

## EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

### AN INTERACTIVE SEMINAR ON “FUNDAMENTAL UNDERSTANDING OF INCOTERMS” AT BANGALORE ON 03RD JUNE, 2016.

Council has organized an interactive seminar on “**Fundamental Understanding of INCOTERMS**” at EPCH Bangalore Office, No. 302, 3<sup>rd</sup> Floor, Cears Plaza, No. 136, Residency Road, Bangalore-560025 on 03<sup>rd</sup> June, 2016. This seminar discussed in length, the intricacies, procedures and system involved in INCOTERMS guided exports dealt by the expert on the subject.



The session started making a brief presentation by the guest faculty Prof. K. R. Nath. He made a detailed presentation on INCOTREMS 2010 and how they have acquired added importance as they save time and are less cumbersome.

He said that the number of Incoterms rules has been reduced from 13 to 11. This has been achieved by substituting two new rules that may be used irrespective of the agreed mode of transport – DAT, Delivered at Terminal, and DAP, Delivered at Place – for the Incoterms® 2000 rules DAF, DES, DEQ and DDU.

Under both new rules, delivery occurs at a named destination: in DAT, at the buyer's disposal unloaded from the arriving vehicle (as under the former DEQ rule); in DAP, likewise at the buyer's disposal, but ready for unloading (as under the former DAF, DES and DDU rules). The new rules make the Incoterms® 2000 rules DES and DEQ superfluous. The named terminal in DAT may well be in a port, and DAT can therefore safely be used in cases where the Incoterms® 2000 rule DEQ once was. Likewise, the arriving "vehicle" under DAP may well be a ship and the named place of destination may well be a port: consequently, DAP can safely be used in cases where the Incoterms®2000 rule DES once was. These new rules, like their predecessors, are "delivered", with the seller bearing all the costs (other than those related to import clearance, where applicable) and risks involved in bringing the goods to the named place of destination.

He informed the participants about the Classification of the 11 Incoterms® 2010 rules, he said the 11 Incoterms® 2010 rules are presented in two distinct classes:

## **RULES FOR ANY MODE OR MODES OF TRANSPORT**

**EXW** EX WORKS

**FCA** FREE CARRIER

**CPT** CARRIAGE PAID TO

**CIP** CARRIAGE AND INSURANCE PAID TO

**DAT** DELIVERED AT TERMINAL

**DAP** DELIVERED AT PLACE

**DDP** DELIVERED DUTY PAID

**RULES FOR SEA AND INLAND WATERWAY TRANSPORT**

**FAS** FREE ALONGSIDE SHIP

**FOB** FREE ON BOARD

**CFR** COST AND FREIGHT

**CIF** COST INSURANCE AND FREIGHT

He explained each and every terms meaning in detail to make the participants comfortable about these terms.

The participants raised several queries during the seminar and Prof Nath answered their all questions satisfactorily. With this seminar, the participants got a better understanding on to succeed at export business by using correct term and able to increase the profitability, and retain customers longer, different ways to handle customer service etc.

In the end, seminar concluded successfully to give a formal vote of thanks to all participants followed by Hi-tea.

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