



National
regulatory
barriers to the
Incoterms[®]
2020 rules

Updated in January 2025



Introduction

When sellers and buyers are deciding which Incoterms® rule to include in their B2B contracts for the sale of goods, they should keep in mind that laws or regulations in particular countries may act as barriers to using certain [Incoterms® 2020](#) rules.

For example, requirements in a number of countries that transport insurance be provided by a local entity may pose problems for traders wanting to use CIP or CIF. And in some countries, import clearances must be carried out by a local entity in the country of import, which could make using DDP difficult.

With the help of its global network of over 90 national committees, the International Chamber of Commerce (ICC) provides information about such barriers to the use of the Incoterms® 2020 rules. The two tables below provide a snapshot of information as of December 2024.¹

We know that there may be barriers not yet captured, such as additional country-specific limitations to using EXW or DDP. In particular, EXW provides for export of the goods by the EXW buyer and its use may give rise to unanticipated tax or regulatory obligations for either party. On the other end of the spectrum, DDP sellers may bump up against rules in the foreign destination country requiring local entities to carry out import formalities and payments.

In this regard, **we would welcome any additional contributions or refinements from readers**, which may be sent to Emily O'Connor, Director of Commercial Law and Practice, ICC, at emily.oconnor@iccwbo.org for periodic incorporation into this living document.

As the creator and guardian of the Incoterms® rules, ICC has made available a range of guides and resources on the online information platform [ICC One Click](#) to help decide which Incoterms® 2020 rule to use.

¹ We are grateful to the ICC national committee network and its members for the information reflected in this document. Readers should note that this document is intended as a descriptive (not exhaustive) informational resource, as opposed to legal or other professional services advice, and should be checked for currency, completeness, and applicability in particular cases.

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Table 1: Barriers by Incoterms® 2020 rule

EXW

ICC Secretariat Guidance Note on EXW: With delivery happening under the Incoterms® 2020 EXW rule when the goods are at the buyer’s disposal either at the seller’s premises or at another named point typically within the seller’s jurisdiction or within the same customs union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller’s participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.**

See table 2 below for information about existing barriers in the following countries:

- Brazil
- European Union
- Morocco
- Spain
- United Kingdom (UK)
- United States (US)

FCA

See table 2 below for information about existing barriers in the following country:

- US

CPT

- N/A

CIP

General: Many countries have requirements regarding whether or not a foreign entity/party is allowed to issue transport insurance in a sale or purchase of goods. This may stand in the way of using the Incoterms® 2020 CIP rule, which calls for the (foreign) seller to provide insurance for the benefit of the buyer.

See table 2 below for information about existing barriers in the following countries:

Albania	Ethiopia	Mexico	Saudi Arabia
Algeria	Ghana	Moldova	Senegal
Angola	Honduras	Mongolia	Seychelles
Argentina	India	Montenegro	Singapore
Azerbaijan	Indonesia	Morocco	South Africa
Bahrain	Iraq	Myanmar	Taiwan
Bangladesh	Israel	Nepal	Tajikistan
Bolivia	Ivory Coast	New Zealand	Tanzania
Brazil	Jordan	Nigeria	Thailand
China	Kazakhstan	Oman	Togo
Colombia	Kenya	Pakistan	Tunisia
Costa Rica	Kosovo	Peru	Ukraine
Dominican Republic	Kuwait	Philippines	United Arab Emirates (UAE)
Ecuador	Lebanon	Qatar	Venezuela
El Salvador	Malaysia	Rwanda	

DAP

N/A

DPU

N/A

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

See table 2 below for information about existing barriers in the following countries:

Brazil	Panama
Colombia	Russian Federation
Cyprus	Turkey
Denmark	Ukraine
Japan	UK
Mexico	US
Morocco	

FAS

See table 2 below for information about existing barriers in the following country:

US

FOB

See table 2 below for information about existing barriers in the following countries:

Senegal
Thailand
Turkey
US

CFR

See table 2 below for information about existing barriers in the following country:

Albania






CIF






General: Many countries have requirements regarding whether or not a foreign entity/party is allowed to issue transport insurance in a sale or purchase of goods. This may stand in the way of using the Incoterms® 2020 CIF rule, which calls for the (foreign) seller to provide insurance for the benefit of the buyer.

