

INCOTERM 2011

The latest incoterm were updated on September 2010 and came into effect on January, 2011.

To keep up with the rapid expansion of world trade and globalization, the Incoterms rules are revised about once a decade. Since the last revision in 2000, much has changed in global trade and the current revision will take into account issues such as developments in cargo security and the need to replace paper documents with electronic ones.

Among the changes in the incoterms 2011 are:

Categories

The number of categories has been reduced from four to two to assist Incoterm users to identify the correct terms for their particular requirements.

The two categories cover:-

Terms for any Mode or Modes of Transport,

Or:-

Terms for Sea and Inland Waterway Transport

Number of Incoterms

The current numbers of 13 Incoterms were reduced to 11. The following 4 Incoterms were also dropped:

1. DAF – Delivery at Frontier
2. DES – Delivery ex-ship
3. DEQ – Delivery ex-quay
4. DDU – Delivery duty unpaid

Two new Incoterms were introduced:

1. DAT – Delivery at Terminal (replaces DEQ)
2. DAP – Delivery at Place (replaces DAF, DES and DDU)

Below table summarizes the Incoterm 2011.

Table 1. Summary of Incoterms 2011

INCOTERMS 2011	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
	Ex Works	Free Carrier	Free Alongside Ship	Free Onboard Vessel	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivery At Terminal	Delivery at Place	Delivery Duty Paid
Services / Mode	Ocean & Air	Ocean & Air	Ocean	Ocean	Ocean	Ocean	Ocean & Air	Ocean & Air	Ocean & Air	Ocean & Air	Ocean & Air
-Packing	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Insurance	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Seller	Seller	Seller	Seller
-Loading on Vessel	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
-Arrival Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
-Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
-Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller



Incoterms define responsibilities in the following key areas:

- Cost—who is responsible for shipping expenses?
- Obligations— who is responsible for export and import clearance, loading and unloading?
- Risk— who is responsible for damage or loss to the goods at any point during carriage?

If you are a buyer or seller, you will need to carefully state the term and condition of sales on your contracts. It should cover the necessary risks involved in international trade.

Should you require any assistance in understanding the incoterms, do contact any of our global offices to speak to our dedicated staff.