

INCOTERMS[®] 2020

International Delivery Terms

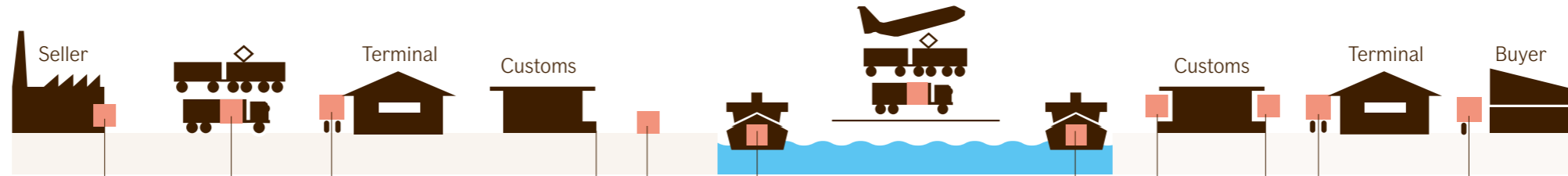


Incoterms[®] are internationally recognized rules describing who is responsible for goods in transit and for how long. By using Incoterms can sellers and buyers avoid unnecessary misunderstandings. Incoterms[®] 2020 are recognized by the authorities and courts around the world.

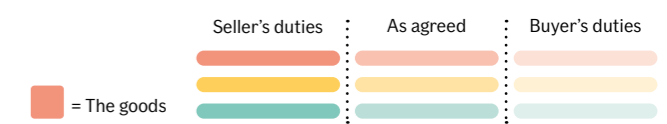


INCOTERMS®

Delivery terms



Incoterms	Risk	Costs	Documents	Description	Insurance
EXW - Ex Works... (named place)	Starts at Seller	Starts at Seller	Starts at Seller	The buyer is at risk when the goods have been placed at his disposal at agreed time and place.	Insurance to be covered by the buyer. The buyer bears the risk during the whole transport.
FCA - Free Carrier... (named place)	Starts at Seller up to 'Specify named point'	Starts at Seller up to 'Specify named point'	Starts at Seller up to 'Specify named point'	The buyer is at risk when the goods have been delivered to the first carrier or terminal at agreed time and place.	Insurance to be covered by the buyer (the seller up to the named point).
FAS (only by sea) Free alongside ship... (named port of shipment)	Starts at Seller up to alongside the ship	Starts at Seller up to alongside the ship	Starts at Seller up to alongside the ship	The buyer is at risk when the goods have been delivered alongside the ship at the port of shipment.	Insurance to be covered by the buyer (the seller up to alongside the ship).
FOB (only by sea) Free on board... (named port of shipment)	Starts at Seller up to onboard the ship	Starts at Seller up to onboard the ship	Starts at Seller up to onboard the ship	The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment.	Insurance to be covered by the buyer (the seller up to delivered onboard the ship).
CFR (only by sea) Cost and freight... (named port of destination)	Starts at Seller up to onboard the ship	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment.	Insurance to be covered by the buyer (the seller up to delivered onboard the ship).
CIF (only by sea) Cost, insurance and freight... (named port of destination)	Starts at Seller up to onboard the ship	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment.	Insurance must be covered by the seller (in favour of the buyer) to the port of destination complying with at least Institute Cargo Clauses (C) or similar clauses (further transports by the buyer).
CPT - Carriage paid to... (named place of destination)	Starts at Seller up to first carrier	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been delivered to the first carrier.	Insurance to be covered by the buyer. (the seller to first carrier).
CIP - Carriage and insurance paid to... (named place of destination)	Starts at Seller up to first carrier	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been delivered to the first carrier.	Insurance must be covered by the seller (in favour of the buyer) to the place of destination complying with Institute Cargo Clauses (A) or similar clauses (further transports by the buyer).
DAP Delivered at place... (named place of destination)	Starts at Seller up to destination	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been placed at his disposal at agreed place of destination ready for unloading.	Insurance to be covered by the seller to the place of destination (further transports by the buyer).
DPU Delivered at place unloaded... (named place of destination)	Starts at Seller up to 'Specify named point'	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been unloaded at the agreed place of destination.	Insurance to be covered by the seller until the goods have been unloaded.
DDP - Delivered duty paid... (named place of destination)	Starts at Seller up to destination	Starts at Seller up to destination	Starts at Seller up to destination	The buyer is at risk when the goods have been placed at his disposal at agreed place of destination cleared for import and with duties paid ready for unloading.	Insurance to be covered by the seller. The seller bears the risk during the whole transport.



Choice of delivery terms

In modern transport systems, goods are not always inspected at points where the risk is transferred according to Incoterms® 2020. To avoid dispute concerning where loss or damage has incurred along the transport chain, it is advisable to agree on terms of delivery where one party bears the risk for the goods during the entire transport.

State Incoterms® 2020

When making an agreement based on Incoterms, it is advisable to state the terms of delivery agreed on in the contract of sale and commercial invoices e.g. "FOB Gothenburg", Incoterms® 2020". This prevents problems with interpretation which may arise in countries having their own definitions of delivery terms.

If recommends the use of Incoterms® 2020 for international shipments and strongly advises against forming own delivery terms.

Notice of claim, periods of limitation and limitation of liability in international transports

Applicable rules	Notice of claim Apparent loss or damage	Notice of claim Not apparent loss or damage	Period of limitation	Limitation of liability for loss or damage
1. Carriage by Sea Haag-Visby Rules The Rotterdam Rules Applicable national legislation	Upon receipt of goods	3 days 7 days 3 days	1 year 2 years 1 year	SDR* 667/package/SDR 2/kg SDR 875/package/SDR 3/kg SDR 17/kg
2. Carriage by Air The Montreal Convention	Upon receipt of goods	14 days (in the event of delay 21 days)	2 years	SDR 22/kg
3. Carriage by Rail CIM Convention	Upon receipt of goods	7 days	1 year	SDR 17/kg
4. Carriage by Road CMR Convention Applicable national legislation	Upon receipt of goods	7 days without delays	1 year 1 year	SDR 8,33/kg SDR 17/kg
5. Nordic Forwarding NSAB (when liability as carrier)	Upon receipt of goods	7 days	1 year	SDR 8,33/kg Norway SDR 17/kg
* 1 SDR is at the moment approximately NOK 13.				

Please observe limitation of liability for carriers above and thus the need for cargo insurance. If P&C Insurance Ltd. is your professional guide both on this as well as on Incoterms® 2020.

Incoterms is a trademark registered by ICC (International Chamber of Commerce)

ICC is an international organisation for trade with national sections in the Nordic countries and members from more than 140 countries around the world. More info on: iccnorge.no.

More info on if.no or call +47 21 49 24 00

