# INCOTERMS<sup>®</sup> 2020 International Delivery Terms



Incoterms<sup>®</sup> 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<sup>®</sup> 2020 are recognized by the authorities and courts around the world.



INCOTERMS <sup>®</sup> Delivery terms	Seller		Terminal Customs			Customs
EXW - Ex Works (named place)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n placed at his disposal at agreed tir	ne and place.		
FCA - Free Carrier (named place)	Risk Costs Documents The buyer is a	at risk when the goods have bee	Specify named point n delivered to the first carrier or ter	minal at agreed time and pla	ace.	
FAS (only by sea) Free alongside ship (named port of shipment)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered alongside the ship at the	port of shipment.		
FOB (only by sea) Free on board (named port of shipment)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered onboard the ship at the	port of shipment.		
CFR (only by sea) Cost and freight (named port of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered onboard the ship at the	port of shipment.		
CIF (only by sea) Cost, insurance and freight (named port of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered onboard the ship at the	port of shipment.		
CPT - Carriage paid to (named place of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered to the first carrier.			
CIP - Carriage and insurance paid to (named place of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n delivered to the first carrier.			
DAP Delivered at place (named place of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n placed at his disposal at agreed pl	ace of destination ready for	unloading.	
DPU Delivered at place unloaded (named place of destination)	Risk Costs Documents The buyer is a	at risk when the goods have bee	n unloaded at the agreed place of de	estination.		Specify n
DDP - Delivered duty paid (named place of destination)	Risk Costs Documents	at rick when the goods have been	n placed at his disposal at arread pl	ace of destination cleared fo	r import and with duties paid ready for unloa	ading

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.

	Terminal	Buyer	
			Insurance to be covered by the buyer. The buyer bears the risk during the
			whole transport.
			Insurance to be covered by the buyer (the seller up to the named point).
			Insurance to be covered by the buyer (the seller up to alongside the ship).
			Insurance to be covered by the buyer (the seller up to delivered onboard the
			ship)
			Insurance to be covered by the buyer (the seller up to delivered onboard the
			ship).
			Insurance must be covered by the seller (in favour of the buyer) to the port of destination complying with at least Inst-
			itute Cargo Clauses (C) or similar claus- es (further transports by the buyer).
			Insurance to be covered by the buyer. (the seller to 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).
			Insurance to be covered by the seller to the place of destination (further trans- ports by the buyer).
ecify name	ed point		Insurance to be covered by the seller until the goods have been unloaded.
			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 Hamina, Incoterms® 2020".

Incoterms<sup>®</sup> 2020". This prevents problems with interpretation which may arise in countries having their own definitions of delivery terms. If recommends the use of Incoterms<sup>®</sup> 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
<b>1. Carriage by Sea</b> Haag-Visby Rules/ Finnish Maritime Code	Upon receipt of goods	3 days	1 year	SDR* 667/package/ SDR 2/kg
2. Carriage by air The Montreal Convention	Upon receipt of goodst	14 days (in the event of delay 21 days)	2 years	SDR 22/kg
<b>3. Carriage by rail</b> CIM Convention	Upon receipt of goods	7 days	1 year	SDR 17/kg
RKL - Finnish Railroad	Upon receipt of goods	10 days	1 year	EUR 25/kg
<b>4. Carriage by road</b> CMR/TKSL	Upon receipt of goods	7 days (without delays)	1 year	SDR 8,33/kg
TKSL – Finnish Contracts of Carriage by Road Act	Upon receipt of goods	7 days (without delays)	1 year	EUR 20/kg
<b>5. Nordic Forwarding</b> NSAB (when liability as carrier)	Upon receipt of goods	7 days	1 year	SDR 8,33/kg

\* 1 SDR has lately fluctuated between EUR 1,10-1,25

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

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

ICC is an international organization for trade with national sections in the Nordic countries and members from more than 140 countries around the world. More info on: www.icc.se.

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