

Communications and Media Relations

MEDIA RELEASE

Incoterms® 2010: Revised trade rules for an inter-connected world

Paris, 16 September 2010 – The International Chamber of Commerce (ICC) today launched the latest revision of its internationally-recognized trade terms *Incoterms® 2010*. The rules, used by companies in countless business transactions all over the world, will come into effect on 1 January 2011.

Short for ‘international commercial terms’, the Incoterms® rules – were first created by ICC in 1936 to help traders avoid misunderstandings by clarifying the costs, risks, and responsibilities of both buyers and sellers in the delivery of goods. Representing a radically new concept in an industry regulated by local rules of law, the rules caused a sensation in the international business world when ICC first introduced them. They were a first real attempt to bring legal certainty to business transactions while simplifying the drafting of international contracts.

“Before ICC developed the Incoterms® rules, the different terms were often subject to varying interpretations in different countries, often giving rise to disputes and litigation,” said ICC Chairman Rajat Gupta. “Today the Incoterms® rules for the usage of terms such as Ex Works (EXW), Free on Board (FOB), Cost and Freight (CFR) and Cost, Insurance and Freight (CIF) are part of the recognized canon defining the responsibilities of buyers and sellers in transactions for the sale of goods worldwide.”

The *Incoterms® 2010* rules take into account developments in global trade since they were last revised in 2000. These include changes in cargo security, which has been at the forefront of the transportation agenda for many countries since 9/11, and the increased use of electronic communications in business transactions.

Revisions have been made to ensure that the wording of the Incoterms® rules clearly and accurately reflects present-day trade practices.

The number of rules has been reduced from 13 to 11 and two new rules have been created: Delivered at Terminal (DAT) and Delivered at Place (DAP). The latest version also features guidance notes at the beginning of each of the rules to help steer the user to the correct Incoterms® rule.

“ICC has a long history of developing rules of practice for business,” Mr Gupta said. “Because our rules are developed by experts and practitioners brought together by ICC in a thorough consultative process, they are globally accepted and have become the standard in rules-setting for international business.”

A launch conference and training seminars for the new rules will take place at ICC’s international headquarters in Paris on 27-29 September. A series of masterclasses will follow on 28-29 October, 29-30 November and on 31 January-1 February 2011.

Incoterms® is a registered trademark of the International Chamber of Commerce.

For more information, to purchase a copy of *Incoterms® 2010*, or to register for training please visit: www.incoterms.com



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About ICC

Founded in 1919, the International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 120 countries have interests spanning every sector of private enterprise.

ICC has three main activities: rules-setting, arbitration and policy. Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders. These rules are observed in countless thousands of transactions every day and have become part of the fabric of international trade.

ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world's leading arbitral institution. Another service is the World Chambers Federation, ICC's worldwide network of chambers of commerce, fostering interaction and exchange of chamber best practice.

Business leaders and experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on broad issues of trade and investment policy as well as on vital technical and sectoral subjects. These include financial services, information technologies, telecommunications, marketing ethics, the environment, transportation, competition law and intellectual property, among others.

ICC enjoys a close working relationship with the United Nations and other intergovernmental organizations, including the World Trade Organization, the G20 and the G8.

A world network of national committees work with their members to address the concerns of business in their countries and convey to their governments the business views formulated by ICC.

For more information please visit: www.iccwbo.org