Transport Obligations – Costs & Risks

LEGEND

RISK
Refers to the possibility of an occurrence which could cause loss or damage to goods. Buyers and sellers purchase insurance to safeguard against risk.

COSTS
Costs specifically attributed to buyer and seller accounts must be clearly stated in sale and purchase contracts as referenced in the chosen Incoterm. If shipment is not a normal transportation of goods, then this should be specified in the contract between the buyer and seller.

SELLER'S RISK
BUYER'S RISK
SELLER'S COSTS
BUYER'S COSTS

MONO Maritime or inland waterways only

MULTI Any mode of transport, including multimodal.

INCOTERMS 2000

This guide is designed as a convenient reference to Critical Points in the international transportation system, specifically in relation to the application of Incoterms to sale and purchase contracts.

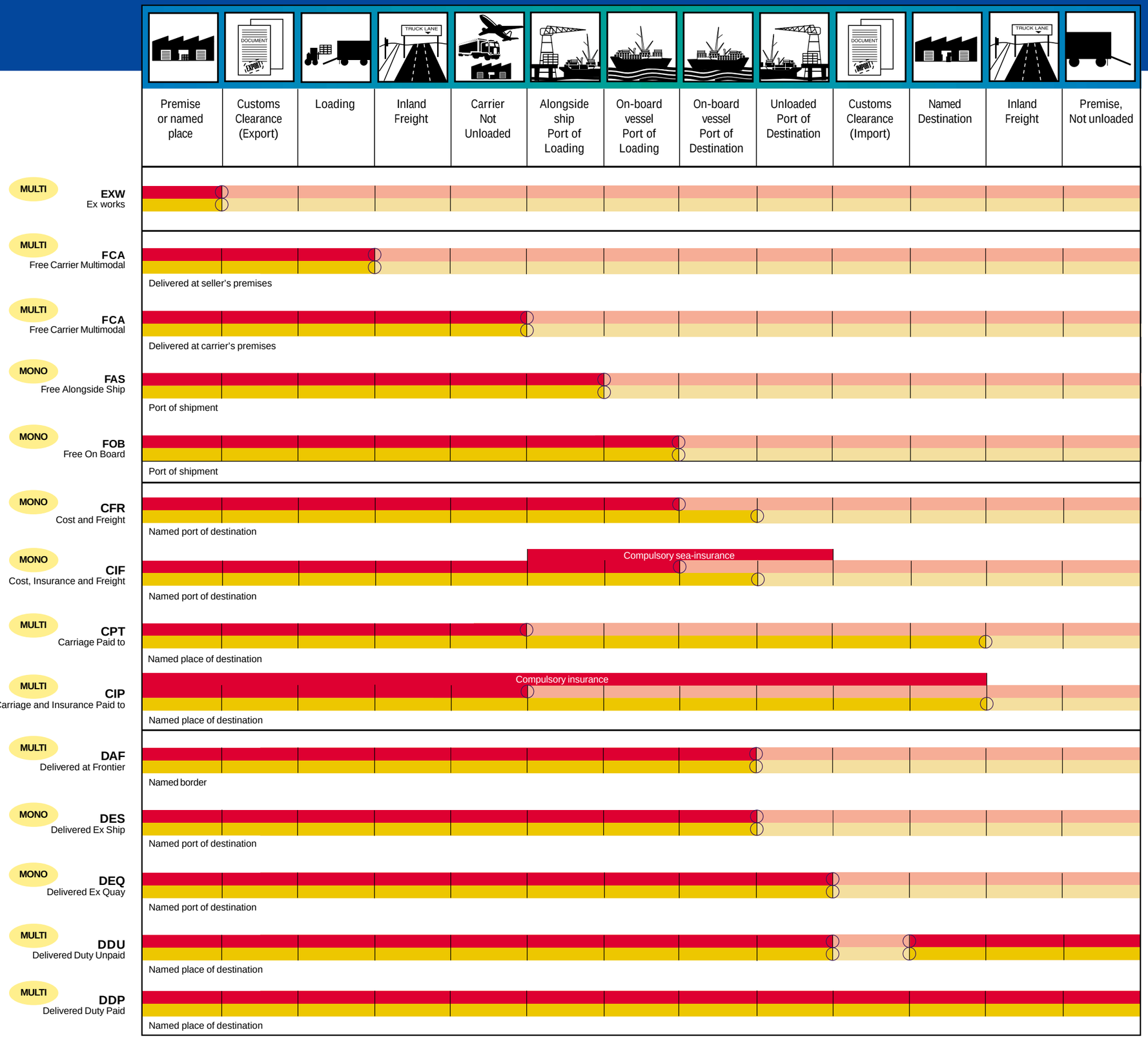
Incoterms represent a set of international rules for the interpretation of commonly used trade terms, eliminating or reducing the uncertainties of different interpretations of these terms in different countries. Since they were first published in 1936, Incoterms have been updated six times. Incoterms 2000 contain 13 rules for standardized global trade, defining the most important responsibilities of buyers and sellers in international sales contracts.

In order to ensure the new Incoterms 2000 terms are being applied, buyers and sellers should specify **Incoterms 2000** on all contracts, thus clearly identifying the source of reference for the definition. Traders using these rules should also clearly specify any and all agreed to variations of the terms.

It is not possible for Incoterms to be complete and comprehensive. Variations in local trades, ports and customs are possible. Buyers and sellers must take care when applying the rules to account for these parties, by agreement, to suit any particular contract or circumstance.

PBB's freight professionals can provide expert assistance in negotiating contracts in relation to Incoterms, as well as offer consultation on a wide range of trade, regulatory and insurance matters.

Every effort has been made to ensure the diagram's accuracy. However, PBB Global Logistics accepts no responsibility for errors or omissions in this brochure.

This guide is available in PDF format on our web site at www.pbb.com/incoterms

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