for unloading at the agreed place of destination but only if the latter charges were for the seller's account under the contract of carriage; d) the costs of transit that were for the seller's account under the contract of carriage; e) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; f) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and g) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	under A2, other than those payable by the seller under A9; b) the costs of transit, unless such costs were for the seller's account under the contract of carriage; c) unloading costs, unless such costs were for the seller's account under the contract of carriage; d) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b); e) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and f) any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must notify the buyer that the goods have been delivered in accordance with A2. The seller must give the buyer any notice required to enable the buyer to receive the goods.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time for dispatching the goods and/or the point of receiving the goods within the named place of destination, give the seller sufficient notice.

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CONFIDENTIAL

CARRIAGE AND INSURANCE PAID TO

CIP (insert named place of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Carriage and Insurance 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.

Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are handed over to a carrier in Las Vegas (which is not a port) for carriage to Southampton (a port) or to Winchester (which is not a port). In either case, delivery transferring risk to the buyer happens in Las Vegas, and the seller must make a contract of carriage to either Southampton or Winchester.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.

3. ***Places (or points) of delivery and destination*** In CIP two locations are important: the place or point at which the goods are delivered (for the transfer of risk) and the place or point agreed as the destination of the goods (as the point to which the seller promises to contract for carriage).

4. ***Insurance*** The seller must also contract for insurance cover against the buyer’s risk of loss of or damage to the goods from the point of delivery to at least the point of destination. This may cause difficulty where the destination country requires insurance cover to be purchased locally: in this case the parties should consider selling and buying under CPT. The buyer should also note that under the CIP Incoterms 2020 rule the seller is required to obtain extensive insurance cover complying with Institute Cargo Clauses (A) or similar clause, rather than with the more limited cover

under Institute Cargo Clauses (C). It is, however, still open to the parties to agree on a lower level of cover.

5. **Identifying the place or point of delivery with precision** The parties are well advised to identify both places, or indeed points within those places, as precisely as possible in the contract of sale. Identifying the place or point (if any) of delivery as precisely as possible is important to cater for the common situation where several carriers are engaged, each for different legs of the transit from delivery to destination. Where this happens and the parties do not agree on a specific place or point of delivery, the default position is that risk transfers when the goods have been delivered to the first carrier at a point entirely of the seller's choosing and over which the buyer has no control. Should the parties wish the risk to transfer at a later stage (e.g. at a sea or river port or at an airport), or indeed an earlier one (e.g. an inland point some way away from a sea or river port), they need to specify this in their contract of sale and to carefully think through the consequences of so doing in case the goods are lost or damaged.

6. **Identifying the destination as precisely as possible** The parties are also well advised to identify as precisely as possible in the contract of sale the point within the agreed place of destination, as this is the point to which the seller must contract for carriage and insurance and this is the point to which the costs of carriage and insurance fall on the seller.

7. **'or procuring the goods so delivered'** The reference to "procure" here caters for multiple sales down a chain ('string sales'), particularly common in the commodity trades.

8. **Costs of unloading at destination** If the seller incurs costs under its contract of carriage related to unloading at the named place of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.

9. **Export/import clearance** CIP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, or to pay any import duty or to carry out any import customs formalities.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations	B1 General obligations

The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods by handing them over to the carrier contracted in accordance with A4 or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2 and receive them from the carrier at the named place of destination or if agreed, at the point within that place.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If the buyer fails to give notice in accordance with B10, then the buyer bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named place of destination or, if agreed, any point at that place. The contract of carriage must be	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.

made on usual terms at the seller's cost and provide for carriage by the usual route in a customary manner of the type normally used for carriage of the type of goods sold. If a specific point is not agreed or is not determined by practice, the seller may select the point of delivery and the point at the named place of destination that best suit its purpose. The seller must comply with any transport-related security requirements for transport to the destination.	
A5 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. 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. When required by the buyer, the seller must, subject to the buyer providing any necessary information requested by the seller, provide at the buyer's cost any additional cover, if procurable, such as cover complying with the Institute War Clauses and/or Institute Strikes Clauses (LMA/IUA) or any similar clauses (unless such cover is already included with the cargo insurance described in the preceding paragraph). The insurance shall cover, at a minimum, the price provided in the contract plus	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, upon request, with any information necessary for the seller to procure any additional insurance requested by the buyer under A5.

10% (i.e., 110%) and shall be in the currency of the contract. The insurance shall cover the goods from the point of delivery set out in A2 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. Moreover, the seller must provide the buyer, at the buyer's request, risk and cost, with information that the buyer needs to procure any additional insurance.	
A6 Delivery/transport document If customary or at the buyer's request, the seller must provide the buyer, at the seller's cost, with the usual transport document[s] for the transport contracted in accordance with A4. This transport document must cover the contract goods and be dated within the period agreed for shipment. If agreed or customary, the document must also enable the buyer to claim the goods from the carrier at the named place of destination and enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer or by notification to the carrier. When such a transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.	B6 Delivery/transport document The buyer must accept the transport document provided under A6 if it is in conformity with the contract.
A7 Export/import clearance a) Export clearance	B7 Export/import clearance

Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: • export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marking The buyer has no obligation to the seller.
A9 Allocation of costs The seller must pay:	B9 Allocation of costs The buyer must pay:

a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) transport and all other costs resulting from A4, including the costs of loading the goods and transport-related security costs; c) any charges for unloading at the agreed place of destination but only if those charges were for the seller's account under the contract of carriage; d) the costs of transit that were for the seller's account under the contract of carriage; e) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; f) the costs of insurance resulting from A5; g) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and h) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the costs of transit, unless such costs were for the seller's account under the contract of carriage; c) unloading costs, unless such costs were for the seller's account under the contract of carriage; d) the costs of any additional insurance procured at the buyer's request under A5 and B5; e) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b); f) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and g) any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must notify the buyer that the goods have been delivered in accordance with A2.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time for dispatching the goods and/or the point of receiving the goods within the named place of destination, give the seller sufficient notice.

The seller must give the buyer any notice required to enable the buyer to receive the goods.	
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CONFIDENTIAL

DELIVERED AT PLACE

DAP (insert named place of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Delivered at Place” means that the seller delivers the goods – and transfers risk - to the buyer
 - 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 or
 - at the agreed point within that place, if any such point is agreed.

The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms rule, therefore, delivery and arrival at destination are the same.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.

3. ***Identifying the place or point of delivery/destination precisely*** The parties are well advised to specify the destination place or point as clearly as possible and this for several reasons. First, risk of loss of or damage to the goods transfers to the buyer at that point of delivery/destination – and it is best for the seller and the buyer to be clear about the point at which that critical transfer happens. Secondly, the costs before that place or point of delivery/destination are for the account of the seller and the costs after that place or point are for the account of the buyer. Thirdly, the seller must contract or arrange for the carriage of the goods to the agreed place or point of delivery/destination. If it fails to do so, the seller is in breach of its obligations under the Incoterms DAP rule and will be liable to the buyer for any ensuing loss. Thus, for example, the seller would be responsible for any additional costs levied by the carrier to the buyer for any additional on-carriage.

4. ***‘or procuring the goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

5. ***Unloading costs*** The seller is not required to unload the goods from the arriving means of transportation. However, if the seller incurs costs under its contract of carriage related to unloading at the place of delivery/destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.

6. **Export/import clearance** DAP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for post-delivery transit through third countries, to pay any import duty or to carry out any import customs formalities. As a result, if the buyer fails to organise import clearance, the goods will be held up at a port or inland terminal in the destination country. Who bears the risk of any loss that might occur while the goods are thus held up at the port of entry in the destination country? The answer is the buyer: delivery will not have occurred yet, B3(a) ensuring that the risk of loss of or damage to the goods is with the buyer until transit to a named inland point can be resumed. If, in order to avoid this scenario, the parties intend the seller to clear the goods for import, pay any import duty or tax and carry out any import customs formalities, the parties might consider using DDP.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading at the agreed point, if any, at the named place of destination or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.
A3	B3

Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.	Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If: a) the buyer fails to fulfil its obligations in accordance with B7, then it bears all resulting risks of loss of or damage to the goods; or b) the buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or arrange at its own cost for the carriage of the goods to the named place of destination or to the agreed point, if any, at the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination that best suits its purpose. The seller must comply with any transport-related security requirements for transport to the destination.	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the

	seller, at the seller's request, risk and cost, with information that the seller needs for obtaining insurance.
A6 Delivery/transport document The seller must provide the buyer, at the seller's cost, with any document required to enable the buyer to take over the goods.	B6 Delivery/transport document The buyer must accept the document provided under A6.
A7 Export/import clearance a) Export and transit clearance Where applicable, the seller must carry out and pay for all export and transit clearance formalities required by the country of export and any country of transit (other than the country of import), such as: • export/transit licence; • security clearance for export/transit; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all import clearance formalities, including security requirements and pre-shipment inspection, needed by the country of import.	B7 Export/import clearance a) Assistance with export and transit clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export/transit clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export and any country of transit (other than the country of import). b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by the country of import, such as: • import licence; • security clearance for import; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/markings The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2.	B8 Checking/packaging/markings The buyer has no obligation to the seller.

The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	
A9 Allocation of costs The seller must pay: a) all costs relating to the goods and their transport until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) any charges for unloading at the place of destination but only if those charges were for the seller's account under the contract of carriage; c) the cost of providing the delivery/transport document under A6; d) where applicable, duties, taxes and any other costs related to export and any transit clearance under A7(a); and e) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B5 and B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2; b) all costs of unloading necessary to take delivery of the goods from the arriving means of transport at the named place of destination, unless such costs were for the seller's account under the contract of carriage; c) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A7(b); d) where applicable, duties, taxes and any other costs related to import clearance under B7(b); and e) any additional costs incurred by the seller if the buyer fails to fulfil its obligations in accordance with B7 or to give notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices	B10 Notices

The seller must give the buyer any notice required to enable the buyer to receive the goods.

The buyer must, whenever it is agreed that the buyer is entitled to determine the time within an agreed period and/or the point of taking delivery within the named place of destination, give the seller sufficient notice.

