



Datasheet

Incoterms 2010

Incoterms® are an official set of rules published by the International Chamber of Commerce for the interpretation of national and international commercial terms; they provide one of the most important foundations for regulating international trade. From January 1, 2011 the seventh revision – Incoterms® 2010 – will come into effect. Fine Tubes is a global exporter and recognises Incoterms as a common and professional language of shipping.

Incoterms (International Commercial Terms) were first published in 1936 by the International Chamber of Commerce (ICC) in Paris. Since then, companies have primarily relied on Incoterms to help fix the terms of delivery in international transactions.

With the changing usage of transport modes in international trade, Incoterms have been adapted on a regular basis to better align with current developments such as new carriers, transport methods and the use of new technologies such as electronic information exchange.

On January 1, 2011, the newest version of Incoterms will enter into force. In addition to an expansion of the area of application to domestic trade flows and the introduction of new terms, this version adds new definitions or precisions to already existing terms.

What will change on January 1, 2011

- Traditionally, Incoterms were designed for international trade flows in which the goods crossed over borders. Since free trade zones have drastically reduced the impact of border formalities, Incoterms 2010 can now be expressly applied to domestic trade flows as well.
- The number of Incoterms has been cut back from 13 to 11, divided into seven terms for multi-mode transport and four terms for sea and inland water transport.
- There are also the new terms DAT (Delivered at Terminal) and DAP (Delivered at Place).
- The terms DAF, DES, DEQ and DDU were replaced by the new terms DAT and DAP.
- The rules for the transfer of risk have been adapted in the terms FOB, CFR and CIF.





New Incoterms

DAT (Delivered at Terminal)

The new term DAT means the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer. In road freight transportation it typically describes the origin or destination terminal involved in the goods transport flow. In case the DAT named terminal is the origin terminal, seller bears cost for pick-up by cartage and terminal handling.

DAP (Delivered at Place)

The new term DAP means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. It replaces the former terms DAF (Delivered At Frontier), DES (Delivered Ex Ship) and DDU (Delivered Duty Unpaid). Using DAP like for like with the former DDU Incoterm (the most frequently used Incoterm in road freight transportation) requires the delivery place of the consignment to be named.

Changes To Existing Terms

The new rules for the transfer of risk are mainly concerning sea freight transportation as new rules have been laid out for the transfer of risk in the terms FOB, CFR and CIF.

Whereas in the past, the goods had to cross the ship's rail before the risk was transferred to the other party, the goods must now be physically loaded on the ship before the risk is transferred.

The new Incoterms recommend that multi-modal terms be used in principle for containerized traffic since a precise definition of the terms pertaining to the transfer of risk (CFR and CIF) is no longer possible due to the conditions in modern container ports.



