

# INCOTERMS® 2020







Buyers and sellers have been using Incoterms® for decades to help streamline supply chain movements and provide clarity around what roles each party plays. Using the wrong Incoterm® for your shipment can result in confusion and possibly delay. At ECIB, we are committed to providing you with support and information to help avoid supply chain disruption.

The International Chamber of Commerce (ICC) has published a new version of Incoterms® for use starting January 1, 2020. The ICC currently revises the terms every ten years, with the previous version published in 2010. During the revision period, the ICC reviews the current set of Incoterms® and makes amendments based on a number of factors including changes to modes of freight movement, technological advancements, and language clarification. The end goal is to make Incoterms® more understandable and simpler to use.

## What Has Changed

The main changes for Incoterms® are outlined to the right. While there have been many changes to help clarify language in the terms, what you see here represents the most extensive of the revisions. Please consult your copy of Incoterms® 2020 published by the ICC for a more detailed explanation of each term.

If you have questions regarding this topic, contact the experts at ECIB.

INCOTERMS® RULES 2010	INCOTERMS® RULES 2020	HIGHLIGHT OF CHANGE
<p>(CIP) Carriage and Insurance Paid to</p> <p>Minimum cargo insurance clause "C" provided to buyer from seller.</p>	<p>(CIP) Carriage and Insurance Paid to</p> <p>Minimum cargo insurance clause "A" provided to buyer from seller.</p> <p>However, if both parties agree on a lower level of cover, this is still permitted.</p>	<p>Under Incoterms® 2010, the seller was required to take out minimum cargo insurance to cargo clause "C" in the buyer's name. Under Incoterms® 2020, the coverage needs to be up to cargo clause "A" which is more extensive.</p>
<p>(DAT) Delivered At Terminal</p> <p>Seller delivers the goods unloaded at agreed destination. Risk is transferred as soon as goods have been unloaded at agreed destination.</p>	<p>(DPU) Delivered at Place Unloaded can be any named place at destination and seller is responsible for unloading.</p>	<p>DPU has replaced DAT. DPU is very similar to DAT, the main difference being (that unlike DAT), the delivery point can be anywhere at destination and the seller is responsible for unloading. Import customs clearance is still the responsibility of the buyer.</p>
<p><b>Additional Comments</b></p> <ul style="list-style-type: none"> <li>FCA Bill of Lading On Board Notation – a language change to FCA now makes allowance for situations where a bill of lading with an on board notation may be required by letter of credit instruction.</li> <li>There appear to be no major changes to the terms for sea and inland waterway transport.</li> </ul>		