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CONFIDENTIAL

DELIVERED AT PLACE UNLOADED

DPU (insert named place of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Delivered at Place Unloaded” means that the seller delivers the goods – and transfers risk - to the buyer
 - when the goods,
 - once unloaded from the arriving means of transport,
 - are placed at the disposal of the buyer
 - at a named place of destination or
 - at the agreed point within that place, if any such point is agreed.

The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination. In this Incoterms rule, therefore, the delivery and arrival at destination are the same. DPU is the only Incoterms rule that requires the seller to unload goods at destination. The seller should therefore ensure that it is in a position to organise unloading at the named place. Should the parties intend the seller not to bear the risk and cost of unloading, the DPU rule should be avoided and DAP should be used instead.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.
3. ***Identifying the place or point of delivery/destination precisely*** The parties are well advised to specify the destination place or point as clearly as possible and this for several reasons. First, risk of loss of or damage to the goods transfers to the buyer at that point of delivery/destination – and it is best for the seller and the buyer to be clear about the point at which that critical transfer happens. Secondly, the costs before that place or point of delivery/destination are for the account of the seller and the costs after that place or point are for the account of the buyer. Thirdly, the seller must contract or arrange for the carriage of the goods to the agreed place or point of delivery/destination. If it fails to do so, the seller is in breach of its obligations under this rule and will be liable to the buyer for any ensuing loss. The seller would, for example, be responsible for any additional costs levied by the carrier to the buyer for any additional on-carriage.
4. ***‘or procuring the goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

5. **Export/import clearance** DPU requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for post-delivery transit through third countries, to pay any import duty or to carry out any import customs formalities. As a result, if the buyer fails to organise import clearance, the goods will be held up at a port or inland terminal in the destination country. Who bears the risk of any loss that might occur while the goods are thus held up at the port of entry in the destination country? The answer is the buyer: delivery will not have occurred yet, B3(a) ensuring that the risk of loss of or damage to the goods is with the buyer until transit to a named inland point can be resumed. If, in order to avoid this scenario, the parties intend the seller to clear the goods for import, pay any import duty or tax and carry out any import customs formalities, the parties might consider using DDP.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must unload the goods from the arriving means of transport and must then deliver them by placing them at the disposal of the buyer at the agreed point, if any, at the named place of destination or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.

A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If: a) the buyer fails to fulfil its obligations in accordance with B7, then it bears all resulting risks of loss of or damage to the goods; or b) the buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or arrange at its own cost for the carriage of the goods to the named place of destination or to the agreed point, if any, at the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination that best suits its purpose. The seller must comply with any transport-related security requirements for transport to the destination.	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the

	seller, at the seller's request, risk and cost, with information that the seller needs for obtaining insurance.
A6 Delivery/transport document The seller must provide the buyer, at the seller's cost, with any document required to enable the buyer to take over the goods.	B6 Delivery/transport document The buyer must accept the document provided under A6.
A7 Export/import clearance a) Export and transit clearance Where applicable, the seller must carry out and pay for all export and transit clearance formalities required by the country of export and any country of transit (other than the country of import), such as: • export/transit licence; • security clearance for export/transit; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all import clearance formalities, including security requirements and pre-shipment inspection, needed by the country of import.	B7 Export/import clearance a) Assistance with export and transit clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export/transit clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export and any country of transit (other than the country of import). b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by the country of import, such as: • import licence; • security clearance for import; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marketing The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2.	B8 Checking/packaging/marketing The buyer has no obligation to the seller.

The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	
A9 Allocation of costs The seller must pay: a) all costs relating to the goods and their transport until they have been unloaded and delivered in accordance with A2, other than those payable by the buyer under B9; b) the cost of providing the delivery/transport document under A6; c) where applicable, duties, taxes and any other costs related to export and any transit clearance under A7(a); and d) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B5 and B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2; b) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A7(b); c) where applicable, duties, taxes and any other costs related to import clearance under B7(b); and d) any additional costs incurred by the seller if the buyer fails to fulfil its obligations in accordance with B7 or to give notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer any notice required to enable the buyer to receive the goods.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time within an agreed period and/or the point of taking delivery within the named place of destination, give the seller sufficient notice.

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CONFIDENTIAL

DELIVERED DUTY PAID

DDP (insert named place of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Delivered Duty Paid” means that the seller delivers the goods to the buyer

- 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 or at the agreed point within that place, if any such point is agreed.

The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms rule, therefore, delivery and arrival at destination are the same.

2. ***Mode of transport*** This rule may be used irrespective of the mode of transport selected and may also be used where more than one mode of transport is employed.

3. ***A note of caution to sellers: maximum responsibility*** DDP, with delivery happening at destination *and* with the seller being responsible for the payment of import duty and applicable taxes is the Incoterms rule imposing on the seller the maximum level of obligation of all eleven Incoterms rules. From the seller’s perspective, therefore, the rules should be used with care for different reasons as set out in paragraph 7.

