

INCOTERMS

21st July 2021

Amy Swindells, MIEx

Head of International Trade Professional Services, Greater Manchester Chamber



Greater Manchester
Chamber of Commerce



AGENDA

1. What are Incoterms and why are they important
2. Overview of some of the most common terms, responsibilities and potential implications
3. What help and support the Chamber can provide
4. Questions



GM Chamber at a Glance



Founded

In 1794 and became the Greater Manchester Chamber in 2004. We are the largest accredited chamber of commerce in the UK



10 Local Authorities

Bolton, Bury, Trafford, Wigan, Tameside, Oldham, Rochdale, Stockport, Manchester, Salford.



+4,500

Members across all sectors and sizes representing about 5% of the businesses in the region & combined workforce of circa +460,000 employees.

Top 3 Sectors for the Chamber



Manufacturing & Engineering



Property & Construction



Business & Financial services

+200 Events annually

Gathering over 10,000 delegates.

Award-Winning Chamber

Providing a wide range of business support services ranging from skills to international trade and more.

Global Business Network

Made of more than +40 partnerships with public and private sector in the UK and overseas helping members and customers to thrive in both domestic and internationally.



What are Incoterms



Greater Manchester
Chamber of Commerce



What are Incoterms?

International Commercial Terms that define where the risk and cost transfers from the seller to the buyer.

- Currently 11 terms: EXW, FCA, CPT, CIP, DPU, DAP, DDP, FAS, FOB, CFR, CIF
- Usually revised every 10 years, 2020 is currently latest version
- Need to be aware of the terms you are using, where responsibility, cost and risk transfers from the seller to the buyer (e.g. who is organising and paying for the transport)

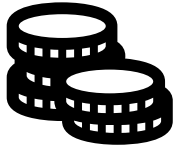


Who should know about Incoterms?



Purchasing

Should set the Incoterm and communicate this with the supplier



Finance

To understand the cost implications



Shipping

To understand the requirements



Export/Import

Sale and delivery of goods

How to write Incoterms

FCA (Greater Manchester Chamber) Incoterms 2020

FOB (Southampton Port) Incoterms 2020

The Incoterm should be shown on your commercial invoice as it clearly defines the responsibilities of each party and may be a requirement for customs.



The Terms



Greater Manchester
Chamber of Commerce



INCOTERMS 2020



ALL MODES OF TRANSPORT

EXW Ex-works

EXPORTER

IMPORTER

DELIVERY



Named Place

FCA Free Carrier



Named Place

CPT Carriage Paid To



Agreed Destination

CIP Carriage and Insurance Paid To



Agreed Destination

DPU Deliver at Place Unloaded



Agreed Destination

DAP Deliver at Place



Agreed Destination

DDP Delivered Duty Paid



Agreed Destination

SEA AND INLAND WATERWAYS ONLY

FAS Free Alongside Ship



Named Loading Port

FOB Free on Board



On Board Ship

CFR Cost and Freight



Named Destination Port

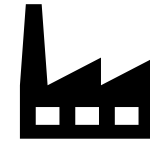
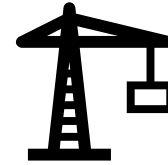
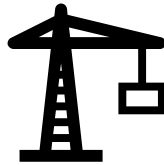
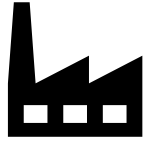
CIF Cost, Insurance and Freight



Named Destination Port

— COST — RISK — INSURANCE • RESPONSIBILITY IS TRANSFERRED

EX-works (EXW)



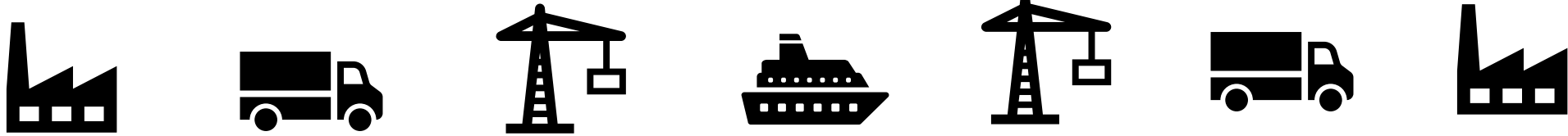
Exporter

Importer



Importer is responsible from the named place in the country of export and responsible for both export and import customs clearance.

EX-works Variant (EXW)



Exporter

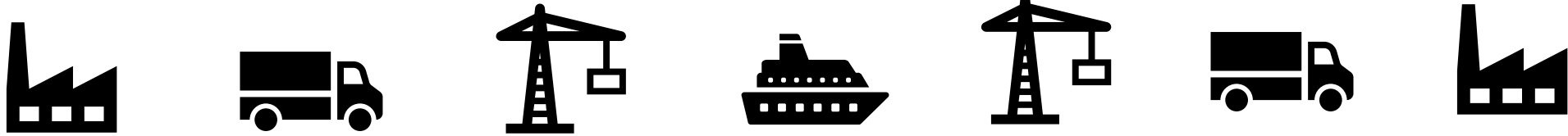
Importer



EXW (Greater Manchester Chamber, M3 3WD) INCOTERMS 2020
“GREATER MANCHESTER CHAMBER WILL LOAD THE GOODS ON BEHALF OF THE BUYER AT THE BUYER’S RISK”



Free Carrier (FCA)