See table 2 below for information about existing barriers in the following countries:

Albania	Ghana	Mexico	Rwanda
Algeria	Honduras	Moldova	Saudi Arabia
Angola	India	Mongolia	Senegal
Argentina	Indonesia	Montenegro	Seychelles
Azerbaijan	Iraq	Morocco	Singapore
Bahrain	Israel	Myanmar	South Africa
Bangladesh	Ivory Coast	Nepal	Taiwan
Bolivia	Japan	New Zealand	Tajikistan
Brazil	Jordan	Nigeria	Tanzania
China	Kazakhstan	Oman	Thailand
Colombia	Kenya	Pakistan	Togo
Dominican Republic	Kosovo	Peru	Tunisia
Ecuador	Kuwait	Philippines	Ukraine
El Salvador	Lebanon	Qatar	Venezuela
Ethiopia	Malaysia	Russian Federation	

Table 2: Barriers by country/region

Country/region	Incoterms® 2020 rule
 Albania Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.	CIP/CIF
<p>The Albanian Civil Code allows for the use of the Incoterms® rules, which can provide additional clarity and certainty in international sales of goods governed by Albanian law, but it is essential that traders consider any relevant special legislation and contractual agreements.</p> <p>While there is generally no direct conflict between the Civil Code and the Incoterms® 2020 rules, there is a potential for conflict in Civil Code Article 886, which grants the sender of goods the right to suspend transport or change the recipient. This could potentially conflict with certain Incoterms® 2020 rules such as CIF and CFR that call for parties to name a specific destination point and do not typically allow for sender intervention after shipping.</p>	CIF/CFR
 Algeria Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.	CIP/CIF
 Angola Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.	CIP/CIF
 Argentina Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country. Compulsory insurance: Inland transit insurance or, in its absence, carriers' liability insurance for goods transported by road	CIP/CIF
 Azerbaijan Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.	CIP/CIF

Country/region	Incoterms® 2020 rule
 Austria <p>While there are currently no laws prohibiting or interfering with the use of the Incoterms® 2020 rules, practice can be challenging for corporates: Austrian customs, tax and external trade rules are similar, but not fully identical in detail, which sometimes leads to differences in accounting treatment.</p> <p>For example, only part of the cost of transport is used for calculations related to customs value, which may result in a discrepancy between transport costs appearing on an invoice and those appearing in customs-related documents. While this does not interfere with the use of the Incoterms® 2020 rules, it may complicate invoicing for exporters.</p>	Various
 Bahrain <p>Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.</p>	CIP/CIF
 Bangladesh <p>Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.</p> <p>Compulsory insurance: Imports backed by a letter of credit from a bank in Bangladesh</p>	CIP/CIF
 Bolivia <p>Foreign transport insurance is not allowed for CIF or CIP.</p>	CIP/CIF
 Brazil <p>According to Resolution No. 16/2020 of the Foreign Trade Chamber (CAMEX), for Brazilian exports under the Incoterms® 2020 EXW rule, the seller is responsible for the clearance of goods, including all associated costs and risks, as the buyer lacks the legal ability to handle this process.</p> <p>ICC Secretariat Guidance Note on EXW: With delivery happening when the goods are at the buyer’s disposal either at the seller’s premises or at another named point typically within the seller’s jurisdiction or within the same customs union, there is no obligation</p>	EXW

Country/region

Incoterms® 2020 rule

on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.**

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country. Insurance against fire and transportation of goods owned by corporate entities located in Brazil or transported therein is compulsory.

CIP/CIF

The Incoterms® 2020 DDP rule cannot be used for Brazilian imports since a foreign seller is not permitted to arrange for the import clearance of the goods through customs.

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



China

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF



Colombia

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

Country/region

Incoterms® 2020 rule

The Colombian customs and tax authority (DIAN), as set out in Colombian regulations, does not allow a non-resident (foreigner) to act as an importer into Colombia. Therefore, to apply the Incoterms® 2020 DDP rule, the buyer has to give power of attorney to the seller, so the seller can carry out all the import formalities in the name of the buyer. This means the risk of sanctions, fines or any other consequence derived from the customs process falls on the buyer and not the seller, thus affecting the risk distribution intended with the Incoterms® rule.

