

# Incoterms<sup>®</sup>

2020 by the International  
Chamber of Commerce (ICC)



ICC RULES  
FOR THE USE  
OF DOMESTIC AND  
INTERNATIONAL  
TRADE TERMS

***Incoterms® 2020***

ICC rules for the use of domestic and international trade terms

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# Foreword

By John W.H. Denton, AO, ICC Secretary General

The growth of the global economy has given most businesses greater access than ever before to markets all over the world. Goods are sold today in more countries, in larger quantities, in greater variety, and at a faster pace as a result. But as both the volume and complexity of global trade increase, so do possibilities for misunderstandings and costly disputes when sale contracts are not adequately drafted.

The ICC Incoterms® rules on the use of domestic and international trade terms address this risk by facilitating the conduct of global trade. Reference to an Incoterms® 2020 rule in a contract for the sale of goods clearly defines the parties' respective obligations regarding topics such as risk, cost and arrangement of transport and customs clearance, thereby reducing the potential for legal complications.

Since ICC first codified a set of standard trading terms as the Incoterms® rules in 1936, this globally accepted contractual standard has been updated periodically to reflect the evolution of international trade. The Incoterms® 2020 rules take account of the increased attention to security in the movement of goods, the need for flexibility in insurance coverage depending on the nature of goods and transport, and the call by banks for an on-board bill of lading in certain financed sales under the FCA rule.

*Incoterms® 2020* also offers a simpler and clearer presentation of all the rules, featuring revised language, an expanded introduction and explanatory notes, and articles reordered to better reflect the logic of a sale transaction. *Incoterms® 2020* is also the first version of ICC's Incoterms® rules to include a 'horizontal' presentation, grouping all like articles together and allowing users to clearly see differences in treatment of particular issues across the 11 Incoterms® rules.

ICC's deep expertise in commercial law—drawn from a global membership representing all trade sectors and companies of all sizes—ensures that *Incoterms® 2020* responds to business needs everywhere.

ICC would like to express its gratitude to the members of the drafting group from the ICC Commission on Commercial Law and Practice for their contributions to *Incoterms® 2020*. The working group comprised David Lowe (Co-Chair, UK), Christoph Martin Radtke (Co-Chair, France), Charles Debattista (Special Advisor, UK), Ercüment Erdem (Turkey), Virginie Jan (Jian Baozhu (China)), Burghard Piltz (Germany), Frank Reynolds (US), and Bob Ronai (Australia). We also thank Askö Rätty (Finland) for his assistance with the images depicting the 11 rules.

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For the illustrations used throughout the book, please note that blue indicates the seller's obligations and gold indicates the buyer's obligations as shown in the headings throughout the book, and green indicates where these are mixed or shared.