4. ***Identifying the place or point of delivery/destination precisely*** The parties are well advised to specify the destination place or point as clearly as possible and this for several reasons. First, risk of loss of or damage to the goods transfers to the buyer at that point of delivery/destination – and it is best for the seller and the buyer to be clear about the point at which that critical transfer happens. Secondly, the costs before that place or point of delivery/destination are for the account of the seller, including the costs of import clearance, and the costs after that place or point, other than the costs of import, are for the account of the buyer. Thirdly, the seller must contract or arrange for the carriage of the goods to the agreed place or point of delivery/destination. If it fails to do so, the seller is in breach of its obligations under the Incoterms rule DDP and will be liable to the buyer for any ensuing loss. Thus, for example, the seller would be responsible

for any additional costs levied by the carrier to the buyer for any additional on-carriage.

5. ***‘or procuring the goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

6. ***Unloading costs*** If the seller incurs costs under its contract of carriage related to unloading at the place of delivery/destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.

7. ***Export/import clearance*** As set out in paragraph 3, DDP requires the seller to clear the goods for export, where applicable, as well as for import and to pay any import duty or to carry out any customs formalities. Thus if the seller is unable to obtain import clearance and would rather leave that side of things in the buyer’s hands in the country of import, then the seller should consider choosing DAP or DPU, under which rules delivery still happens at destination, but with import clearance being left to the buyer. There may be tax implications and this tax may not be recoverable from the buyer: see A9(d).

A THE SELLER’S OBLIGATIONS	B THE BUYER’S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods by placing them at the disposal of the buyer on the arriving means of transport ready for unloading at the agreed point, if any,	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.

at the named place of destination or by procuring the goods so delivered. In either case the seller must deliver the goods on the agreed date or within the agreed period.	
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If: a) the buyer fails to fulfil its obligations in accordance with B7, then it bears all resulting risks of loss of or damage to the goods; or b) the buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or arrange at its own cost for the carriage of the goods to the named place of destination or to the agreed point, if any, at the named place of destination. If a specific point is not agreed or is not determined by practice, the seller may select the point at the named place of destination that best suits its purpose. The seller must comply with any transport-related security requirements for transport to the destination.	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.

A5 Insurance The seller has no obligation to the buyer to make a contract of insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, at the seller's request, risk and cost, with information that the seller needs for obtaining insurance.
A6 Delivery/transport document The seller must provide the buyer, at the seller's cost, with any document required to enable the buyer to take over the goods.	B6 Delivery/transport document The buyer must accept the document provided under A6.
A7 Export/import clearance Where applicable, the seller must carry out and pay for all export/transit/import clearance formalities required by the countries of export, transit and import, such as: • export/transit/import licence; • security clearance for export/transit/import; • pre-shipment inspection; and • any other official authorization.	B7 Export/import clearance Where applicable, the buyer must assist the seller, at the seller's request, risk and cost, in obtaining any documents and/or information related to all export/transit/import clearance formalities required by the countries of export/transit/import, such as: • export/transit/import licence; • security clearance for export, transport and import; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2.	B8 Checking/packaging/marking The buyer has no obligation to the seller.

The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	
A9 Allocation of costs The seller must pay: a) all costs relating to the goods and their transport until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) any charges for unloading at the place of destination but only if those charges were for the seller's account under the contract of carriage; c) the cost of providing the delivery/transport document under A6; d) where applicable, duties, taxes and any other costs related to export, transit and import clearance under A7; and e) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B5 and B7.	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2; b) all costs of unloading necessary to take delivery of the goods from the arriving means of transport at the named place of destination, unless such costs were for the seller's account under the contract of carriage; and c) any additional costs incurred by the seller if the buyer fails to fulfil its obligations in accordance with B7 or to give notice in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer any notice required to enable the buyer to receive the goods.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time within an agreed period and/or the point of taking delivery within the

	named place of destination, give the seller sufficient notice.
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CONFIDENTIAL

1522 RULES FOR SEA AND INLAND WATERWAY TRANSPORT

CONFIDENTIAL

FREE ALONGSIDE SHIP

FAS (insert named port of shipment) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. **Delivery and risk** “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.

The risk of loss of or damage to the goods transfers when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

2. **Mode of transport** This rule is to be used only for sea or inland waterway transport where the parties intend to deliver the goods by placing the goods alongside a vessel. Thus, the FAS rule is not appropriate where goods are handed over to the carrier before they are alongside the vessel, for example where goods are handed over to a carrier at a container terminal. Where this is the case, parties should consider using the FCA rule rather than the FAS rule.

3. **Identifying the loading point precisely** The parties are well advised to specify as clearly as possible the loading point at the named port of shipment where the goods are to be transferred from the quay or barge to the ship, as the costs and risks to that point are for the account of the seller and these costs and associated handling charges may vary according to the practice of the port.