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



Costa Rica

Foreign transport insurance is allowed for CIF until the point of entry but **not allowed** for CIP or subsequent transport into the country.

CIP




Cyprus

Customs clearance can only be effected as per law by authorised customs brokers. Such authorisation can only be provided by consignee to a licensed broker.

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers.

In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.


Country/region	Incoterms® 2020 rule
 Denmark	

The Incoterms® 2020 DDP rule may raise certain difficulties since the seller (typically a non-Danish entity) must either be registered itself for VAT purposes or engage a local entity to serve as VAT representative to allow the seller to reclaim import VAT charged on import from non-EU-country sales.

DDP


Parties using DDP may wish to include a contractual stipulation whereby the buyer (importer) must pay the import VAT. The buyer will then be able to deduct that payment against the next sales VAT report.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer’s country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

 Dominican Republic	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

 Ecuador	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

 El Salvador	
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Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

Country/region	Incoterms® 2020 rule
 Ethiopia	

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

 European Union	
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Under the Incoterms® 2020 EXW rule, if an EXW buyer intends to subsequently export the goods from the EU, it will be subject to the European requirement that an exporter be established in the customs territory of the Union. Not all buyers can meet that requirement. In the end what happens is that the buyer's customs agent asks the seller for a power of representation to list the buyer as the "exporter" on the export declaration. This leads the EXW sellers to assume responsibilities of which they are often not aware. Additionally, the seller may have difficulties when demonstrating the VAT exemption on their commercial invoice since it did not control the export Single Administrative Document (SAD).

EXW

ICC Secretariat Guidance Note on EXW: With delivery happening when the goods are at the buyer's disposal either at the seller's premises or at another named point typically within the seller's jurisdiction or within the same customs union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.**

<p>Regarding the Incoterms® 2020 DDP rule, import clearance in principle cannot be handled by a person nor resident in the EU. (See Art. 170(2) EU Customs Code.</p>	<p>DDP</p>
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Country/region	Incoterms® 2020 rule
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Ghana

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country (Insurance Act 2021, sections 221 and 222).

While insurance is compulsory for imports into Ghana, sources suggest that enforcement may not be consistent.

(See Insurance Act 2021, sections 221-222)

CIP/CIF



Honduras

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

Compulsory insurance: Cargo insurance for land transportation companies

CIP/CIF



India

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF



Indonesia

Compulsory insurance: Insurance of marine cargo exports of coal and crude palm oil and imports of rice and other imports for government procurement (if transported by sea)

CIP/CIF



Iraq

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF



Israel

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

Country/region

Incoterms® 2020 rule



Ivory Coast

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

Compulsory insurance: Marine cargo imports



Japan

In Japan, the application of Incoterms® 2020 rules can face challenges related to customs procedures, tax responsibilities and logistics coordination.

DDP/CIF

For instance, misunderstandings may arise concerning who is responsible for customs duties and import taxes under terms such as DDP or CIF. These issues can lead to delays in shipment and additional costs if not clearly defined in trade contracts. Additionally, Japan's specific customs regulations and procedures might affect how these terms are implemented, potentially causing discrepancies between international expectations and local practices.

In Japan, the Customs and Tariff Bureau of the Ministry of Finance is the primary authority responsible for overseeing customs regulations and ensuring compliance with international trade standards. Issues related to customs procedures and import taxation should be addressed according to the guidelines set by this bureau.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



Jordan

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

Country/region**Incoterms® 2020 rule****Kazakhstan**

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF**Kenya**

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

Fines/penalties:

Section 19 of the Insurance Act states that providing insurance without registration is subject to a fine of KES 50,000 plus KES 1,000 for each day the offence continues, and may also result in up to two years imprisonment.

The Statute Law (Miscellaneous Amendments) Act, 2017 increased fines for contravention of Section 20 (prohibiting non-admitted insurance) to KES 5 million or up to five years imprisonment.

In addition to the above, according to Section 10 of the Insurance (Amendment) Act of 2003, any person carrying on insurance business without registration or other authorisation, or without renewal of registration or authorisation under the Insurance Act, is subject to a fine of KES 20,000.

