

INCOTERMS 2010

Language is a very important tool in international trade.

In 1936 the **International Chamber of Commerce** established a list of terms used to assist traders when goods are sold and transported under sales contracts at home and abroad.

These terms are called Incoterms, or International Commercial Terms. They are a series of 11 different three-letter trade terms, able to reduce misunderstandings and trade conflicts which could result in additional legal costs.

Incoterms change every 10 years. The last version came into effect in January 2011. Today, it is important to satisfy the need to replace paper documents with electronic ones.

Incoterms can be divided into four groups:

- Group E: ex works terms (the buyer carries more responsibility);
- Group F: free terms;
- Group C: carriage terms;
- Group D: delivered terms (the seller has most responsibility).

The choice of Incoterms depends on the type of goods and their value. Moreover, Incoterms specify the obligations and costs of buyers and sellers as well as the ownership and risks derived from the seller to the buyer.