

INCOTERMS[®] 2020



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Incoterms® 2020 Overview

INSIDE THE NEW INCOTERMS® 2020 RULES

Dear customers, partners and employees.

This document is designed to provide a brief overview of Incoterms® rules and their updates published September 2019, effective January 1, 2020.

The Incoterms® is used worldwide as a guide to understand responsibilities assumed in national and international operations contracts, bringing clarity of information and avoiding misunderstandings between the parties involved, identifying the obligations of buyers and sellers, as well as the type of sale, the place, the time of delivery of the goods and regulatory compliance.

The International Chamber of Commerce (ICC) published the index stating that Incoterms® 2020 consists of eleven Incoterms.

Find out what's new:

- There are different levels of insurance coverage under Costs & Freight (CIF) and Transportation & Insurance Paid (CIP).
- Transport agreements with the seller's means of transport at FCA.
- Change in name Delivered at Terminal (DAT) to DPU (Delivered at Place Unloaded).

For questions and clarifications regarding this guide and the information contained in it, contact our specialists:

☎ **4007-2314**

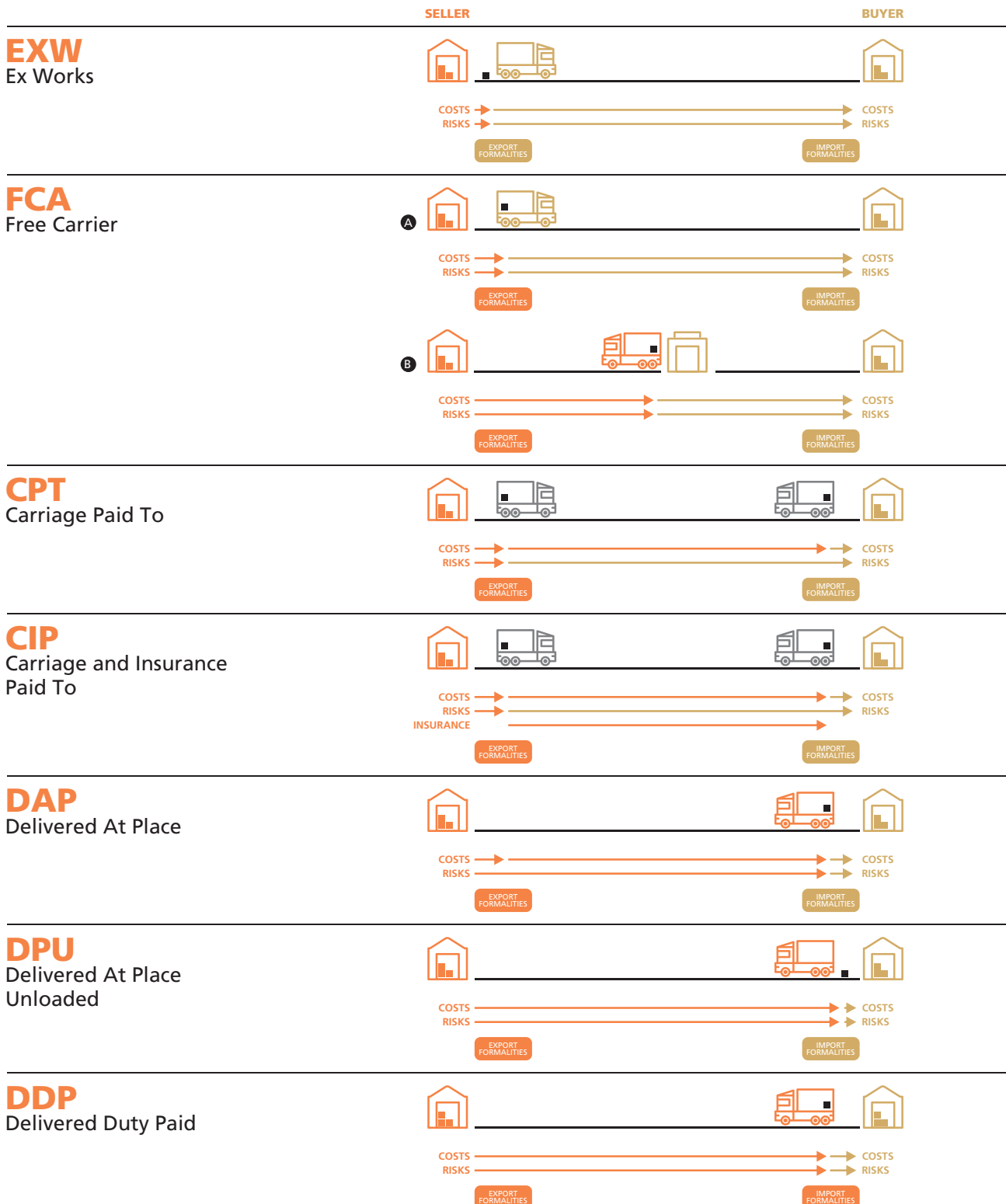
☎ **+55 47 3404-4000** (for calls from outside Brazil)

✉ **com@nelsonheusi.com**

Good business!