Market sources report that while these fines and penalties have not been consistently applied, increased vigilance is expected as a result of stronger supervision of marine cargo insurance.

**Kosovo**


Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF**Kuwait**


Foreign transport insurance is allowed for CIF until the point of entry but **not allowed** for CIP or subsequent transport into the country.

CIP/CIF


Country/region	Incoterms® 2020 rule
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 Lebanon	
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Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country. **CIP/CIF**

 Malaysia	
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Foreign transport insurance is allowed for CIF until the point of entry but **not allowed** for CIP or subsequent transport into the country. **CIP/CIF**

 Mexico	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country. **CIP/CIF**

A buyer in Mexico contracting CIF may be required to declare goods in Mexico as FOB for import taxes purposes. Since the sale contract, invoice and transport contract may indicate CIF (and not FOB), the buyer might face complications with the import process. **CIF**

The only concern is when the parties use the Incoterms® 2020 DDP rule. **DDP**
 The Mexican Law and Regulation on Customs provides that import clearance at Mexican customs must be carried out by a registered Mexican importer. Despite this regulation, parties do sometimes use DDP: where the Mexican importer provides the foreign exporter their customs registration information as well as the assistance of their Mexican customs agent, the exporter may thus proceed with the import clearance in Mexico.

Therefore, the parties in practice may still use DDP provided they make the necessary adaptations in their sale contract.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer’s country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

Country/region	Incoterms® 2020 rule
 Moldova	
<p>Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.</p>	CIP/CIF
 Mongolia	
<p>Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.</p>	CIP/CIF
 Montenegro	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p>	CIP/CIF
 Morocco	
<p>DDP (import to Morocco) and EXW (export from Morocco)</p>	EXW/DDP
<p>A. Requirement to register with Moroccan Trade Register (RC)</p>	
<p>Under Moroccan law, to carry out commercial activities within the Moroccan territory, natural and legal persons, Moroccan or foreign, shall register with the Trade Register (RC) in Morocco and mention their activities in a registration declaration (<i>cf. articles 37, 42 and 45 of the Commercial Code (consolidated version dated 19 December 2019) (Law no. 15-95 adopting the Commercial Code enacted by Royal Decree no. 1-96-83 OF 15 rabii I 1417 (1st August 1996))</i>).</p> <p>The Moroccan law on foreign trade provides for the registration of persons and entities carrying out import and export operations in a register of importers and exporters (<i>articles 6 and 7 of Law no. 91-14 on Foreign Trade enacted by Royal Decree n° 1-16-25 of 22 jourmada I 1437 (2 March 2016) (hereinafter - the “Foreign Trade Law”)</i>).</p>	
<p>B. Export and import customs formalities</p>	
<p>Under Moroccan laws and regulations, to carry out import or export customs formalities, importers or exporters are required to register with the RC in Morocco and receive a Moroccan trade register number to enter on the customs declarations to which the goods’ imports or exports are subject and to use during online processing (<i>cf. Articles 65, 74, and 203 bis of the Customs and Indirect Taxes Code (2022 edition)</i>).</p>	

enacted by Royal Decree no. 1-77-339 of 25 chaoual 1397 (9 October 1977) approving the Customs and Indirect Taxes Code within the competence of the customs and indirect taxes authorities) (hereinafter - the “Customs Code”), article 1 of Decree of the Minister for the Economy and Finance No 913-15 of 15 jourmada I 1436 (6 March 2015) relating to the deposit by IT procedures of detailed declarations, and article 1 and annex I of the Decree of the Minister of Finance no. 1319-77 of 17 kaada 1397 (31 October 1977) relating to customs declarations other than summary declarations (part of the Customs Code 2022 edition)).

Further, Moroccan customs and foreign exchange laws and regulations provide for formalities to be carried out with respect to import and export operations.

