



Information about Incoterms 2020®

Incoterms® is a registered trademark of the International Chamber of Commerce (ICC).

What are the Incoterms®?

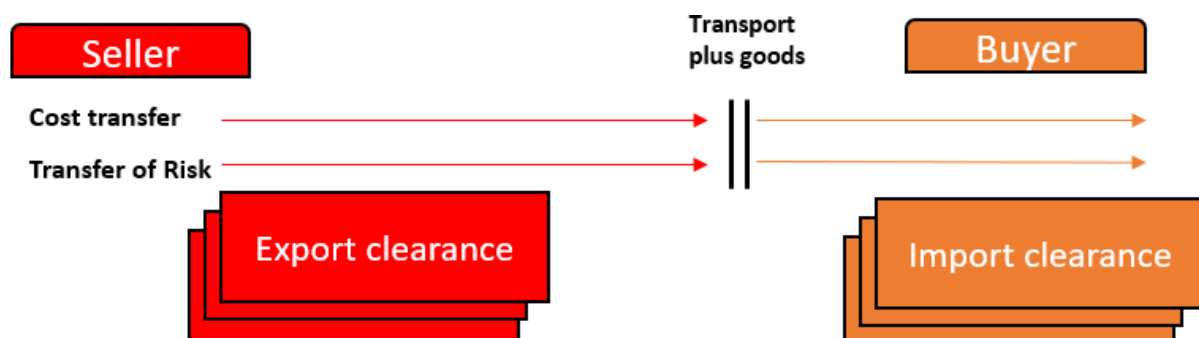
The Incoterms® are globally recognised, uniform terms of delivery. They help in the interpretation of commercial contracts, each of which is abbreviated with three letters (e.g. CFR or CIF).

They define the usual practices in international trade in goods between companies in sales contracts. The Incoterms® describe rights and obligations, the bearing of costs and the transfer of risk.

It is important to note that the Incoterms® alone do not constitute a contract and can therefore not be seen as a substitute for a sales contract.

The new Incoterms® 2020 apply from 01 January 2020.

Differences between Incoterms® 2010 and Incoterms® 2020

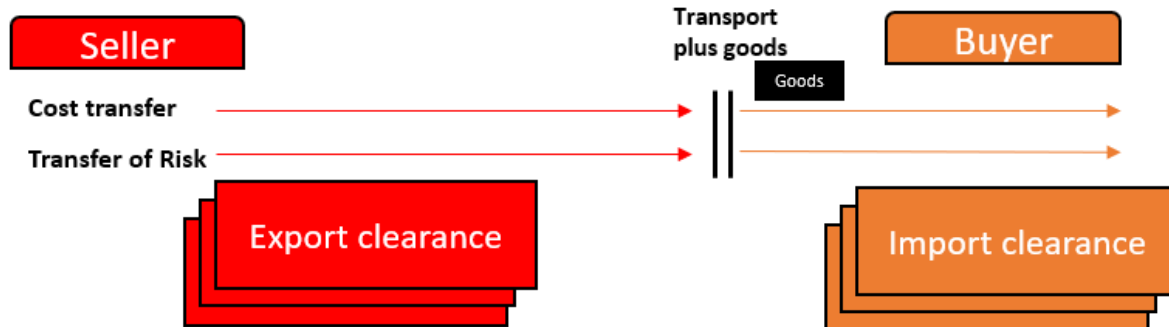


DAP (Delivered at Place)

In the case of the term "DAP", the costs and the risk shall pass to the buyer as soon as the goods are ready for unloading on the means of transport at the named place. The "place" may be agreed as port, terminal or the buyer's premises. The seller is responsible for export clearance, but not for import clearance. This is the responsibility of the buyer.

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DPU (Delivered at Place, Unloaded)

