**Basic conditions of supply in Incoterms-2020**

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7.1. Concept of Incoterms-2020:

Incoterms-2020, short for International Commercial Terms, are a set of standardized trade terms published by the International Chamber of Commerce (ICC). These terms define the responsibilities and obligations of buyers and sellers in international trade transactions, including the transfer of risks, costs, and the point at which delivery of goods occurs. Incoterms facilitate smoother international transactions by providing clarity and uniformity in contracts across different countries and legal systems.

7.2. Characteristics of the basic conditions of supply in Incoterms-2020:

The basic conditions of supply in Incoterms-2020 outline various aspects of the transaction, including:

Transfer of Risk: Specifies when the risk of loss or damage to the goods shifts from the seller to the buyer.

Delivery Point: Determines where the seller's obligation to deliver the goods to the buyer is considered fulfilled.

Transportation and Insurance: Clarifies who is responsible for arranging and paying for transportation and insurance.

Export and Import Clearance: Defines which party is responsible for completing export and import formalities.

Costs: Indicates which party bears various costs associated with the delivery of goods, such as transportation, loading, unloading, and customs duties.

7.3. Terms of supply not included in Incoterms-2020:

While Incoterms-2020 covers a wide range of terms commonly used in international trade, it does not address every aspect of a transaction. Some terms not included in Incoterms-2020 may relate to specific industry practices, contractual agreements, or local regulations. For example, terms related to payment methods (e.g., Letter of Credit), inspection of goods, product quality standards, and dispute resolution mechanisms are typically not covered by Incoterms-2020.

7.4. Incoterms-2020: common and distinctive features with previous versions:

Common Features:

Like previous versions, Incoterms-2020 aims to provide clarity and uniformity in international trade contracts.

It defines the obligations, risks, and responsibilities of buyers and sellers in the delivery of goods.

Incoterms-2020 continues to be recognized and utilized globally by businesses engaged in international trade.

Distinctive Features:

Incoterms-2020 includes updates and revisions to address modern trade practices and challenges.

It introduces a new Incoterm, DPU (Delivered at Place Unloaded), replacing DAT (Delivered at Terminal) and DAP (Delivered at Place).

Incoterms-2020 provides enhanced guidance and clarification on certain terms to reduce ambiguities and misunderstandings.

The revised version emphasizes the importance of security-related requirements and insurance coverage in international trade transactions.

Overall, while Incoterms-2020 retains the core principles of previous versions, it incorporates changes and improvements to better reflect contemporary trade practices and address evolving challenges in global commerce.