

INCOTERMS 2010: THE REPLACEMENT OF FOUR “D” TERMS WITH TWO NEW TERMS

*Cherkas Victoria Sergeevna
Supervisor – c.t.s. Kholupov V. S.*

Incoterms (International Commercial terms) are a series of commercial terms widely used in international transaction. There are detailed guidance notes in each of Incoterms terms. It helps buyers and sellers choose a term that is appropriate for their contract of sale.

These rules are revised every 10 years to adapt them to contemporary commercial practice. Incoterms 2010 is the latest revision of Incoterms. It covers 11 different types of sales transactions, a reduction from the 13 Incoterms 2000, and these are grouped into two categories – terms for any mode or modes of transport and terms for sea and inland waterway transport. One of the main changes made in Incoterms 2010 was the replacement of four “D” terms included in the Incoterms 2000 with two new terms (DAP and DAT) that address transaction in which delivery is to occur at a named destination. It was felt that the prior practice of having four terms led to confusion given that there was little practical difference between many of them. DAP and DAT can be used for all transport modes. DAP and DAT are delivered terms, it means that seller is responsible for the costs and risks to bring the goods to the point specified in the contract. DAP (Delivered at place) is the appropriate term to use when delivery will take place when the goods have been placed at the buyer’s disposal and are ready for unloading. DAP replaced DAF (Delivered at frontier), DES (Delivered Ex Ship) and DDU (Delivered Duty Unpaid). DAT (Delivered at terminal), which replaced DEQ (Delivered Ex – Quay), refers to the situation where the goods have been placed at the buyer’s disposal but have not yet been unloaded from the arriving vehicle. The “named terminal” in DAT can be the port, that is why this term can be used instead of DAQ. Similarly, for DAP the “arriving vehicle” can be a ship, the “named place of destination” can be the port and that is why this term can be used instead of DES.

The replacement of terms included in the Incoterms 2000 helped to simplify a choice of one of the “D” terms. DAP and DAT have wider meaning than DAF, DEQ, DES and DDU that considerably expands scope of their application.