4. **‘or procuring the goods so delivered’** The seller is required either to deliver the goods alongside the ship or to procure goods already so delivered for shipment. The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

5. **Export/import clearance** FAS requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

A THE SELLER’S OBLIGATIONS	B THE BUYER’S OBLIGATIONS
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A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery 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 1. on the agreed date or 2. at the time within the agreed period notified by the buyer under B10 or, 3. if no such time is notified, then at the end of the agreed period and 4. in the manner customary at the port. If no specific loading point has been indicated by the buyer, the seller may select the point within the named port of shipment that best suits its purpose.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2.

exception of loss or damage in the circumstances described in B3.	If: a) the buyer fails to give notice in accordance with B10; or b) the vessel nominated by the buyer fails to arrive on time to enable the seller to comply with A2, fails to take the goods, or closes for cargo earlier than the time notified in accordance with B10; then the buyer bears all risks of loss of or damage to the goods: (i) from the agreed date, or in the absence of an agreed date, (ii) from the date selected by the buyer under B10, or, if no such date has been notified, (iii) from the end of any agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyer's request, risk and cost, with any information in the possession of the seller, including transport-related security requirements, that the buyer needs for arranging carriage. If agreed, the seller must contract for carriage on the usual terms at the buyer's risk and cost. The seller must comply with any transport-related security requirements up to delivery.	B4 Carriage The buyer must contract at its own cost for the carriage of the goods from the named port of shipment, except when the contract of carriage is made by the seller as provided for in A4.
A5 Insurance	B5 Insurance

The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost, with information in possession of the seller that the buyer needs for obtaining insurance.	The buyer has no obligation to the seller to make a contract of insurance.
A6 Delivery/transport document The seller must provide the buyer, at the seller's cost, with the usual proof that the goods have been delivered in accordance with A2. 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.	B6 Delivery/transport document The buyer must accept the proof of delivery provided under A6.
A7 Export/import clearance a) Export clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: • export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	B7 Export/import clearance a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and

	• any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marking The buyer has no obligation to the seller.
A9 Allocation of costs The seller must pay: a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; c) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and d) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b); c) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and d) any additional costs incurred, either because: (i) the buyer has failed to give notice under B10, or

	(ii) the vessel nominated by the buyer under B10 fails to arrive on time, fails to take the goods, or closes for cargo earlier than the time notified in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer sufficient notice either that the goods have been delivered in accordance with A2 or that the vessel has failed to take delivery of the goods within the time agreed.	B10 Notices The buyer must give the seller sufficient notice of any transport-related security requirements, the vessel name, loading point and, if any, the selected delivery date within the agreed period.

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FREE ON BOARD

FOB (insert named port of shipment) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. **Delivery and risk** “Free on Board” means that the seller delivers the goods to the buyer

- 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 transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

2. **Mode of transport** This rule is to be used only for sea or inland waterway transport where the parties intend to deliver the goods by placing the goods on board a vessel. Thus, the FOB rule is not appropriate where goods are handed over to the carrier before they are on board the vessel, for example where goods are handed over to a carrier at a container terminal. Where this is the case, parties should consider using the FCA rule rather than the FOB rule.

3. **‘or procuring the goods so delivered’** The seller is required either to deliver the goods on board the vessel or to procure goods already so delivered for shipment. The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

4. **Export/import clearance** FOB requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

A THE SELLER’S OBLIGATIONS	B THE BUYER’S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic

Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods either by placing them on board 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 1. on the agreed date or 2. at the time within the agreed period notified by the buyer under B10 or, 3. if no such time is notified, then at the end of the agreed period and 4. in the manner customary at the port. If no specific loading point has been indicated by the buyer, the seller may select the point within the named port of shipment that best suits its purpose.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstances described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If: a) the buyer fails to give notice in accordance with B10; or b) the vessel nominated by the buyer fails to arrive on time to enable the seller to comply with A2, fails to

	take the goods, or closes for cargo earlier than the time notified in accordance with B10; then the buyer bears all risks of loss of or damage to the goods: (i) from the agreed date, or in the absence of an agreed date, (ii) from the date selected by the buyer under B10, or, if no such date has been notified, (iii) from the end of any agreed period for delivery, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller has no obligation to the buyer to make a contract of carriage. However, the seller must provide the buyer, at the buyer's request, risk and cost, with any information in the possession of the seller, including transport-related security requirements, that the buyer needs for arranging carriage. If agreed, the seller must contract for carriage on the usual terms at the buyer's risk and cost. The seller must comply with any transport-related security requirements up to delivery.	B4 Carriage The buyer must contract at its own cost for the carriage of the goods from the named port of shipment, except when the contract of carriage is made by the seller as provided for in A4.
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost, with information in the possession of the seller	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.

that the buyer needs for obtaining insurance.	
A6 Delivery/transport document The seller must provide the buyer, at the seller's cost, with the usual proof that the goods have been delivered in accordance with A2. 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.	B6 Delivery/transport document The buyer must accept the proof of delivery provided under A6.
A7 Export/import clearance a) Export clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: • export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	B7 Export/import clearance a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.

A8 Checking/packaging/marketing The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marketing The buyer has no obligation to the seller.
A9 Allocation of costs The seller must pay: a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; c) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and d) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A4, A5, A6 and A7(b); c) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and d) any additional costs incurred, either because: (i) the buyer has failed to give notice under B10, or (ii) the vessel nominated by the buyer under B10 fails to arrive

	on time, fails to take the goods, or closes for cargo earlier than the time notified in accordance with B10, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must give the buyer sufficient notice either that the goods have been delivered in accordance with A2 or that the vessel has failed to take the goods within the time agreed.	B10 Notices The buyer must give the seller sufficient notice of any transport-related security requirements, the vessel name, loading point and, if any, the selected delivery date within the agreed period.

