### **CHOICE OF DELIVERY TERMS**

In modern transport systems, goods are not always inspected at points where the risk is transferred according to Incoterms® 2010. To avoid dispute concerning where loss or damage has incurred along the transport chain, it is advisable to agree on terms of delivery where one party bears the risk for the goods during the entire transport.

## **STATE INCOTERMS® 2010**

When making an agreement based on Incoterms, it is advisable to state the terms of delivery agreed on in the contract of sale and commercial invoices e.g. "FOB Gothenburg, Incoterms® 2010". This prevents problems with interpretation which may arise in countries having their own definitions of delivery terms. If recommends the use of Incoterms® 2010 for international shipments and strongly advises against forming own delivery terms.



# NOTICE OF LOSS, PERIODS OF LIMITATION AND LIMITATION OF LIABILITY IN INTERNATIONAL TRANSPORTS

Applicable rules	Notice of loss		Period of limitation	Limitation of liability
	Apparent loss or damage	Not apparent loss or damage		for loss or damage
<b>1. Carriage by Sea</b> Haag-Visby Rules/ Finnish Maritime Code	Upon receipt of goods	3 days	1 year	SDR* 667/package/ SDR 2/kg
<b>2. Carriage by Air</b> The Montreal Convention	Upon receipt of goods	14 days	2 years	SDR 19/kg
<b>3. Carriage by Rail</b> CIM Convention	Upon receipt of goods	7 days	1 year	SDR 17/kg
RKL - Finnish Railroad Transport Act	Upon receipt of goods	10 days	1 year	EUR 25/kg
<b>4. Carriage by Road</b> CMR/TKSL	Upon receipt of goods	7 days	1 year	SDR 8,33/kg
TKSL - Finnish Contracts of Carriage by Road Act	Upon receipt of goods	7 days	1 year	EUR 20/kg
<b>5. Nordic Forwarding</b> NSAB (when liability as carrier)	Upon receipt of goods	7 days	1 year	SDR 8,33/kg

<sup>\* 1</sup> SDR has lately fluctuated between EUR 1,10-1,25.

Incoterms is a trademark registered by ICC (International Chamber of Commerce). ICC is an international organisation for trade with national sections in the Nordic countries and members from more than 140 countries around the world.

More info on: www.iccfinland.fi

Please observe limitation of liability for carriers above and thus the need for cargo insurance. If P&C Insurance Company Ltd. is your professional guide both on this as well as on Incoterms® 2010.

If you have any questions please contact: +358 (0)10 19 15 15 Incoterms® 2010 brochure is available: www.if-insurance.com





# Incoterms® 2010







#### Terminal **Terminal** Buyer **INCOTERMS** Customs Customs Delivery terms **EXW** Risk Insurance to be covered by the buyer. Costs The buyer bears the risk during the whole Ex Works... Documents transport. The buyer is at risk when the goods have been placed at his disposal at agreed time and place. Insurance to be covered by the buyer **FCA** Specify named point Costs (the seller up to the named point). Free Carrier... Documents The buyer is at risk when the goods have been delivered to the first carrier or terminal at agreed time and place. FAS Risk Insurance to be covered by the buyer Costs (the seller up to the ship). Free alongside ship... Documents The buyer is at risk when the goods have been delivered alongside the ship at the port of shipment. **FOB** Risk Insurance to be covered by the buyer Costs (the seller up to the ship). Free on board... The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment CFR Risk Insurance to be covered by the buyer Costs (the seller up to the ship). Cost and freight... Documents The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment. Insurance must be covered by the seller (in favour of the buyer) to the port of CIF Costs destination complying with at least Cost, insurance and freight... Documents Institute Cargo Clauses (C) or similar The buyer is at risk when the goods have been delivered onboard the ship at the port of shipment clauses (further transports by the buyer). CPT Risk Insurance to be covered by the buyer. Costs Carriage paid to... Documents The buyer is at risk when the goods have been delivered to the first carrier or terminal. Insurance must be covered by the seller CIP Risk (in favour of the buyer) to the place of Carriage and insurance paid to... Costs destination complying with at least Documents Institute Cargo Clauses (C) or similar The buyer is at risk when the goods have been delivered to the first carrier. clauses (further transports by the buyer). DAP Risk Insurance to be covered by the seller Costs to the place of destination (further Delivered at place... transports by the buyer). The buyer is at risk when the goods have been placed at his disposal at agreed place of destination ready for unloading DAT<sup>1</sup>) Rick Insurance to be covered by the seller to Costs the terminal (further transports by the Delivered at terminal... buyer). The buyer is at risk when the goods have been placed at his disposal at agreed terminal unloaded. DDP Insurance to be covered by the seller. Delivered duty paid... Costs The seller bears the risk during the whole Documents transport. The buyer is at risk when the goods have been placed at his disposal at agreed place of destination cleared for import and with duties paid ready for unloading.



<sup>1) &</sup>quot;Named terminal" includes such as quay, warehouse, container yard, road-, rail- or air cargo terminal at named port or place of destination.