

## Incoterms

Incoterms are a global standard contract that clearly define who is responsible for each part of a shipment's journey when goods are being imported or exported. Incoterms can give importers and exporters from any country, and in any language, a reliable common legal framework when buying and selling from each other.

Incoterms are a well-known standard that have been used globally, and can be easily adopted by EU and UK businesses in the event of a no-deal Brexit.

If you decide to use incoterms, you should define them clearly with the buyer and the suppliers of products before the products are despatched.

If you fail to understand the correct definition of each Incoterm applied this may lead to problems in your supply chain, and disputes between suppliers, for example in relation to who completes the customs declarations and makes the required duty payments.

The lack of a correct definition could lead to disputes over payment for the products, and which responsibilities lie with which party.

You will need to be familiar with Incoterms from a compliance perspective as you must understand what obligations you have under the terms and act appropriately to avoid costly penalties.