

# Incoterms

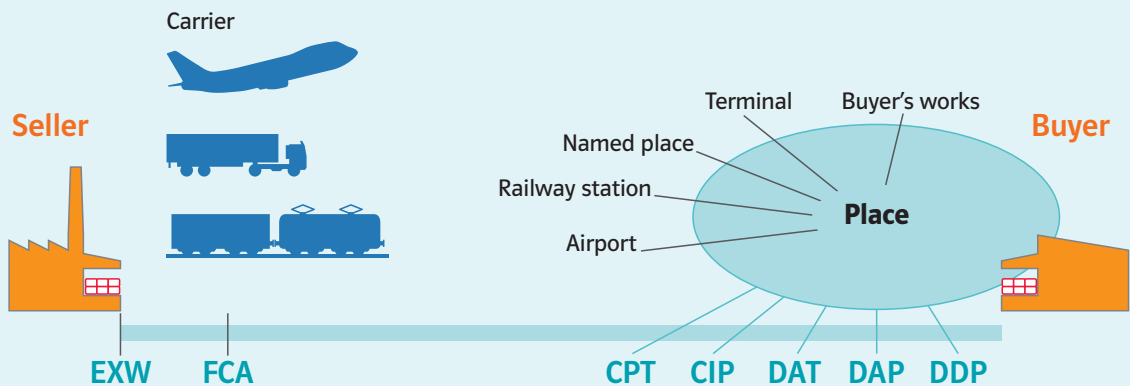
Incoterms are three-letter acronyms (letters that stand for words – for example: CIF: Cost, Insurance, Freight) that are used in international commerce so that a buyer and a seller each knows exactly who pays what costs. Incoterms were first established by the International Chamber of Commerce (ICC) in 1936. The most up-to-date version is from 2010. There are 11 Incoterms and together they give the buyer and seller clear information about:

- who pays transport costs
- who pays insurance costs
- who pays loading and unloading costs
- who pays taxes ('duty') on goods
- exactly where goods are to be delivered to at each stage of their journey
- how they will be transported (what different 'forms' or 'modes' of transport will be involved) at each stage of their journey

The diagram below gives you an overview of Incoterms in use. They are explained in more detail in the notes on page 191.

## Incoterms 2010

### Group 1: All forms of transport (often 'intermodal')



### Group 2: Sea and Inland waterways

