

Title	Demonstrate knowledge of the International Commerce Terms used for international freight forwarding		
Level	4	Credits	4

Purpose	People credited with this unit standard are able to: demonstrate knowledge of International Commerce Terms (INCOTERMS) used in international freight forwarding; and recommend an INCOTERM.
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Classification	Logistics > Freight Forwarding
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Available grade	Achieved
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Guidance Information

INCOTERMS are standard trade definitions used in international sales contracts. Refer *INCOTERMS 2020*, International Chamber of Commerce publication 715 available on <http://www.iccwbo.org/incoterms/>.

Outcomes and performance criteria

Outcome 1

Demonstrate knowledge of INCOTERMS used in international freight forwarding.

Performance criteria

- 1.1 INCOTERMS relating to international sales contracts are explained.
- 1.2 The benefits and limitations of INCOTERMS in relation to the sellers and buyers rights and obligations are described.
- Range evidence of three benefits and three limitations is required.
- 1.3 The rights and obligations of the seller and buyer consistent with INCOTERMS are described.
- Range INCOTERMS includes – Ex Works (EXW), Free Carrier (FCA), Free Along Side Ship (FAS), Free on Board (FOB), Cost and Freight (CFR), Cost Insurance and Freight (CIF), Carriage Paid to (CPT), Carriage and Insurance Paid to (CIP), Delivered At Place (DAP), Delivered At Terminal (DAT), Delivery Duty Paid (DDP).

1.4 The documentation requirements of INCOTERMS are identified.

Range INCOTERMS includes – Ex Works (EXW), Free Carrier (FCA), Free Along Side Ship (FAS), Free on Board (FOB), Cost and Freight (CFR), Cost Insurance and Freight (CIF), Carriage Paid to (CPT), Carriage and Insurance Paid to (CIP), Delivered At Place (DAP), Delivered At Terminal (DAT), Delivery Duty Paid (DDP).

1.5 The costs associated with INCOTERMS are identified.

Range INCOTERMS includes – Ex Works (EXW), Free Carrier (FCA), Free Along Side Ship (FAS), Free on Board (FOB), Cost and Freight (CFR), Cost Insurance and Freight (CIF), Carriage Paid to (CPT), Carriage and Insurance Paid to (CIP), Delivered At Place (DAP), Delivered At Terminal (DAT), Delivery Duty Paid (DDP).

Outcome 2

Recommend an INCOTERM.

Range export, import.

Performance criteria

2.1 An INCOTERM for a buyer or seller is recommended which is consistent with the needs and expectations of the customer.

Range the customer's capability, shipment, financial risks.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	30 September 1998	31 December 2023
Review	2	26 July 2005	31 December 2023
Review	3	17 June 2011	31 December 2023
Review	4	27 May 2021	N/A

Consent and Moderation Requirements (CMR) reference	0014
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact MITO New Zealand Incorporated info@mito.org.nz if you wish to suggest changes to the content of this unit standard.