



INCOTERMS 2020 IN INTERNATIONAL TRADE AND SHIPPING DOCUMENTATIONS

February 9-10, 2026 (Monday-Tuesday)
8.45am – 5.00pm **FMM Institute, Perak**



The INCOTERMS® rules are the regulations that define responsibilities of buyers and sellers operating in the international trade system. They are the authoritative rules for determining how costs and risks are allocated to the parties. INCOTERMS rules are regularly incorporated into contracts for the sale of goods worldwide and have become part of the daily language of trade.

International Chamber of Commerce (ICC) has launched INCOTERMS® 2020 set that contains the rules for use of the 11 INCOTERMS® trade terms. It takes into account the latest developments in commercial practice and updates the rules to make them more accessible and easier to use. The new rules has been enforce from 1 January 2020. As of this date, all sales contracts should make reference to the INCOTERMS® 2020 rules as the latest version of the INCOTERMS rules.

OBJECTIVES

- Decide the best carriage mode to use, which will benefit the organization versus the cost spent
- Understanding the various INCOTERMS in logistics shipping operation
- Deliver knowledge on the obligation of buyer and seller in the transfer of goods sold and delivered.
- Impact on Incoterm 2020 on International Trade and difference between 2010 and 2020
- Understand the various documents used in International Trade and Shipping
- To give participants an overview and an in-depth understanding and knowledge of the functions of the various shipping documents and the import and export procedures.

LEARNING OUTCOMES

- Understanding INCOTERMS® 2020 and its effect on the terms of sale.
- Examining the costs, responsibilities and rights associated for buyers and sellers
- Choosing and applying the applicable INCOTERMS under different transport mode
- Negotiating and protecting their payment terms
- Learn the contractual and operational constraints of Incoterms;
- Manage the risks and costs in the Incoterms distribution chain;

WHO SHOULD ATTEND

- This program would be a great benefit to Buyer, Procurement/ Purchasing & Materials Executives and Supervisors, Purchasing Clerks, Production Planning Executives, Store Executives, Inventory Control Executives
- Logistics, Customer Service, Administration, Finance managers /Executives /officers /Supervisors / Team Leaders Shipping clerks, and Clerical staff
- Junior and managerial staff involved sales and marketing, freight forwarding, banking, shipping, export and import documentation

TRAINING METHODOLOGY

This program places heavy emphasis on experimental learning and delivered through: Lecture, Role Play, Practical Exercise, Cases Studies, Video Presentation, Training Games and etc.

Enquiries – please contact **Ms Vaani / Pn Eda / Ms Harvindar**
 (05) 548 8660 (05) 548 8221 fmm_institute_perak@fmm.org.my

COURSE CONTENTS

INCOTERMS 2020 OVERVIEW

- Introduction to INCOTERMS 2020
 - Incoterms are a crucial aspect of international sales contracts. They are a series of 3-letter terms which define the roles of both the seller and the buyer in international transactions.
 - They can also be known as 'trade terms' and are put in place in order to inform both the buyer and seller of what is required of them regarding the delivery process of a commodity, and explains the cost division, risks and export and import clearance between both parties. Incoterms are reviewed and revised every 10 years by the International Chamber of Commerce (ICC).

HOW BEST TO INCORPORATE THE INCOTERM RULES?

- Delivery, risk and cost in the INCOTERM 2020 rules
 - The International Chamber of Commerce (ICC) created a generally accepted, readily understandable set of terms called Incoterms 2020. These terms define the responsibilities of both the buyer and seller in the various transportation options.
 - Incoterms 2020 is not a body of law. It is an internationally agreed upon protocol for understanding who pays for what, when risk transfers, and where the goods are to be delivered. Incoterms do not identify where the transfer of title occur.
 - Incoterms cover the fundamentals terms of the movement of the cargo: Documentation; who is to arrange for the documentation, Cost; who is responsible for the various costs involved, Control; who possesses control of the goods at any point in the journey and Liability; who is exposed to the economic loss if the cargo is damaged.

EXW (EX Works) –

- Ex Works means that the seller shall deliver the goods as soon as they are made available to the buyer at the seller's premises or other designated premises (e.g. factory, plant, warehouse, etc.). The seller shall not be obligated to load the goods onto a collecting vehicle or to clear the products for export.