COST AND FREIGHT

CFR (insert named port of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “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 risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all. In CFR, the seller owes no obligation to the buyer to purchase insurance cover: the buyer would be well-advised therefore to purchase some cover for itself.

2. ***Mode of transport*** This rule is to be used only for sea or inland waterway transport. Where more than one mode of transport is to be used, which will commonly be the case where goods are handed over to a carrier at a container terminal, the appropriate rule to use is CPT rather than CFR.

3. ***‘or procuring the goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

4. ***Ports of delivery and destination*** In CFR, two ports are important: the port where the goods are delivered on board the vessel and the port agreed as the destination of the goods. Risk transfers from seller to buyer when the goods are delivered to the buyer by placing them on board the vessel at the shipment port or by procuring the goods already so delivered. However, the seller must contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are placed on board a vessel in Shanghai (which is a port) for carriage to Southampton (also a port). Delivery here happens when the goods are on board in Shanghai, with risk transferring to the buyer at that time; and the seller must make a contract of carriage from Shanghai to Southampton.

5. ***Must the shipment port be named?*** While the contract will always specify a destination port, it might not specify the port of shipment, which is where risk transfers to the buyer. If the shipment port is of particular interest to

the buyer, as it may be, for example, where the buyer wishes to ascertain that the freight element of the price is reasonable, the parties are well advised to identify it as precisely as possible in the contract.

6. **Identifying the destination point at the discharge port** The parties are well advised to identify as precisely as possible the point at the named port of destination, as the costs to that point are for the account of the seller. The seller must make a contract or contracts of carriage that cover(s) the transit of the goods from delivery to the named port or to the agreed point within that port where such a point has been agreed in the contract of sale.

7. **Multiple carriers** It is possible that carriage is effected through several carriers for different legs of the sea transport, for example, first by a carrier operating a feeder vessel from Hong Kong to Shanghai, and then onto an ocean vessel from Shanghai to Southampton. The question which arises here is whether risk transfers from seller to buyer at Hong Kong or at Shanghai: where does delivery take place? The parties may well have agreed this in the sale contract itself. Where, however, there is no such agreement, the default position is that risk transfers when the goods have been delivered to the first carrier, i.e. Hong Kong, thus increasing the period during which the buyer incurs the risk of loss or damage. Should the parties wish the risk to transfer at a later stage (here, Shanghai) they need to specify this in their contract of sale.

8. **Unloading costs** If the seller incurs costs under its contract of carriage related to unloading at the specified point at the port of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties.

9. **Export/import clearance** CFR requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale.

of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods either by placing them on board the vessel or by procuring the goods so delivered. In either case, the seller must deliver the goods on the agreed date or within the agreed period and in the manner customary at the port.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2 and receive them from the carrier at the named port of destination.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If the buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A4 Carriage The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named port of destination or, if agreed, any point at that port. The contract of carriage must be made on usual terms at the seller's cost and provide for carriage by the usual	B4 Carriage The buyer has no obligation to the seller to make a contract of carriage.

route in a vessel of the type normally used for the transport of the type of goods sold. The seller must comply with any transport-related security requirements for transport to the destination.	
A5 Insurance The seller has no obligation to the buyer to make a contract of insurance. However, the seller must provide the buyer, at the buyer's request, risk and cost, with information in the possession of the seller that the buyer needs for obtaining insurance.	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance.
A6 Delivery/transport document The seller must, at its own cost, provide the buyer with the usual transport document for the agreed port of destination. This transport document must cover the contract goods, be dated within the period agreed for shipment, enable the buyer to claim the goods from the carrier at the port of destination and, unless otherwise agreed, enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer or by notification to the carrier. When such a transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.	B6 Delivery/transport document The buyer must accept the transport document provided under A6 if it is in conformity with the contract.
A7 Export/import clearance a) Export clearance	B7 Export/import clearance

Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: • export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport, unless the parties have agreed on specific packaging or marking requirements.	B8 Checking/packaging/marking The buyer has no obligation to the seller.

A9 Allocation of costs The seller must pay: a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) the freight and all other costs resulting from A4, including the costs of loading the goods on board and transport-related security costs; c) any charges for unloading at the agreed port of discharge that were for the seller's account under the contract of carriage; d) the costs of transit that were for the seller's account under the contract of carriage; e) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; f) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and g) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the costs of transit, unless such costs were for the seller's account under the contract of carriage; c) unloading costs including lighterage and wharfage charges, unless such costs and charges were for the seller's account under the contract of carriage; d) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b); e) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and f) any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A10 Notices The seller must notify the buyer that the goods have been delivered in accordance with A2.	B10 Notices The buyer must, whenever it is agreed that the buyer is entitled to determine the time for shipping the goods and/or the point of receiving the goods within the named port of destination, give the seller sufficient notice.

The seller must give the buyer any notice required to enable the buyer to receive the goods.	
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COST INSURANCE AND FREIGHT

CIF (insert named port of destination) Incoterms 2020

EXPLANATORY NOTES FOR USERS

1. ***Delivery and risk*** “Cost Insurance and Freight” means that the seller delivers the goods to the buyer
 - on board the vessel
 - or procures the goods already so delivered.

