

LAUNCH OF INCOTERMS ®2010

International Chamber of Commerce (ICC) and ICC – SOUTH AFRICA is pleased to announce the launch of INCOTERMS ®2010 Rules for Trade on the 17th September 2010, in conjunction with Standard Bank of South Africa.

The latest version INCOTERMS ®2010 Rules will come into effect on the **01 January 2010**. The long-awaited revision of INCOTERMS 2000 rules, two and a half years in preparation, this being the first revision in 10 years, contains many changes to rules which apply to billions of dollars of international trade each year.

As the guardian and originator of the INCOTERMS ®2010 Rules, the ICC and the ICC – South Africa, has a responsibility to not only ensure that the new rules are relevant and up-to-date, but also that users are given the best instruction in how to take account of these changes in their contracts. Therefore a master class of handpicked trainers were chosen to receive these newly revised terms thereby ensuring that the delivery of INCOTERMS ®2010 Rules, was not only factual but ensuring an excellent learning outcome. The master class held in Paris from the 31 May – 02 June 2010, was attended by 20 qualifying individuals from various countries and South Africa was represented by Linda Holtes, who was nominated by ICC–South Africa. **Linda Holtes is the only official Master Trainer for South Africa and Africa, for INCOTERMS ®2010 Rules.**

The launch of INCOTERMS ®2010 Rules will be launch in Gauteng on the 17th & 20th September 2010; in Cape Town, Kwa Zulu Natal, Western Cape, Eastern Cape, Nelspruit, Bloemfontein and Limpopo provinces. ICC–South African will be working with Standard Bank of South Africa who together will be marketing and promoting both the launch of INCOTERMS ®2010 Rules and the official INCOTERMS ®2010 **Rules book.**

The launch promises to be interactive and provide you with the latest INCOTERMS ®2010 Rules, thereby ensuring that you receive the correct version of these new terms.

INCOTERMS ®2010 Rules or International Commercial Terms are a series of international sales terms, published by the International Chamber of Commerce (ICC) and widely used in international commercial transactions. They are used to divide transaction costs and responsibilities between buyer and seller and reflect state-of-the-art transportation practices. They closely correspond to the UN Convention on Contracts for the International Sale of Goods. The first version was introduced in 1936 to the latest revision being INCOTERMS ®2010 Rules. Since the last revision in 2000, much has changed in global trade. Cargo security is now at the forefront of transportation. In addition, the United States' Uniform Commercial Code was revised in 2004, resulting in a deletion of US shipment and delivery terms. The latest version of the INCOTERMS ®2010 Rules will reflect these changes.

The latest terms were revised by a drafting committee comprising of representatives from seven countries who met nine times since mid-2008. The three drafts they produced were presented to ICC national committees for their comments and these comments were reviewed and incorporated into a final text.

ICC International Court of Arbitration has received 14,000 cases since its inception in 1923. Arbitration is a method of dispute resolution relating to international contracts of sale. A well-prepared clause on arbitration provides a basis to duly conduct arbitration in case of litigation. Over the past decade, the Court's workload has considerably expanded and many of the cases received have been as a result of the trading community not understanding the importance of creating a contract of sale that looks after the interest of both the seller and the buyer in every international trade deal. Additionally the miss use of the INCOTERMS ®2010 Rules could result in huge financial losses for both parties being the seller and the buyer. A case in point being an international Mining conglomerate that lost a few million US Dollars, when selling platinum to a Japanese bank in Tokyo, Japan. The contract of sale, stated: 'CFR Zurich, Switzerland' as per INCOTERMS 2000, whilst the transport contract stated: Tokyo, Japan. At the time of drawing up the contract of sale, the accountant thinking incorrectly that INCOTERMS related to ownership and had nothing to do with the logistics or movement of goods from the seller to that of the buyer quoted the wrong INCOTERM and stated 'CFR Zurich, Switzerland', because the funds were being transferred from Switzerland. The movement of goods was to Tokyo, Japan. Upon arrival of the platinum in Tokyo, Japan, the platinum was stolen. The mining organisation instructed the buyer to claim against their insurance policy as it was not the fundamental obligation of the seller to procure insurance when selling CFR. When the buyer endeavoured to claim against their policy, the insurance company stated that the seller was still responsible for the goods as the seller had not filled their fundamental obligation in accordance with the contract of sale, in that the platinum had not been delivered to Zurich, Switzerland. The buyer was exonerated of any wrong doing and the risk was placed in the hands of the seller. As a result of using the INCOTERMS incorrectly the seller lost US \$ 32 000 000.00.

The Court's membership has also grown and now covers 86 countries. With representatives in North America, Latin and Central America, Africa and the Middle East and Asia, the ICC Court has significantly increased its training activities on all continents and in all major languages used in international trade. All of these countries have adopted the INCOTERMS 2000 and include these terms when drawing up international contracts of sale, South African being one of them.

The International Chamber of Commerce (ICC) is the largest, most representative business organisation in the world. The ICC comprises of many member companies in over 130 countries and has interests spanning every sector of private enterprise. This non-political, non-governmental organisation was in was founded in 1919 to serve world business by promoting trade and investment, open markets for goods and services, and the free flow of capital. This organisation is represented in South Africa by ICC – South Africa, based in Rosebank, Johannesburg.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2000 experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The ICC has permanent observer status with the United Nations. The UN, the World Trade Organisation, and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

Training organisations wishing to training on the INCOTERMS ® 2010, rules for trade, have to be accredited by the ICC – South Africa, and use only ICC materials for their training. The unit standards are currently being adapted to include INCOTERMS ® 2010.

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