FCA (Free Carrier)

- Free Carrier means that the goods are deemed to be delivered as soon as the seller places the goods at the disposal of the carrier or another person designated by the buyer. Delivery shall be made when the named place is on the seller's premises or reaches a named place after loading onto the transport vehicle. The parties should determine the place within the named place of delivery as precisely as possible, as this is where the risk passes to the buyer.

FAS (Free Alongside Ship)

- Free Alongside Ship means that the seller delivers when the goods are placed alongside the vessel (e.g. at a quay or on a barge) in the named port of shipment. The risk of loss or damage to the goods passes when the goods are alongside the vessel. The buyer shall bear all costs from that point on

FOB (Free on Board)

- Free On Board means that the seller delivers the goods on board the vessel named by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss or damage to the goods passes when the goods are on board the vessel. The buyer shall bear all costs from that moment on.

CFR (Cost and Freight)

- Cost and Freight means the seller will deliver the goods on board the vessel or procure the goods already delivered in that way. When the goods are on board the ship, the risk of loss or damage to the goods passes to the buyer. The seller must enter into the carriage contract and bear the costs and freight necessary to carry the goods to the specified destination port.

CIF (Cost Insurance and Freight)

- Cost, Insurance and Freight means the seller will deliver the goods on board the vessel. When the goods are on board the ship, the possibility of loss or damage to the goods passes to the buyer. The seller must enter into the carriage contract and bear the costs and freight necessary to carry the goods to the destination port named by the buyer.
- Furthermore, the seller must take out transport insurance at his own cost which at least corresponds to the minimum cover under Clauses (C) of the Cargo Clauses of the Institute (LMA / IUA) or similar clauses. If the buyer wants the insurance cover to be higher, he must expressly negotiate with the seller or carry out additional insurance himself

CPT (Carriage Paid To)

- Carriage Paid to means that the seller delivers the goods to the carrier or to another person specified by the seller at an agreed location (if that location is agreed between the parties) and that the seller is obliged to conclude the carriage contract and pay the freight costs incurred for the delivery of the goods to the designated destination.

CIP (Carriage Insurance Paid)

- Carriage and Insurance Paid to means that the seller shall deliver the goods to the carrier or to any other person designated by the seller at an agreed place. The Seller shall bear the costs until delivery has taken place but does not guarantee that the goods will arrive in perfect condition at their destination. The seller must take out insurance, at least, to the place of destination for loss or damage to the goods during the transport.

DAP (Delivered at Place)

- Delivered at Place means the seller is responsible for the costs of packing goods as well as for arranging the delivery of the goods to the named place agreed with the buyer. The seller bears all risks involved in bringing the goods to the named place.

DPU (Delivered at Place Unloaded)

- Delivered at Place Unloaded means that the transfer of risk and delivery from the seller to the buyer takes place after unloading of the arriving means of transport at the named place of destination or at an agreed place. The seller bears all risks until the goods are unloaded at the place of destination and the seller is obliged to unload the goods at the place of destination.

DDP (Delivered Duty Paid)

- Delivered Duty Paid means that the seller has fulfilled his responsibility when the goods are placed at a named place and cleared for import. The seller bears all costs and risks associated with the transport of the goods to the designated destination and is obliged to clear the goods not only for export but also for import, to pay all duties for export and import and to complete all customs formalities.

Differences between INCOTERM 2010 and 2020.

- The differences between Incoterms 2010 and Incoterms 2020 are not as huge as it was with the changes introduced to Incoterms 2010.
- One of the most significant differences is the change of the name DAT (Delivered at Terminal) to DPU (Delivered at Place Unloaded) due to the misinterpretation of the word "terminal."
- Another change is the increase of the level of cover in the CIP rule unless stated otherwise in the agreement. The Institute Cargo Clause changed from level C to A. For the CIF rule, the level of cover is still C.
- In general, the rules have been somewhat simplified to reduce the probability of misuse. The new version specifies safety requirements as part of the obligations and transport costs. Incoterms 2020 includes arrangements for carriage by own means of transport in the rules: FCA, DAP, DPU, and DDP.