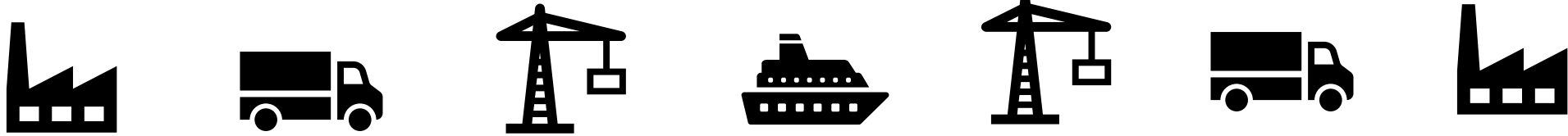
Exporter

Importer



- The risk transfers when the goods are loaded onto the transport at the seller's premises.
- The seller clears the goods for export customs clearance.
- Buyer pays transport costs and import clearance, taxes and duties in the country of import

Free Onboard (FOB)



Exporter

Importer

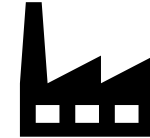
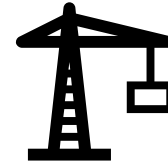
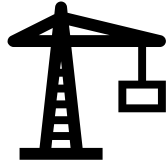
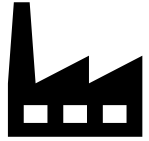
- The risk and cost transfers once the goods are loaded **on board** the vessel at the port of loading in the country of supply.
- The seller clears the goods for export customs clearance.
- Buyer responsible for the import clearance, taxes and duties in the country of import

Carriage Paid To (CPT)



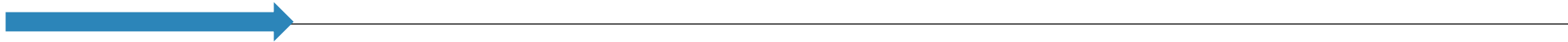
- The cost transfers from the Seller to the Buyer when the goods are delivered and made available for unloading at the named place at the destination

Carriage Paid To (CPT)



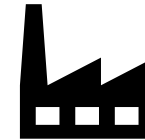
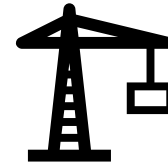
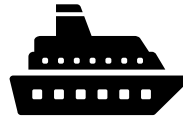
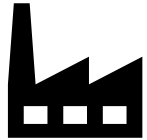
Exporter

Importer



- The risk transfers from the Seller to the Buyer when the goods are handed over to the carrier at the agreed named place

Delivered at Place (DAP)



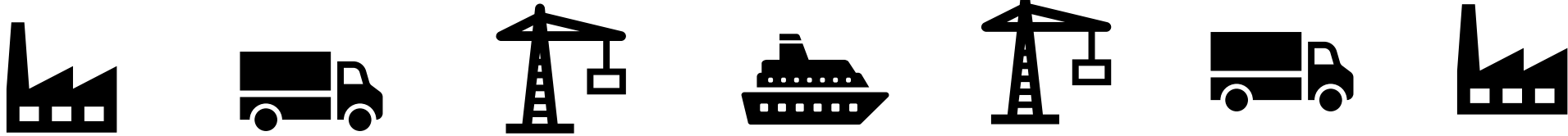
Exporter

Importer



- The risk and cost transfers when the goods are made available to the buyer on the arriving means of transport ready for unloading at a named place at the destination or an at agreed point.
- Buyer responsible for the import clearance, taxes and duties in the country of import

Delivered Duty Paid (DDP)



Exporter

Importer



- The risk and cost transfers when the goods are made available for unloading at the Buyer's premises or agreed named place in the destination country
- Seller clears the goods for export
- Seller pays freight costs and bears risk to Buyer's premises
- Seller clears goods for import and pays import duties and local taxes

Help and Support Available



Greater Manchester
Chamber of Commerce



Help and support available

Free Incoterms Graphic

Please email exportbritain@gmchamber.co.uk

GMCC Brexit Hub

Information, guidance, blogs, past event recordings and upcoming events

www.gmccbrexithub.com

Training Courses

- [Incoterms Training](#)- 19th November, 9.30am-12.30pm
- Bespoke and in-house training
- Other [international trade courses](#)

Advice and support

Email questions to exportbritain@gmchamber.co.uk and our Trade Team will assist or connect you with further support



Help and support available

Export & Import Documentation

- Customs clearance
- UK Certificates of Origin
- EUR1s
- ATA Carnets
- Arab-British Certificates of Origin
- Saudi visa letters
- Other documentation that may need certifying by a Chamber or legalising by an Embassy

For further details please email exportbritain@gmchamber.co.uk or call 0161 393 4321.



Upcoming Events

Date	Description
22 nd July	<u>Crossing Continents – Moving Goods Under Transit</u>
26 th July	<u>Training: Northern Ireland Protocol</u>
27 th July	<u>Training: Export Documentation</u>
10 th August	<u>Training: How to Complete Customs Declarations</u>
8 th September	<u>Training: Exporting and Importing with the EU</u>
9 th September	<u>Bitesize Session: REACH Chemical Regulation</u>
9 th September	<u>Tariff Free Trade – Global Britain Explained</u>
16 th September	<u>Training: Introduction to Exporting</u>
17 th September	<u>Training: Understanding Tariff Codes</u>
17 th September	<u>Market Event: Trade & Investment Opportunities in Portugal</u>
23 rd September	<u>Bitesize Session: CE Marking</u>
23 rd September	<u>Training: Agents & Distributors</u>
28 th September	<u>Training: Inward and Outward Processing Relief</u>

To keep up with our upcoming events, please click [here](#)



THANK YOU

Email: amy.swindells@gmchamber.co.uk

Telephone: 0161 393 4368

www.gmchamber.co.uk/international-trade/