The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all.

2. ***Mode of transport*** This rule is to be used only for sea or inland waterway transport. Where more than one mode of transport is to be used, which will commonly be the case where goods are handed over to a carrier at a container terminal, the appropriate rule to use is CIP rather than CIF.

3. ***‘or procuring the goods so delivered’*** The reference to “procure” here caters for multiple sales down a chain (‘string sales’), particularly common in the commodity trades.

4. ***Ports of delivery and destination*** In CIF, two ports are important: the port where the goods are delivered on board the vessel and the port agreed as the destination of the goods. Risk transfers from seller to buyer when the goods are delivered to the buyer by placing them on board the vessel at the shipment port or by procuring the goods already so delivered. However, the seller must contract for the carriage of the goods from delivery to the agreed destination. Thus, for example, goods are placed on board a vessel in Shanghai (which is a port) for carriage to Southampton (also a port). Delivery here happens when the goods are on board in Shanghai, with risk transferring to the buyer at that time; and the seller must make a contract of carriage from Shanghai to Southampton.

5. ***Must the shipment port be named?*** While the contract will always specify a destination port, it might not specify the port of shipment, which is where risk transfers to the buyer. If the shipment port is of particular interest to the buyer, as it may be, for example, where the buyer wishes to ascertain that the freight or the insurance element of the price is reasonable, the parties are well advised to identify it as precisely as possible in the contract.

- 1716
- 1717 6. **Identifying the destination point at the discharge port** The parties are well
- 1718 advised to identify as precisely as possible the point at the named port of
- 1719 destination, as the costs to that point are for the account of the seller. The
- 1720 seller must make a contract or contracts of carriage that cover the transit of
- 1721 the goods from delivery to the named port or to the agreed point within that
- 1722 port where such a point has been agreed in the contract of sale.
- 1723
- 1724 7. **Multiple carriers** It is possible that carriage is effected through several
- 1725 carriers for different legs of the sea transport, for example, first by a carrier
- 1726 operating a feeder vessel from Hong Kong to Shanghai, and then onto an
- 1727 ocean vessel from Shanghai to Southampton. The question which arises
- 1728 here is whether risk transfers from seller to buyer at Hong Kong or at
- 1729 Shanghai: where does delivery take place? The parties may well have
- 1730 agreed this in the sale contract itself. Where, however, there is no such
- 1731 agreement, the default position is that risk transfers when the goods have
- 1732 been delivered to the first carrier, i.e. Hong Kong, thus increasing the period
- 1733 during which the buyer incurs the risk of loss or damage. Should the parties
- 1734 wish the risk to transfer at a later stage (here, Shanghai) they need to specify
- 1735 this in their contract of sale.
- 1736
- 1737 8. **Insurance** The seller must also contract for insurance cover against the
- 1738 buyer's risk of loss of or damage to the goods from the port of shipment to
- 1739 at least the port of destination. This may cause difficulty where the
- 1740 destination country requires insurance cover to be purchased locally: in this
- 1741 case the parties should consider selling and buying under CFR. The buyer
- 1742 should also note that under the CIF Incoterms 2020 rule the seller is
- 1743 required to obtain limited insurance cover complying with Institute Cargo
- 1744 Clauses (C) or similar clause, rather than with the more extensive cover
- 1745 under Institute Cargo Clauses (A). It is, however, still open to the parties to
- 1746 agree on a higher level of cover.
- 1747
- 1748
- 1749 9. **Unloading costs** If the seller incurs costs under its contract of carriage
- 1750 related to unloading at the specified point at the port of destination, the
- 1751 seller is not entitled to recover such costs separately from the buyer unless
- 1752 otherwise agreed between the parties.
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- 1754 10. **Export/import clearance** CIF requires the seller to clear the goods for
- 1755 export, where applicable. However, the seller has no obligation to clear the
- 1756 goods for import or for transit through third countries, to pay any import
- 1757 duty or to carry out any import customs formalities.
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A THE SELLER'S OBLIGATIONS	B THE BUYER'S OBLIGATIONS
A1 General obligations The seller must provide the goods and the commercial invoice in conformity with the contract of sale and any other evidence of conformity that may be required by the contract. Any document to be provided by the seller may be in paper or electronic form as agreed or, where there is no agreement, as is customary.	B1 General obligations The buyer must pay the price of the goods as provided in the contract of sale. Any document to be provided by the buyer may be in paper or electronic form as agreed or, where there is no agreement, as is customary.
A2 Delivery The seller must deliver the goods either by placing them on board the vessel or by procuring the goods so delivered. In either case, the seller must deliver the goods on the agreed date or within the agreed period and in the manner customary at the port.	B2 Taking delivery The buyer must take delivery of the goods when they have been delivered under A2 and receive them from the carrier at the named port of destination.
A3 Transfer of risks The seller bears all risks of loss of or damage to the goods until they have been delivered in accordance with A2, with the exception of loss or damage in the circumstance described in B3.	B3 Transfer of risks The buyer bears all risks of loss of or damage to the goods from the time they have been delivered under A2. If the buyer fails to give notice in accordance with B10, then it bears all risks of loss of or damage to the goods from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A4	B4