Rules for any mode or modes of transport



Transport Obligations, Costs and Risks:



indicates seller's

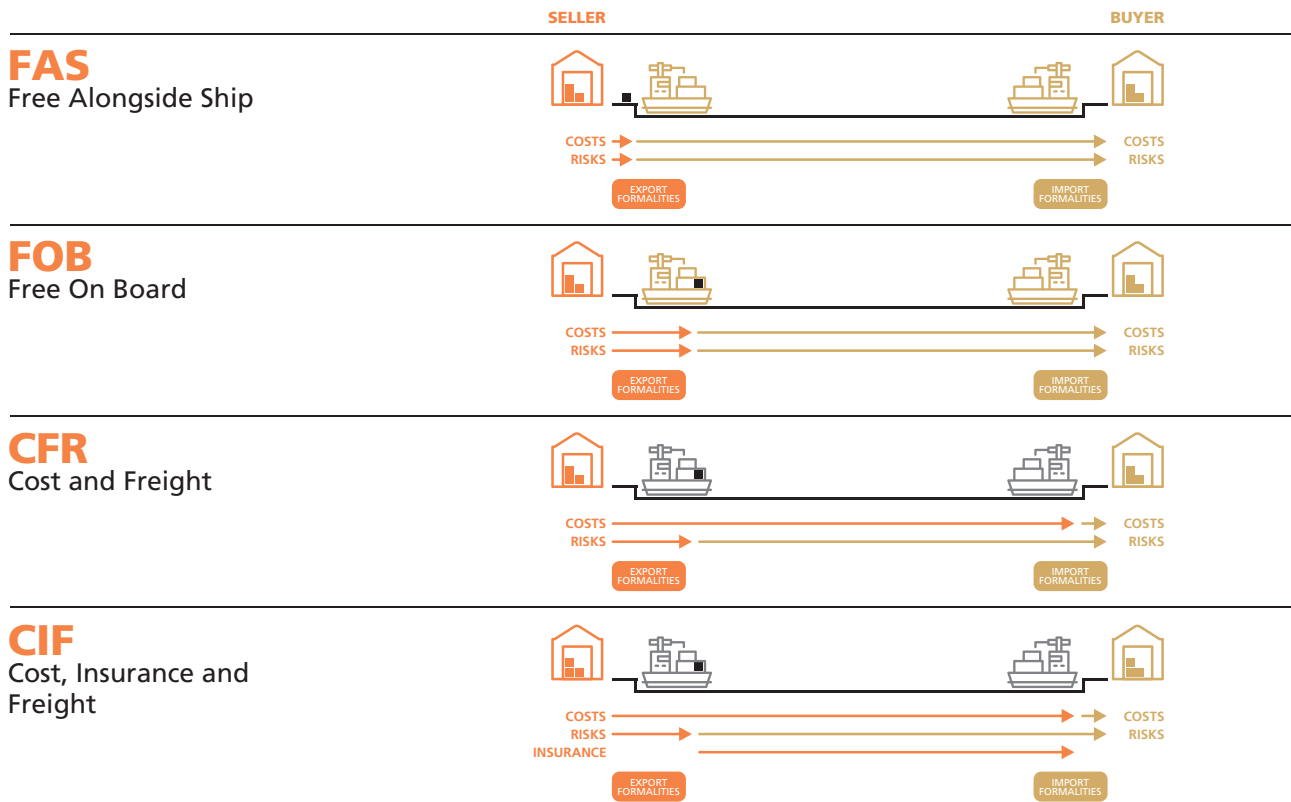


indicates buyer's



indicates mixed or shared

Rules for sea and inland waterway transport



Transport Obligations, Costs and Risks:

indicates seller's
 indicates buyer's
 indicates mixed or shared


THERE ARE TWO KEY CHANGES IN INCOTERMS® 2020 COMPARED TO THE 2010 EDITION:


- DAT (Delivered at Terminal) is renamed Delivered at Place Unloaded (DPU)
- FCA (Free Carrier) now allows for Bills of Lading to be issued after loading

OTHER CHANGES INCLUDE:

- CIF (Cost, Insurance and Freight) and CIP (Carriage and Insurance Paid To) set out new standard insurance arrangements, but the level of insurance continues to be negotiable between buyer and seller.
- Where listed, cost allocation between buyer and seller is stated more precisely - one article lists all costs the seller and the buyer are responsible for.
- FCA (Free Carrier), DAP (Delivered at Place), DPU (Delivered at Place Unloaded) and DDP (Delivered Duty Paid) now take account of buyer and seller arranging their own transport rather than using a third party.
- Security-related obligations are now more prominent.
- "Explanatory Notes for Users" for each Incoterm® have replaced the 2010 edition's Guidance Notes, and are designed to be easier for users.
- CIP now requires as default insurance coverage ICC A or equivalent. It was ICC C under Incoterms® 2010. Required insurance coverage under CIF remains.



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