

7 December 2020

CEEV and WSTA notice on Incoterms following Brexit

Incoterms are the selling terms that the buyer and seller of goods both agree to during international transactions. The Incoterms rules feature abbreviations for terms, like FOB (“Free on Board”), DAP (“Delivered at Place”) EXW (“Ex Works”), CIP (“Carriage and Insurance Paid To”), which all have very precise meanings for the sale of goods around the world.

Understanding Incoterms is a vital part of International Trade because they clearly state which tasks, costs and risks are associated with the buyer and the seller. See the schema on the next page.

UK will become a third country market as from 01 January 2021; the export procedure will inevitably become more costly and burdensome. As part of the Brexit preparations, CEEV and WSTA would like to advise EU wineries and UK importers to jointly check down the entire supply chain and to decide whether the incoterms need to be changed after Brexit, depending on the cost and risk that each party is ready to assume. Every participant in the specific supply chain must understand the terms of their contract and the extent to which standard incoterms may have been modified.

We restate that:

- Nothing in both EU and UK regulatory framework creates any obligation that would promote a specific incoterm or deprive trade partners from using another;
- Incoterms are a purely commercial agreement between the parties and as such, parties have to decide by mutual agreement which incoterm they want to use.

Comité Européen des Entreprises Vins – CEEV represents the European Union wine companies in the industry and trade (still wines, aromatised wines, sparkling wines, liqueur wines and other vine products). It brings together 23 national organisations from 12 EU Member States, plus Switzerland and Ukraine, as well as a consortium of 4 leading European wine companies. The companies represented by CEEV, mainly small and medium sized companies, produce and market most quality European wines, both with and without a geographical indication, and account for over 90% of European wine exports.

The **Wine and Spirit Trade Association – WSTA** represents over 300 companies producing, importing, exporting, transporting and selling wines and spirits in the United Kingdom. WSTA members range from major retailers, brand owners and wholesalers to fine wine and spirit specialists, logistics and bottling companies.

Comité Européen des Entreprises Vins – CEEV

The voice of the European Wine companies

43 Avenue des Arts, 5th floor – 1040 Brussels – Belgium
+32 (0)2 230 99 70 • ceev@ceev.eu • www.ceev.eu

Wine and Spirit Trade Association – WSTA

Speaking for the wine and spirit trade

39-45 Bermondsey Street – London SE1 3XF – United Kingdom
+44 (0)20 7089 3877 • info@wsta.co.uk • www.wsta.co.uk

Incoterms[®] 2020

by the International Chamber of Commerce (ICC)

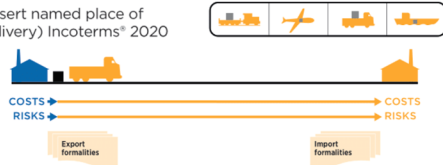
TRANSPORT OBLIGATIONS, COSTS AND RISKS

Blue indicates seller's Gold indicates buyer's Green indicates mixed or shared

RULES FOR ANY MODE OR MODES OF TRANSPORT

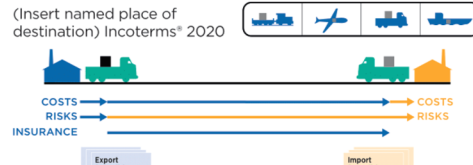
EXW Ex Works

(Insert named place of delivery) Incoterms[®] 2020



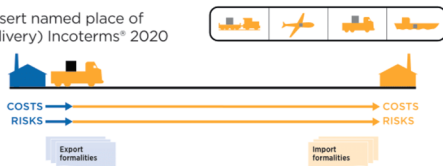
CIP Carriage and Insurance Paid To

(Insert named place of destination) Incoterms[®] 2020



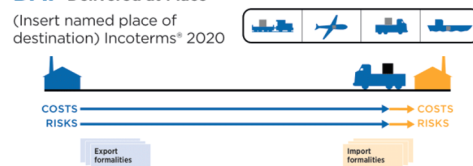
FCA Free Carrier

(Insert named place of delivery) Incoterms[®] 2020



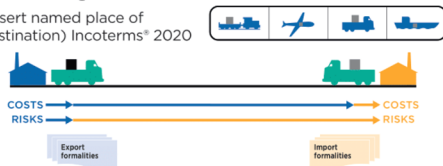
DAP Delivered at Place

(Insert named place of destination) Incoterms[®] 2020



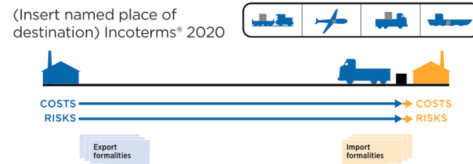
CPT Carriage Paid To

(Insert named place of destination) Incoterms[®] 2020



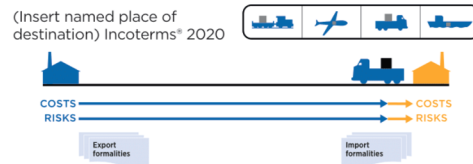
DDU Delivered at Place Unloaded

(Insert named place of destination) Incoterms[®] 2020



DDP Delivered Duty Paid

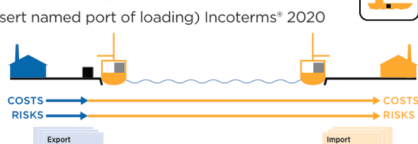
(Insert named place of destination) Incoterms[®] 2020



RULES FOR SEA AND INLAND WATERWAY TRANSPORT

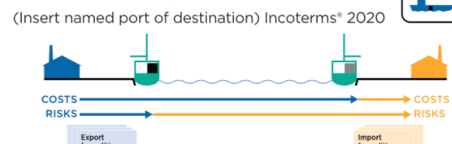
FAS Free Alongside Ship

(Insert named port of loading) Incoterms[®] 2020



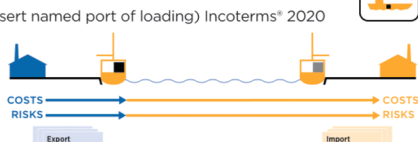
CFR Cost and Freight

(Insert named port of destination) Incoterms[®] 2020



FOB Free on Board

(Insert named port of loading) Incoterms[®] 2020



CIF Cost, Insurance and Freight

(Insert named port of destination) Incoterms[®] 2020