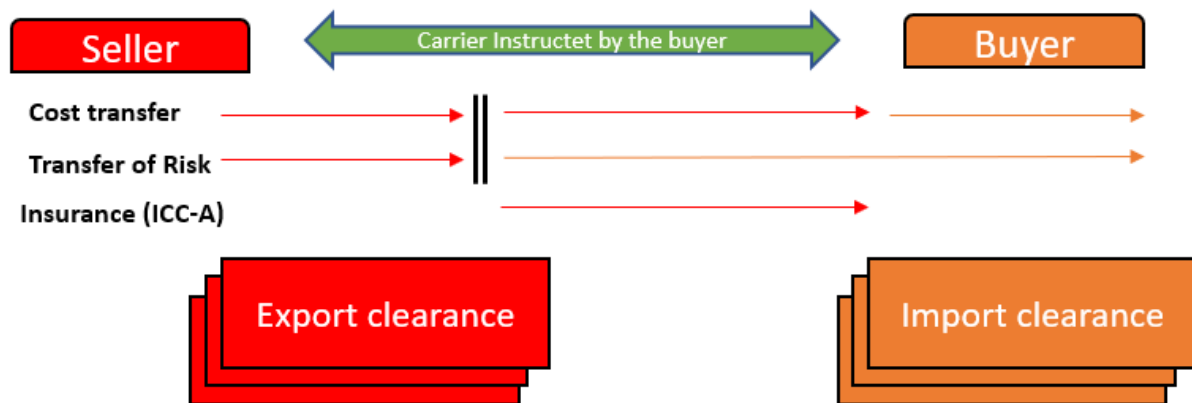


The Incoterms® 2010 still contained the clause DAT (Delivered t Terminal). To avoid the problem with the term "Terminal", the term "Terminal" was replaced by "Place" in the Incoterms® 2020. The entire term was renamed "DPU" (Delivered at Place, Unloaded).

Here, the unloading comes to the fore, because according to Incoterms® "DPU" delivery has taken place as soon as the goods have been unloaded from the means of transport at the named place (whether port, terminal, buyer's premises). After unloading, the cost and risk shall pass to the buyer.

Change of insurance cover

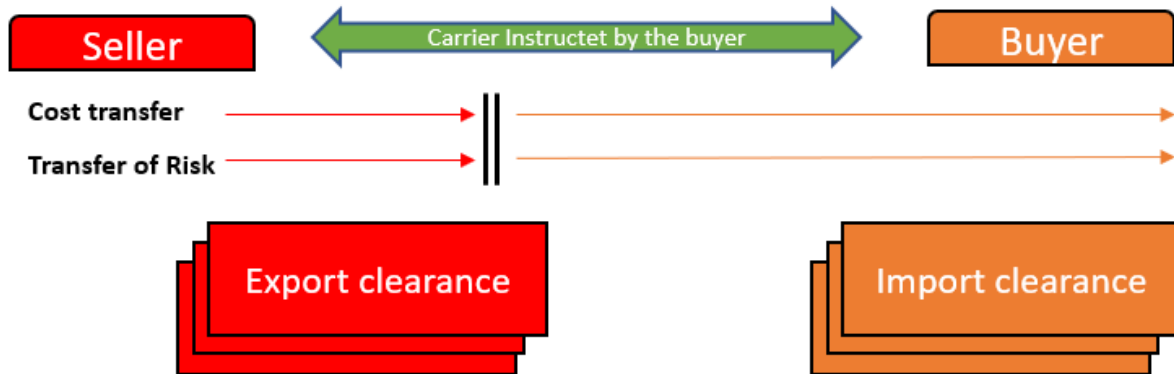
CIP (Carriage and Insurance Paid to)



For the term „CIP“ according to the Incoterms® 2020, the insurance cover ICC-A must be procured by the seller. In the Incoterms® 2010 so far only the minimum insurance coverage according to the ICC-C had to be provided by the seller. For both Incoterms "CIP" and "CIF", the seller is responsible for covering the transport insurance at his own expense in favor of the buyer. Furthermore, the minimum coverage ICC-C is taken as a basis. In both cases, the trading partners can agree on higher or lower insurance coverage amounts, for example.

The onboard bill of lading

FCA (Free Carrier)



The FCA (Free Carrier) clause has been extended with a new provision. The possibility of agreeing an on-board bill of lading (also called "shipped on board bill of lading") has been included in the Incoterms®. The seller receives a bill of lading "with on-board note", which is required e.g. for the processing of letters of credit. The on-board bill of lading confirms that the goods have been taken over on board. When the goods are handed over from the seller to the carrier commissioned by the buyer, the on-board bill of lading with the "on-board note" is handed over to the seller.

Changes

The new Incoterms® 2020 includes many new business practices. Containing also the performance or organisation of transport with the buyer's or seller's own means of transport. In these cases, the clauses FCA, DAP, DPU and DDP can be agreed.

