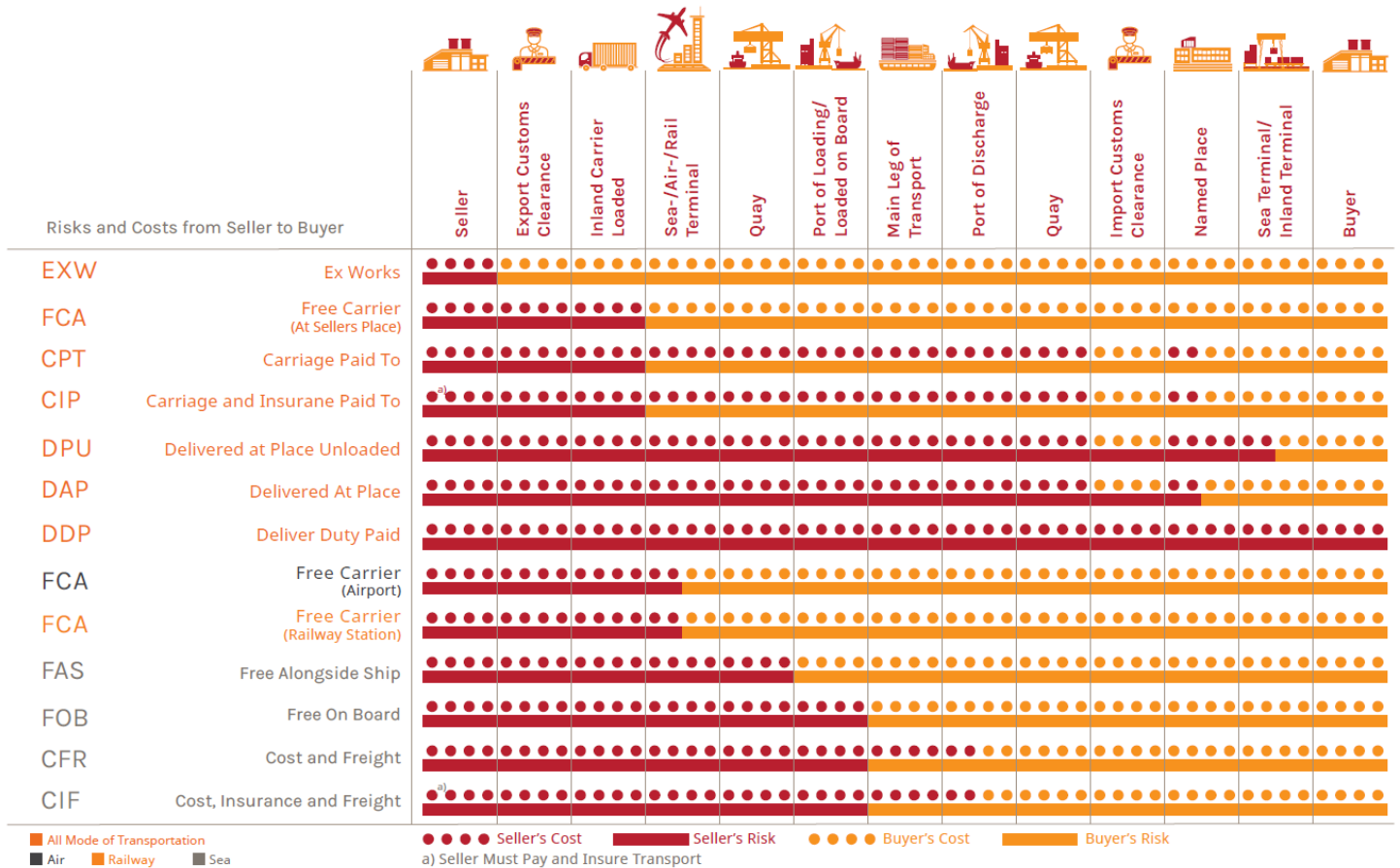


A Quick Guide to Incoterms 2020

Important Changes You Need to Know:

- **DAT (Delivered at Terminal) changed to DPU (Delivered at Place Unloaded):** This means the seller delivers the goods, and transfers the risk to the buyer. Removing the terminal reference allows for a more general use.
- **Change of Insurance in CIP:** In Incoterms 2020, CIP (Carriage and Insurance Paid to) has increased the insurance required to Clause A (Institute of Cargo Clauses), no change for CIF (Cost, Insurance and Freight). The reasoning is that CIF is often used with bulk commodity trades, and CIP is more often used for manufactured goods.
- **FCA (Free Carrier) and Bills of Lading:** In Incoterms 2020, FCA has been changed to allow the parties to agree for the buyer to direct the carrier to issue the on-board bill of lading to the seller.
- **Costs are Clarified:** Incoterms 2020 clearly details the allocation of costs between seller and buyer, as a response to the increasing disputes about the allocation of costs, especially those in or around the port or place of delivery.
- **Security Requirements:** Transport security requirements have become more prevalent, as they bring cost, and risk delay if not fulfilled. Incoterms 2020 makes security obligations more prominent.

Incoterms 2020



Incoterms were developed to improve international trade by a set of uniform rules for the interpretation of international commercial terms defining the costs, risks, and obligations of buyers and sellers in international transactions.

Contact an Agility Expert for more information!



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