In general, the import of goods requires an import title, in the form of an “import undertaking” (or an import license for some goods) to be filed together with a commercial contract and supporting documents with an approved intermediary Moroccan bank to allow the customs formalities and payment for the goods (*articles 12 and 13 of the Foreign Trade Law; articles 37 and 38 of the General Rules on Foreign Exchange Operations of the Foreign Exchange Office of 2 January 2024 (2024 edition) (hereinafter - the “Foreign Exchange Rules”).*

The export of some goods requires, in addition to a commercial contract, an export license (*article 13 of the Foreign Trade Law, article 64 of the Foreign Exchange Rules*). Upon export, at the request of exporters, the customs authorities issue or approve, as the case may be, certificates attesting to the Moroccan origin of exported products (*Article 18 of the Customs Code*). All exporters of the goods are required to repatriate the proceeds of their exports within the time-limit provided for by the Moroccan foreign exchange regulations (*Article 65 of the Foreign Exchange Rules*).

The import or export of some goods may be subject to additional formalities related to technical, sanitary or safety control.

In practice, import and export customs formalities are carried out, if not by the importers or exporters themselves, by licensed customs agents on behalf of their clients. Only companies registered with the trade register in Morocco or persons residing in Morocco may obtain a license to perform the customs agents’ activities, subject to additional requirements (*article 68 of the Customs Code; article 10 of Decree no. 2-77-862 of 25 chaoual 1397 (9 October 1977) implementing the Customs and Indirect Taxes Code within the competence of the customs and*

indirect taxes authorities enacted by Royal Decree no. 1-77-339 of 25 chaoual 1397 (9 October 1977) (part of the Customs Code 2022 edition)).

The declarant, its agent and guarantor are liable to pay customs duties and other duties and taxes due on import or export (*Article 87 of the Customs Code*).

In this regard, in case of import to Morocco, the use of the Incoterms® 2020 DDP rule -- where the seller is responsible, inter alia, for import customs formalities and duties -- will not be practical. In this case, it would be more practical to opt for another Incoterms® 2020 rule where the Moroccan buyer will be responsible for import customs formalities and duties.

Similarly, in case of export from Morocco, the use of the Incoterms® 2020 EXW rule -- where the buyer will be responsible, inter alia, for any subsequent export customs formalities and duties -- will not be practical. It would be more practical to opt for another Incoterms rule where the Moroccan seller will be responsible for export customs formalities and duties.

ICC Secretariat Guidance Note on EXW: With delivery happening when the goods are at the buyer's disposal either at the seller's premises or at another named point typically within the seller's jurisdiction or within the same customs union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.**

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020**

DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**CIP and CIF (import to Morocco)****CIP/CIF**

Under Moroccan law and regulations, as a general rule, subject to international agreements, risks located in Morocco, people domiciled in Morocco, and related liabilities must be insured by contracts underwritten and managed by approved Moroccan insurance companies (*Article 162 of the Assurance Code (Law no. 17-99 adopting the Insurance Code enacted by Royal Decree no. 1-02-238 of 25 rejeb 1423 (3 October 2002) enacting Law no. 17-99 adopting the Insurance Code as amended and supplemented by Law no. 87-18 amending and supplementing Law No. 17-99 adopting the Insurance Code enacted by Royal Decree no. 1-19-110 of 7 hija 1440 (9 August 2019) (hereinafter - the "Assurance Code")*)).

Moroccan law provides for a number of derogations: in particular, in the absence of international agreements and subject to prior approval from the Moroccan Insurance Supervisory Authority, it is possible to disregard the above rule in the following cases, among others:

- for aviation and marine insurance or the insurance of any other risks for which insurance cover could not have been obtained from approved insurance Moroccan companies;
- for insurance intended to cover a risk situated abroad and required to be underwritten with a foreign insurance company under the laws or regulations of that country or under a contract entered into by an individual residing in Morocco or a legal entity governed by Moroccan law, on the one hand, and a foreign legal entity, on the other (*ibid.*).

In addition, the Moroccan Insurance Supervisory Authority publishes decisions listing the permitted derogations to the above provisions applicable to imports during a particular year. For example, the decision of the Moroccan Insurance Supervisory Authority for imports beginning in 2024 authorises foreign underwriting of aviation or marine insurance covering the transport of the following products for which the import document mentions CIF:

- products imported as part of external financing providing for insurance to be underwritten abroad;
- equipment and tools imported under turnkey contracts providing for insurance abroad;

- crude oil, gas and diesel;
- heifers;
- wood;
- goods imported by air or parcel post.

