

Incoterms 2010R released

The International Chamber of Commerce has released "Incoterms 2010R: a trend towards international multi-modal transport", which has introduced two new rules, DAT (Delivered at Terminals) and DAP (Delivered at Place).

The new rules have replaced the Incoterm 2000 rules DAF (Delivered at Frontier), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay) and DDU (Delivered Duty Unpaid). Consequently, the number of Incoterms has been reduced by two, from 13 to 11.

The essential difference between Incoterm DAT and Incoterm DAP is that in the latter delivery at the place of destination takes place while the goods are still loaded on the arriving mode of transport and in the former, have been unloaded from the transport.

Incoterm DAT

In Incoterm DAT, the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal or other place at the named port or place of destination. Old Incoterm DEQ required the goods to be placed on the quay at the named port of destination.

Incoterm DAP

In Incoterm DAP, 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. This is exactly what the old Incoterm DDU stipulated.

Now-defunct Incoterm DES required delivery on board the ship and the defunct Incoterm DAF required delivery on mode of transport at the frontier. Both these scenarios now fall within Incoterm DAP because the mode of transport for Incoterm DAP can be a ship (or other means of transport) and the place of destination can be a place on the frontier.

Rules applicable to any modes of transport

It is interesting to note that Incoterms DAT and DAP are rules that are applicable to any modes of transport and that these rules replace Incoterms that were exclusive to sea and inland waterway transport. This is indicative of a trend towards international multi-modal transport, which is reflected in international documents such as the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (The Rotterdam Rules).

If the trend gains momentum, perhaps "Incoterms 2020" will do away with Incoterms CFR and CIF in favour of their multi-modal counterparts, CPT and CIP.

For more information call Peter Lamb on +27 (0) 31 570 5398 or +27 (0) 83 637 1863

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