

ICC's world-renowned Incoterms® rules facilitate trillions of dollars in global trade each year.

**1<sup>st</sup> January 2020:** Incoterms® 2020 apply and supersede Incoterms® 2010

### **What's new with Incoterms® 2020**

- Updates to the **FCA** (Free Carrier) rule regarding bills of lading
- Changes to the levels of insurance coverage required in **CIF** (Cost, Insurance and Freight) and **CIP** (Carriage and Insurance Paid to)
- A rename of the rule **DAT** (Delivered at Terminal) to DPU (Delivered at Place Unloaded)
- Improvements to security-related obligations

Incoterms® 2020 ebooks, pocket guides and wall charts are available from [ICC order](#).

### **What are Incoterms® rules?**

The Incoterms® rules were developed by the International Chamber of Commerce to facilitate international trade and for the interpretation of the trade terms that the parties to a contract of sale could agree to apply.

They are the world's essential terms of trade for the sale of goods. Whether you are filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of origin at a port, the Incoterms® rules are there to guide you. The Incoterms® rules provide specific guidance to individuals participating in the import and export of global trade on a daily basis.

### **Who publishes the Incoterms® rules?**

Since its founding in 1919, ICC has been committed to the facilitation of international trade.

Different practices and legal interpretations between traders around the world necessitated a common set of rules and guidelines. As a response, ICC published the first Incoterms® rules in 1936. We have been maintaining and developing them ever since.

As ICC celebrates its Centenary in 2019, the world business organization is pleased to announce the preparation and publication of *Incoterms® 2020*. This newest edition of the Incoterms® rules will help prepare the business for the next century of global trade.

### **Why use Incoterms® rules in international trade?**

Although other clauses for global trade exist around the world, such as the Harmonised Tariff Schedule of the United States, Incoterms® rules are global in their reach. Similarly, Incoterms® rules do not include trade terms codified for national purposes, such as the "less than truckload shipping" (LTL) rule of the United States. Unlike national trade policies, Incoterms® rules are universal, providing clarity and predictability to business.

### **What does "Incoterms®" stand for?**

"Incoterms®" is an acronym standing for international commercial terms. "Incoterms®" is a trademark of International Chamber of Commerce, registered in several countries.

The Incoterms® rules feature abbreviations for terms, like FOB ("Free on Board"), DAP ("Delivered at Place") EXW ("Ex Works"), CIP ("Carriage and Insurance Paid To"), which all have very precise meanings for the sale of goods around the world.

These terms hold universal meaning for buyers and sellers around the world. If you are a financial analyst in the City of London, then you might associate the acronym "FCA" with the UK's Financial Conduct Authority. However, for importers and exporters around the world, FCA

are the initials used for “Free Carrier,” or the seller’s obligation to deliver the goods to the carrier nominated by the buyer at the seller’s premises or another named place.

**When were ICC’s Incoterms® rules last updated?**

ICC last updated the Incoterms® rules in 2010. **Incoterms® 2010** is still in effect and apply until 31 December 2019.

**What happened to Incoterms 2015, Incoterms 2016, Incoterms, 2017, Incoterms 2018, and Incoterms 2019...?**

Don’t worry, you didn’t miss them. They do not exist! The latest edition of the Incoterms® rules is *Incoterms® 2010*.

**Incoterms 2020 mobile app**

Want to flourish in today's complex trade landscape? Succeed with ease thanks to the official Incoterms® rules mobile application.

Get a comprehensive overview of the trade terms

Connect with experts for tips and advice

Access insight—from practical guides to podcasts

Discover events and trainings taking place worldwide

**Available free of charge** via the Apple App Store and Google Play.