Carriage The seller must contract or procure a contract for the carriage of the goods from the agreed point of delivery, if any, at the place of delivery to the named port of destination or, if agreed, any point at that port. The contract of carriage must be made on usual terms at the seller's cost and provide for carriage by the usual route in a vessel of the type normally used for the transport of the type of goods sold. The seller must comply with any transport-related security requirements for transport to the destination.	Carriage The buyer has no obligation to the seller to make a contract of carriage.
A5 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 (C) of the Institute Cargo Clauses (LMA/IUA) or any similar clauses. 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. When required by the buyer, the seller must, subject to the buyer providing any necessary information requested by the seller, provide at the buyer's cost any additional cover, if procurable, such as cover complying with the Institute War Clauses and/or Institute Strikes Clauses (LMA/IUA) or any similar clauses (unless such cover is already included with the cargo insurance described in the preceding paragraph).	B5 Insurance The buyer has no obligation to the seller to make a contract of insurance. However, the buyer must provide the seller, upon request, with any information necessary for the seller to procure any additional insurance requested by the buyer under A5.

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 set out in A2 to at least the named port of destination. The seller must provide the buyer with the insurance policy or certificate or any other evidence of insurance cover. Moreover, the seller must provide the buyer, at the buyer's request, risk and cost, with information that the buyer needs to procure any additional insurance.	
A6 Delivery/transport document The seller must, at its own cost, provide the buyer with the usual transport document for the agreed port of destination. This transport document must cover the contract goods, be dated within the period agreed for shipment, enable the buyer to claim the goods from the carrier at the port of destination and, unless otherwise agreed, enable the buyer to sell the goods in transit by the transfer of the document to a subsequent buyer or by notification to the carrier. When such a transport document is issued in negotiable form and in several originals, a full set of originals must be presented to the buyer.	B6 Delivery/transport document The buyer must accept the transport document provided under A6 if it is in conformity with the contract.
A7	B7

Export/import clearance a) Export clearance Where applicable, the seller must carry out and pay for all export clearance formalities required by the country of export, such as: • export licence; • security clearance for export; • pre-shipment inspection; and • any other official authorization. b) Assistance with import clearance Where applicable, the seller must assist the buyer, at the buyer's request, risk and cost, in obtaining any documents and/or information related to all transit/import clearance formalities, including security requirements and pre-shipment inspection, needed by any country of transit or the country of import.	Export/import clearance a) Assistance with export clearance Where applicable, the buyer must assist the seller at the seller's request, risk and cost in obtaining any documents and/or information related to all export clearance formalities, including security requirements and pre-shipment inspection, needed by the country of export. b) Import clearance Where applicable, the buyer must carry out and pay for all formalities required by any country of transit and the country of import, such as: • import licence and any licence required for transit; • security clearance for import and any transit; • pre-shipment inspection; and • any other official authorization.
A8 Checking/packaging/marking The seller must pay the costs of those checking operations (such as checking quality, measuring, weighing, counting) that are necessary for the purpose of delivering the goods in accordance with A2. The seller must, at its own cost, package the goods, unless it is usual for the particular trade to transport the type of goods sold unpackaged. The seller must package and mark the goods in the manner appropriate for their transport,	B8 Checking/packaging/marking The buyer has no obligation to the seller.

unless the parties have agreed on specific packaging or marking requirements.	
A9 Allocation of costs The seller must pay: a) all costs relating to the goods until they have been delivered in accordance with A2, other than those payable by the buyer under B9; b) the freight and all other costs resulting from A4, including the costs of loading the goods on board and transport-related security costs; c) any charges for unloading at the agreed port of discharge that were for the seller's account under the contract of carriage; d) the costs of transit that were for the seller's account under the contract of carriage; e) the costs of providing the usual proof to the buyer under A6 that the goods have been delivered; f) the costs of insurance resulting from A5; g) where applicable, duties, taxes and any other costs related to export clearance under A7(a); and h) the buyer for all costs and charges related to providing assistance in obtaining documents and information in accordance with B7(a).	B9 Allocation of costs The buyer must pay: a) all costs relating to the goods from the time they have been delivered under A2, other than those payable by the seller under A9; b) the costs of transit, unless such costs were for the seller's account under contract of carriage; c) unloading costs including lighterage and wharfage charges, unless such costs and charges were for the seller's account under the contract of carriage; d) the costs of any additional insurance procured at the buyer's request under A5 and B5; e) the seller for all costs and charges related to providing assistance in obtaining documents and information in accordance with A5 and A7(b); f) where applicable, duties, taxes and any other costs related to transit or import clearance under B7(b); and g) any additional costs incurred if it fails to give notice in accordance with B10, from the agreed date or the end of the agreed period for shipment, provided that the goods have been clearly identified as the contract goods.
A10	B10

Notices

The seller must notify the buyer that the goods have been delivered in accordance with A2.

The seller must give the buyer any notice required to enable the buyer to receive the goods.

Notices

The buyer must, whenever it is agreed that the buyer is entitled to determine the time for shipping the goods and/or the point of receiving the goods within the named port of destination, give the seller sufficient notice.

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