

INCOTERMS® 2010

Transport Obligations Costs & Risks

This guide is designed as a convenient reference to Critical Points in the international transportation system, specifically in relation to the application of Incoterms to sale and purchase contracts. Incoterms® represent a set of international rules for the interpretation of commonly used trade terms, eliminating or reducing the uncertainties of different interpretations of these terms in different countries. Since they were first published in 1936, Incoterms have been updated seven times. Incoterms 2010 contain 11 rules for standardized global trade, defining the most important responsibilities of buyers and sellers in international sales contracts.

In order to ensure the new Incoterms 2010 terms are being applied, buyers and sellers should specify Incoterms 2010 on all contracts, thus clearly identifying the source of reference for the definition. Traders using these rules should also clearly specify any agreed-to variations of the terms.

It is not possible for Incoterms to be complete and comprehensive. Variations in local trades, ports and customs are possible. Buyers and sellers must take care when applying the rules to account for these parties, by agreement, to suit any particular contracts or circumstance.

Every effort has been made to ensure this diagram’s accuracy. However, EDI Customs Brokers accepts no responsibility for errors or omissions in this brochure.

Legend

Seller's Risk

Seller's Costs

Buyer's Risks

Buyer's Costs

Risk
Refers to the possibility of an occurrence which could cause loss or damage to goods. Buyers and sellers purchase insurance to safeguard against risk.

Costs
Costs specially attributed to buyer and seller accounts must be clearly stated in sale and purchase contracts as referenced in the chosen Incoterms. If shipment is not a normal transportation of goods, then this should be specified in the contract between the buyer and seller.

Mono

Maritime or inland waterways only

Multi

Any mode of transport, including multimodal.

Premise or named place	Customs Clearance (Export)	Loading	Inland Freight	Carrier not Unloaded	Alongside Ship Port of Loading	On-board vessel Port of Loading	On-board vessel Port of Destination	Unloaded Port of Destination	Customs Clearance (Import)	Named Terminal	Inland Freight	Premise, not Unloaded