Under Moroccan laws and regulations, only approved insurance companies are allowed to provide insurance services within the Moroccan territory, including transport insurance (*articles 161 and 165 of the Assurance Code*). The authorisation to provide insurance services may be granted, subject to other requirements and international treaties, only to companies operating under Moroccan laws and having their registered office in Morocco (*article 165 of the Assurance Code*).

In this regard, the use of the Incoterms® 2020 CIP/CIF rules for imports to Morocco -- where the seller is responsible for insurance throughout the entire transport journey -- will not be practical. It would be more practical to stipulate that the Moroccan buyer will be responsible for insurance in relation to transport in Morocco.



Myanmar

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF



Nepal


Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

Neither imports nor exports are generally required to be insured. However, for imports, requirements regarding insurance will depend on whether or not the destination of cargo shipped from overseas is a port in Bangladesh or India. In such cases, where the ocean marine cover applies only to the port, then inland transit insurance will be required for the transshipment to the destination in Nepal. Such cover is also required for the import of goods whose point of origin is in India. The shipper may arrange some of the insurance and some may be arranged by the importer, according to the terms of trade.


This applies also to exports from Nepal. Some exports, notably garments, are typically transported by air.

Country/region	Incoterms® 2020 rule
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 New Zealand	
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Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.


CIP/CIF

 Nigeria	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF


Compulsory insurance: Marine cargo imports

 Oman	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF


Compulsory insurance: Comprehensive insurance covering aircraft, crew, passenger/cargo and third party liability risks

 Pakistan	
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Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF





Compulsory insurance: Marine cargo imports

 Panama	
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Import taxes cannot be included in the invoice for purposes of reimbursement and, in the origin country, the seller cannot use the customs final declaration (pink sheet) to justify disbursement with accountants.

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

Country/region	Incoterms® 2020 rule
 Peru	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p>	CIP/CIF
 Philippines	
<p>Foreign transport insurance is allowed for CIF until the point of entry but not allowed for CIP or subsequent transport into the country.</p>	CIP/CIF
 Qatar	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p>	CIP/CIF
 Russian Federation	
<p>Customs Code of the Eurasian Economic Union (as amended on 29.05.2019) (Appendix No. 1 to the Treaty on the Customs Code of the Eurasian Economic Union)</p> <p>Article 83. Declarant</p> <p>1. The following may act as declarants of goods placed under customs procedures:</p> <p>1) a person of a Member State:</p> <ul style="list-style-type: none"> - who is a party to a transaction with a foreign person, on the basis of which goods are moved across the customs border of the Union; - on whose behalf and/or on whose instructions the transaction specified in the second paragraph of this subparagraph was concluded; - having the right of ownership, use and/or disposal of goods – if the goods are moved across the customs border of the Union not within the framework of a transaction in which one of the parties is a foreign person; - being a party to a transaction concluded with a foreign person or with a person of a Member State in relation to foreign goods located in the customs territory of the Union; - being a freight forwarder – when declaring a customs procedure for customs transit; 	DDP

2) **a foreign person:**

- being an organisation that has a representative office or branch established and/or registered in the territory of a Member State in accordance with the established procedure – when declaring customs procedures only in relation to goods transported for the needs of such a representative office or branch;
- who is the owner of the goods, if the goods are moved across the customs border of the Union not within the framework of a transaction between a foreign person and a person of a Member State;

3) **diplomatic missions**, consular offices, missions of states to international organisations, international organisations or their representative offices, other organisations or their representative offices located in the customs territory of the Union;

4) **the carrier, including the customs carrier**, when declaring the customs procedure of customs transit;

5) **a foreign person** who has received, in accordance with an international treaty of a Member State with a third party, a document provided for by such international treaty granting the foreign person the right to export goods located in the customs territory of the Union, upon declaration of the customs procedure of a customs warehouse, re-export, or export.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

Foreign transport insurance is allowed for CIF and CIP but **not allowed** for subsequent transport into the country.

