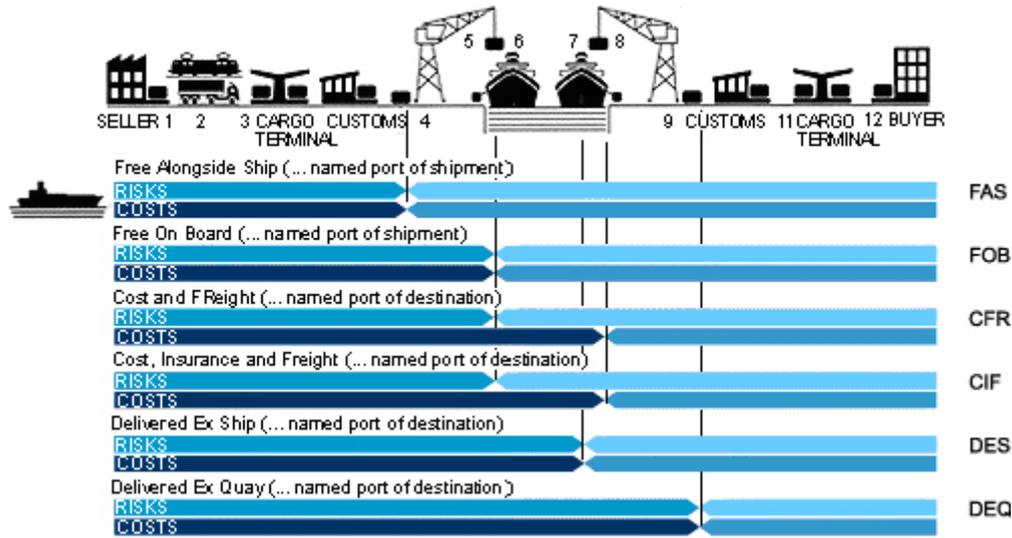
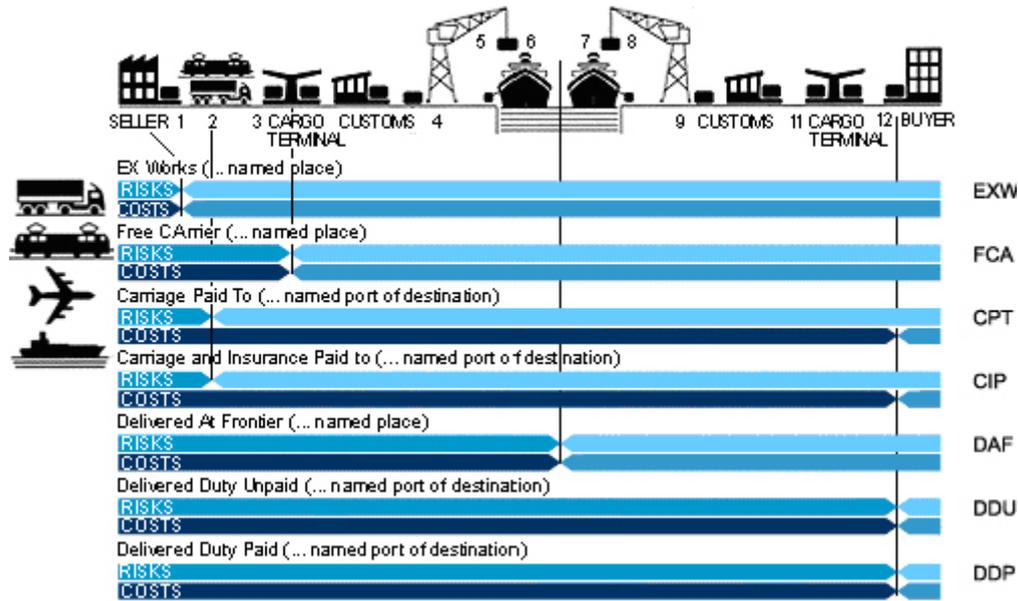


INCOTERMS 2000

Passing of risks and costs



sea and inland waterway transport



all modes of transport



Costs

The possibility that an event may occur which could cause loss of or damage to the goods is a "risk". Buyers and / or sellers can protect themselves against risks by transport-insurance.



Risks

Covers all costs except costs of documents. Sales and purchase contracts should clearly state which costs on transfer of the goods are for account of buyer and / or seller

Remark: For detailed explanation reference is made to ICC publication INCOTERMS 2000

INCOTERMS 2000

Millennium Incoterms in force world-wide

Incoterms 2000, the latest version of ICC's (International Chamber of Commerce) standard trade definitions are now in force. The 13 rules are fundamental to international trade, defining the most important responsibilities of buyers and sellers in international sales contracts.

Incoterms are a basic reference for sales contracts, recognised as the international standard by customs authorities and courts everywhere.

Among the best known Incoterms are EXW (Ex Works named place), FOB (Free On Board named port of shipment), CIF (Cost, Insurance, Freight named port of destination), CPT (Carriage Paid To named place of destination) and DDU (Delivered Duty Unpaid named place of destination).

The Incoterms 2000 meet the needs of parties in international sales contracts for authoritative, user-friendly and unambiguous definitions.

The 2000 version takes account of international traders' growing reliance on intermodal transport. Increased use of FCA (Free Carrier) has prompted ICC to simplify delivery obligations under this term. While mode of transport is no longer the key criterion for the transfer of costs and risks from the seller to the buyer, FCA Incoterms 2000 focuses on place of delivery alone.

A further advantage of the new version is that it clearly allocates the loading and unloading requirements of both buyer and seller.

ICC recommends that specific reference to be made to Incoterms 2000 whenever the terms are used, together with a location. For example, the term Delivered At Frontier (DAF) should always be accompanied by a reference to an exact place and on which frontier delivery is to be made. Here are three examples of correct use of Incoterms:

FCA Place (e. g. Kuala Lumpur) Incoterms 2000

FOB Place (e. g. Liverpool) Incoterms 2000

DDU Place and Company (e. g. Frankfurt Schmidt GmbH Warehouse 4)
Incoterms 2000

Link to the Incoterms: www.iccwbo.org/incoterms/preambles.asp