In summary:

- In addition to the above-mentioned changes, there are also the changes that the costs are listed under a single item within the set of rules and not - as before - summarized again under all set of rules items. Furthermore, the safety-related requirements with transport obligations and costs have been included in the Incoterms® 2020.
- Complex changes have not been made, instead the focus has been on simplified application to facilitate all work with Incoterms® 2020
- This overview is intended to provide a quick overview into the more concise changes and serves as an initial guide











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Incoterms® 2020 - Explanations of possible contract contents

Clause	The seller has ...	The buyer bears the risk ...
EXW (EX Works) (Ex works named location, e.g. factory, plant, warehouse)	to make the goods available on his property, but not to load them.	as soon as the goods have been made available on the seller's property.
FCA (Free Carrier) (free carrier named place of delivery = place of loading building of the seller)	to deliver the goods cleared for export with the named carrier/person to the named place. He is responsible for the loading.	as soon as the goods have been loaded onto the vehicle provided by him.
FCA (Free Carrier) (free carrier named place of delivery = place of loading elsewhere)	to deliver the goods cleared for export with the named carrier/person to the named place. He is not responsible for unloading.	From unloading of the arrived vehicle at the named carrier / person
FAS (Free Alongside Ship) (free alongside ship named port of shipment)	to deliver the goods cleared for export alongside the ship in the port of shipment	as soon as the goods have been delivered alongside the ship at the port of shipment.
FOB (Free in Bord) (free on board named port of shipment)	to place the goods on board the ship at the port of shipment; until then he shall bear the costs and risk.	as soon as the goods are loaded on board the ship at the port of shipment.
CFR (Cost and Freight) (Cost and freight named port of destination)	to bear the costs and freight - but not the risk - to the agreed port of destination.	As "FOB"; he has to take delivery of the goods at the agreed port of destination.
CIF (Cost, Insurance and Freight) (Cost, insurance and freight named port of destination)	to take out marine insurance (with minimum cover (clause C) plus 10 % imaginary profit) at his expense in addition to the CFR agreement. If restrictions and/or sanctions speak against the provision of insurance cover, CFR is to be chosen!	as "FOB"; he shall take delivery of the goods at the agreed port of destination.
CPT (Carrier Paid to) (carriage paid named place of destination)	to bear the freight for the carriage of the goods to the named place of destination.	as soon as the goods have been handed over to the (first) carrier at the named place of delivery.
CIP (Carriage and Insurance Paid to) Named place of destination (carriage and insurance paid)	to take out transport insurance (with comprehensive cover (clause A) plus 10% imaginary profit) in addition to the CPT agreement at his expense. If restrictions and/or sanctions speak against the provision of insurance cover, CPT is to be chosen!	as soon as the goods have been handed over to the (first) carrier at the named place of delivery.
DAP (Delivered At Place) (delivered named place of destination)	bear all risks and costs up to the named place of destination. He shall not have to clear the goods for import.	as soon as the goods not cleared for import are made available at the named place of destination (unloaded on the arriving means of transport)
DPU (Delivered at Place Unloaded) (delivered named destination unloaded)	to bear all costs and risks up to the named place of destination (including unloading from the arriving means of transport).	as soon as the goods not cleared for import are made available at the named place of destination (unloaded from the arriving means of transport).
DDP (Delivered Duty Paid) (delivered duty paid named place of destination)	bear all risks and costs including duties, taxes and other costs for the export, transit and import of the goods to the named place of destination.	as soon as the goods are delivered ready for unloading at the named place.

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Incoterms® 2020 - Presentation of the different Incoterms clauses

										
EXW Place of delivery		e. EXP								
FCA named place of loading location (2 choices)			i. EXP							
Loading place: building of the seller										
Loading place: elsewhere			i. EXP							
FAS Port of shipment			i. EXP							
FOB Port of shipment					i. EXP					
CFR Port of destination							i. EXP			
CIF Port of destination						i. EXP				
CPT Destination								i. EXP		
CPT for any type of transport										
CIP Destination								i. EXP		
CIP for every type of transport										
DAP Destination								i. EXP		
DAP for every type of transport										
DPU Destination								i. EXP		
DPU for every type of transport										
DDP Destination									i. EXP/i. IMP	
DDP for every type of transport										
	Insurance obligation lies with the seller (Note RESTRICTIONS) Possibly select CFR/CPT!				Cost of the seller i/ e. EXP =including / excluding export clearance i/ e. IMP =including / excluding import clearance			Risk of the buyer		
	Risk of the seller							Costs of the buyer		

Transport (execution with appropriate means of transport) and the Incoterms clauses 2020 suitable for this purpose

Any type of transport including multimodal transport	EXW FCA CPT CIP	Ex works (...named location) Free carrier (...named place) Freight paid (...named place) Insured freight prepaid (...named place)	DAP DPU DDP	Delivered named place (... named destination) Delivered named place unloaded (... named destination) Delivered duty paid (... named place of destination)
Sea and inland water transport	FAS FOB CFR CIF	Free alongside ship (... named port of shipment) Free on board (... named port of shipment) Cost and freight (... named port of shipment) Cost, insurance and freight (... named port of shipment)		