CIP/CIF

According to Art. 6 of the Law No.4015-1 dd. 27.11.1992, *On organisation of the insurance business in the Russian Federation* (the Insurance Law), an 'insurance company' is a legal entity (i) created in accordance with the legislation of the Russian Federation to carry out insurance and/or

reinsurance activities, and (ii) that has received a license to carry out the relevant type of insurance activity in the manner established by the Insurance Law. A 'foreign insurance company' is a foreign legal entity that (i) meets the requirements established by the Insurance Law, (ii) has a commercial presence in the territory of the Russian Federation by creating a branch or branches, and (iii) has received a license to carry out the relevant type of insurance activity in the territory of the Russian Federation in the manner established by the Insurance Law. The provisions of the Insurance Law apply to foreign insurance companies in terms of activities carried out in the territory of the Russian Federation through the branches they have set up.

This means that any Russian-related insurance interest should be insured by an insurance company that has a license to carry out the relevant type of insurance activity.



Rwanda

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF



Saudi Arabia

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF



Senegal

Foreign transport insurance is not allowed for CIF, CIP, or subsequent transport into the country.







CIP/CIF

Compulsory insurance: Marine cargo imports

By decree n°78-179 of March 2, 1978, the Senegalese government required Senegalese shippers to buy FOB and sell CIF. Certain provisions of this law have not been applied, because article 5 of the present decree stipulates that "in order to facilitate the implementation of the provisions of this decree, Senegalese exporters and importers must denominate their sales (export in CIF) and imports in FOB."

FOB/CIF

In practice, Senegalese shippers are reported to typically prefer the opposite denomination.

Country/region	Incoterms® 2020 rule
 Seychelles	
<p>Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.</p>	CIP/CIF
 Singapore	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p>	CIP/CIF
 South Africa	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p> <p>Neither imports nor exports are required to be insured. Any cover put in place, though, would likely be subject to the above requirements. In practice, however, this may not be consistently monitored and external insurance in respect of marine cargo appears in some cases to be unofficially tolerated.</p>	CIP/CIF
 Spain	
<p>Per an update to the Spanish Land Transport Management Law (LOTT) in September 2022, truck drivers (road carriers) are not legally allowed to participate in the loading and unloading of the goods. This may impede the use of Incoterms® rules that foresee the goods being loaded or unloaded (such as EXW (implicitly) or DPU) in cases that might involve a truck driver.</p>	EXW/DPU, et al.
 Taiwan	
<p>Foreign transport insurance is allowed for CIF and CIP until the point of entry but not allowed for subsequent transport into the country.</p>	CIP/CIF
 Tajikistan	
<p>Foreign transport insurance is allowed for CIF until the point of entry but not allowed for CIP or subsequent transport into the country.</p>	CIP/CIF

Country/region	Incoterms® 2020 rule
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Tanzania

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF



Thailand

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

According to Thai Customs regulations, exporters must declare the cargo value as FOB on their export declarations, while importers are required to declare the cargo value as CIF on their import declarations. For importers and exporters who use different pricing terms in their sales contracts, these prices must be converted into FOB and CIF values accordingly in their Customs declarations.

FOB/CIF

Converting these prices can be challenging if sellers do not cooperate in providing a detailed breakdown of all related costs. While most exports are subject to zero duty, importers may face issues if they cannot provide evidence to support their CIF declarations. In such cases, Customs will apply their standard formula, which often results in values that are higher than the actual prices.



Togo

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

Compulsory insurance: Insurance for imports



Tunisia

Foreign transport insurance is not allowed for CIF, CIP, or subsequent transport into the country.

CIP/CIF

Compulsory insurance: Marine cargo imports valued at TND 3,000 (USD 980.39) or more



Turkey

In Turkey, the application of Incoterms® rules can sometimes lead to confusion or disputes between trading parties, particularly in the areas

DDP/FOB, et al.

of customs clearance, tax responsibilities and the transfer of risk during transportation.

For instance, problems can arise when parties misunderstand the implications of Incoterms® rules such as DDP or FOB regarding which party is responsible for customs duties, taxes, and handling costs at Turkish ports. This can lead to delays and financial losses, especially in the complex Turkish regulatory environment.

Another frequent issue involves the proper understanding and application of logistics and transportation regulations in Turkey, such as delays in customs procedures or port inefficiencies, which can interfere with the terms of certain Incoterms® rules and cause disputes over responsibility for shipping delays and associated costs.