TRAINER

MR SHRI SHANMUGANATHAN A/L P. PANCHNATHAN, who is a HRDF accredited corporate trainer, commenced his career in Corporate organization to non-Government organization and has since developed over 20 training programmes for the local needs. He has trained a number of prominent companies such as Boustead Heavy Industry, Sarawak Energy, Lafarge, FELCRA, Petronas and much more. He has an undergraduate degree from the Chartered Institute of Logistics Transport, U.K (CILT-UK), and a Masters Degree from International University and is currently pursuing his DBA. Prior to becoming a full-time trainer in 2004, he served as various positions in corporate companies, government subsidies link and International nonprofit organization. He started his carrier from a buyer with the corporate industry when thru the ladder of progress where his last position was a consultant with a trading house.

MR SHRI SHAN has over 20 years of Procurement and Purchasing, Logistics, Warehouse and Inventory, and Supply Chain Management experience, involving domestic and international activities, for a broad range of manufacturing and service businesses. He has extensive experience in training in the area of Purchasing and Supply Management, Logistics Operations, Warehouse Operations, the management of procurement functions, Supply Chain Management, global sourcing of materials and components, reducing cost of purchased materials and services, and negotiation of complex transactions and contracts. He has given presentations on numerous Supply Chain Management topics and other related topics to the International Federation Purchasing and Supply Management (IFPSM), major universities, and numerous in-house seminars for industrial & services clients in the Malaysia. He was selected to present seminars at the AFRO-ASIAN' Entrepreneurs' Program International Conferences and Asian World Summit's Supply Chain & Logistics Excellence and Shan was selected as IFPSM's Senior Consultant.

Closing Date: JANUARY 30, 2026

COURSE DETAILS

Date **February 9-10, 2026 (Monday-Tuesday)**
 Time **8.45am - 5.00pm**
 Venue **FMM Institute Perak**
No 1, Lorong Raja DiHilir, 30350 Ipoh, Perak
 Medium of Instruction **English**
 CPD **14 hours**
 Fees **Members RM1,134.00/pax**
Non-Members RM1,296.00/pax
(Fees inclusive of Service Tax at 8%, Course Materials, Refreshment, Lunch and Certificate of Attendance)

ADMINISTRATIVE DETAILS

HRD CORP CLAIMABLE COURSE DETAILS

- Training Provider: **FMM Institute Perak** ■ MyCoID : **475427W_PERAK**
- HRD Corp Programme No: **Provided upon confirmation**

DISCLAIMER

The FMM Institute reserves the right to change the facilitator, date and to vary / cancel the course should unavoidable circumstances arise. All efforts will be taken to inform participants of the changes.

REGISTRATION

- Upon **Faxing/Mailing** the completed **Registration Form** to FMM Institute, you are **deemed** to have read and **accepted** the terms and conditions. The **course** would also be **deemed** as **confirmed** unless informed otherwise.
- Will be based on First-Come-First served basis.

PAYMENT

- Cheques** made in favour of "**FMM Institute**" should be forwarded to FMM Institute Perak.
- For **HRD Corp Claimable Course**, an **Attendance of 100%** is a **must**, in any case, **employers will be billed in full**.
- FMM Institute SST Registration No. **W10-1901-32000105**
- FMM Institute TIN No. **C10626805080**

CANCELLATION

Must be in Writing with Reasons ■ 7 days before the course – No payment charged ■ 3 – 6 days before the course - 50% payment charged ■ < 3 days before the course – Full payment charged ■ Participants who did not turn-up will be charged full payment ■ Replacements can be accepted at no additional cost

~ Registration Form ~

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FMM Institute

No 1, Lorong Raja DiHilir, 30350 Ipoh, Perak

Fax: 05-5488221

Dear Sir / Madam, please register the following participant(s) for the above programme.

1.	Name		Designation	
	NRIC		HP No	
			Email	
2.	Name		Designation	
	NRIC		HP No	
			Email	
3.	Name		Designation	
	NRIC		HP No	
			Email	

(Please attach a separate list if space is insufficient)

We hereby confirmed that *(Please tick (✓) in appropriate box)*:-

- We **will be claiming from HRD Corp** and full payment would made to FMM Institute in the event that no disbursement from HRD Corp under any circumstances
- We will **NOT BE CLAIMING from HRD Corp**. Enclosed cheque/bank draft No _____ for RM _____ being payment for _____ participant(s) made in favour of the "**FMM Institute**".

Submitted by:

Name:	Designation:		
Company:	Tel:	Fax:	
Address:			
Email:	FMM Membership No		