

CRITICAL POINTS IN INTERNATIONAL

Legend



Risk

The possibility that an event may occur which could cause loss or damage to the goods is a 'risk'. Buyers and sellers protect themselves against risk through insurance.



Buyer's risk



Seller's risk



Costs

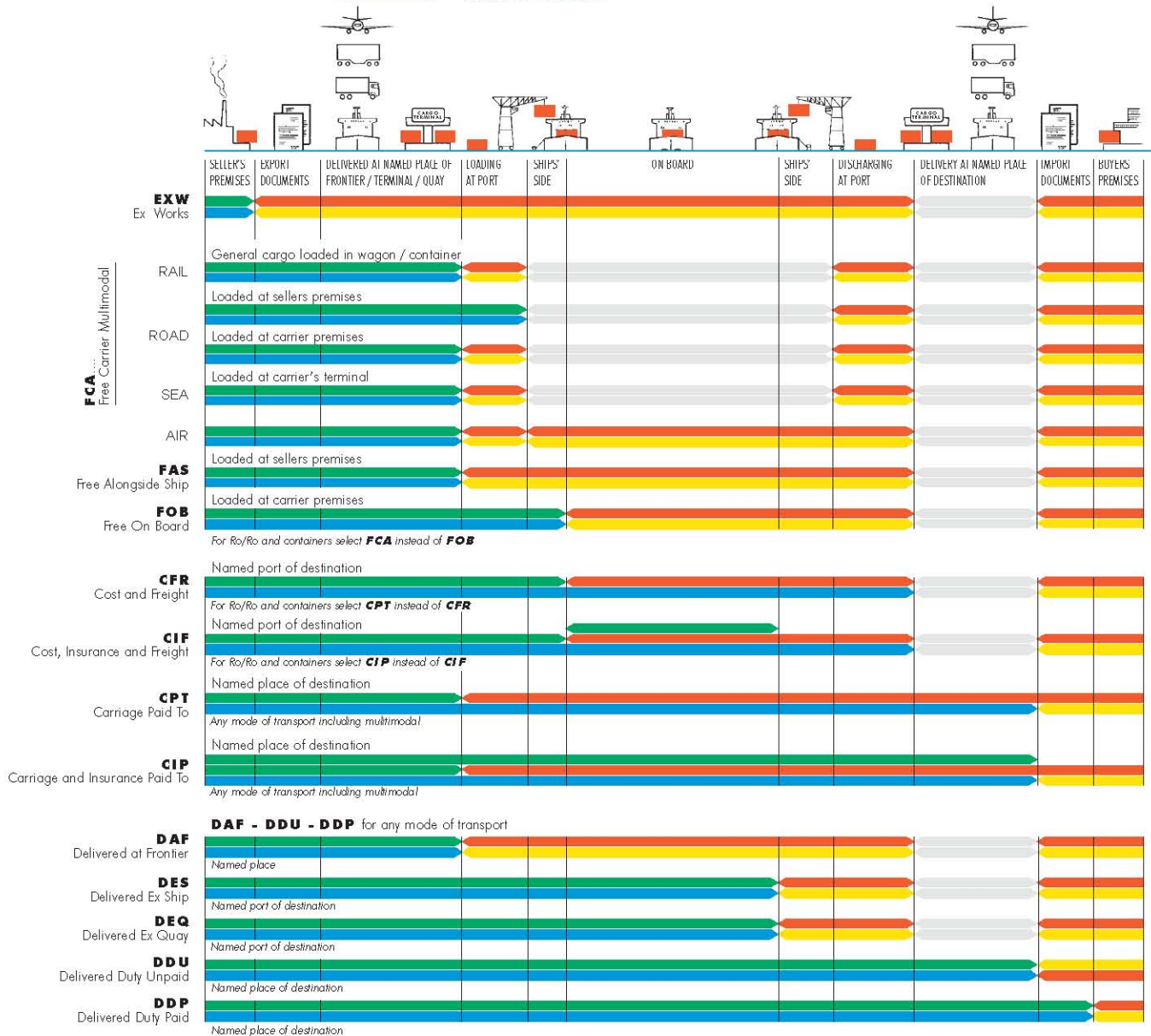
Cover all costs except cost of docs. and insurance. Sale and purchase contracts should clearly state which costs on transfer of the goods are for account of buyer and seller.



Buyer's cost



Seller's cost



Incoterms 2000

This diagram attempts to illustrate 'Critical Points' in international transport in relation to the application of 'Incoterms 2000' to sale and purchase contracts. 'Incoterms' is a set of international rules for the interpretation of the chief terms used in foreign trade contracts, the rules having been compiled by 'The International Chamber of Commerce' (ICC) to define sellers' and buyers' responsibilities as clearly and precisely as possible. It is not possible for 'Incoterms' to be fully comprehensive due to variations decided by the custom of particular trades and/or ports. Care should be taken when applying the rules to account for these parties, by agreement, to suit any particular contract or circumstance. Merchants wishing to use these rules should specify that their contracts will be governed by the provisions of 'Incoterms 2000' clearly indicating any agreed variations thereto. 'Incoterms 2000' can be obtained through ICC Publishing. See our website for convenient link or at www.iccwbo.org.

PS. Whilst every effort has been made to ensure the accuracy of information contained in this diagram, no responsibility for errors or omissions can be accepted by the company mentioned in this brochure.