In Turkey, the Ministry of Trade and the Turkish Customs Administration are the main authorities involved in overseeing the proper implementation of the Incoterms rules, especially regarding customs and tax obligations.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



Ukraine

Foreign transport insurance is allowed for CIF and CIP until the point of entry but **not allowed** for subsequent transport into the country.

CIP/CIF

According to the Tax Code of Ukraine, only companies registered on the territory of Ukraine can pay VAT, duty, excise tax and other legal payments into the Ukrainian budget, which prevents non-Ukrainian parties from easily using the Incoterms® rule DDP to export goods to Ukraine.

DDP

And on the other side, Ukrainian legislation does not provide for the payment of duties, VAT, excise tax and other legal payments by an exporter-resident of Ukraine when exporting products into other

countries, which impedes Ukrainian sellers from using the Incoterms® 2020 DDP rule as well.

Therefore, in the classic version, the Incoterms® 2020 DDP rule is not used without variations in sales contracts with Ukrainian counterparties, both for export and import.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



United Arab Emirates (UAE)

Foreign transport insurance is allowed for CIF until the point of entry but **not allowed** for CIP or subsequent transport into the country.

CIP



United Kingdom (UK)

Exporters from the UK and importers into the UK typically need to be registered for VAT and registered with the UK customs authority. These registrations are straightforward for UK-based companies, but are harder (though not impossible) for non-UK-based companies. This makes it difficult for a non-UK seller to sell to the UK on DDP, and underscores the problems of using EXW for non-domestic sales.

EXW/DDP

ICC Secretariat Guidance Note on EXW: With delivery happening when the goods are at the buyer's disposal either at the seller's premises or at another named point typically within the seller's jurisdiction or within the same customs union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where**

the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**



United States (US)

While most items exported from the US do not require licenses, the process of determining which do can be challenging. Further, the fact that the applicant for any export license must be in the US combine to make EXW extremely difficult for US export customers.

Some licenses for closely-regulated items require that they arrive at specifically designated parties in destination countries. For this reason, exporters of such items should control outward transportation, which precludes EXW and F-Group rules.

Moreover, there is a conflict between F-Group rules A7 (export/import clearance) and US Foreign Trade Regulations, which specify that when outbound carriage is provided by the buyer, the required export report is to be filed by the buyer-appointed authorised agent. This would normally be a buyer-appointed forwarder. However, there is a workaround, as the buyer may appoint anyone located in the US to file on its behalf – including the seller.

While the US Government does not specify Incoterms® rules in its regulations, it does use three-letter abbreviations – including 'FOB' – in some rules. This can cause confusion as the meaning in the domestic rule differs from the meaning of 'FOB' in the Incoterms® rules.

ICC Secretariat Guidance Note on EXW: With delivery happening under the Incoterms® rule EXW when the goods are at the buyer's disposal

EXW/FCA/FAS/FOB

either at the seller's premises or at another named point typically within the seller's jurisdiction or within the same customs union, there is no obligation on the seller to organise export clearance or clearance within third countries through which the goods pass in transit. Indeed, EXW may be suitable for domestic trades, where there is no intention at all to export the goods. The seller's participation is limited to providing assistance in obtaining such documents and information as the buyer may require for the purpose of exporting the goods. **Where the buyer intends to export the goods and where it anticipates difficulty in obtaining export clearance, the buyer would be better advised to choose the Incoterms® 2020 FCA rule, under which the obligation and cost of obtaining export clearance lies with the seller.**

Depending on the kind of goods, agencies involved or state into which the goods are being imported, import clearance may require a local certificate or other authorisation.

DDP

ICC Secretariat Guidance Note on DDP: The Incoterms® 2020 DDP rule provides that sellers are responsible for import clearances in the destination country, which can pose problems for the seller. In some countries, foreign entities are prohibited from carrying out import customs and tax formalities altogether. Even where it is allowed, complying with legal and administrative requirements in the buyer's country can be difficult and costly, representing an especial burden for small- and medium-sized sellers. **In such cases, a seller would be better advised to consider selling goods under the Incoterms® 2020 DAP or DPU rules, under which the obligation and cost of obtaining import clearance lies with the buyer.**

**Venezuela**

Foreign transport insurance is not allowed for CIF, CIP or subsequent transport into the country.

CIP/CIF

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