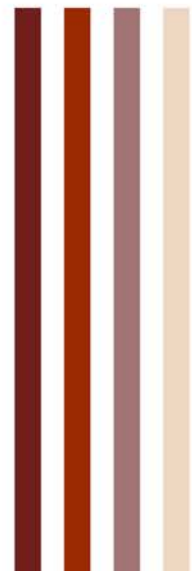




## **Incoterms and International Trade:**

Navigating Risks, Responsibility, and Cost in Cross-Border Transactions. - an AELEX International Trade Practice Group (ITPG) Webinar.

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## INTRODUCTION

On Tuesday, 19<sup>th</sup> August, 2025, the International Trade Practice Group (ITPG) of AELX led by Mrs. Rebecca Ebokpo, hosted the Annual ITPG webinar titled “Incoterms and International Trade: Navigating Risk, Responsibility, and Cross-border transactions”.

Featuring a distinguished panel of experts, including Dr. Bamidele Ayemibo, Member, ICC Commission on Customs & Trade Facilitation; Mr. Rafiq Anammah, Senior Associate and Team Lead in AELX's Transportation Practice Group; and Mr. Rodrigo Altaf, Procurement & Contracts Lead, DRA Global, the Webinar demystified Incoterms, assayed their limitations and provided practical guidance on optimising the use of Incoterms in high-value cross border transactions to minimise risk and avoid costly conflicts.

The delineation of the respective obligations of buyers and sellers, such as cost allocation, risk of loss or damage, and delivery, is usually challenging in the context of cross-border commercial transactions. In recognition of the need for certainty in and clarity on these issues, the International Chamber of Commerce (ICC) introduced the International Commercial Terms (Incoterms) in 1936. These rules were designed to establish a unified framework for the interpretation of common trade terms in international contracts. Over the years, these rules have evolved to reflect commercial realities. The most recent iteration, Incoterms 2020, provides a comprehensive structure for the allocation of risk, responsibility, and cost between contracting parties.

Despite the existence of the Incoterms rules, many stakeholders continue to encounter difficulties in documenting high-stakes international transactions or fully understanding the legal and commercial implications of their choices. As global trade and supply chains become increasingly complex, a firm grasp of the Incoterms framework is critical. Proper understanding and deployment of these rules can aid buyers and sellers in mitigating disputes, improving contractual efficiency, and ensuring that parties are adequately protected in the event of disagreements or logistical challenges.

## Strategically allocating risk, cost, and delivery obligations in cross-border transactions using Incoterms 2020 – Dr. Bamidele Ayemibo

Incoterms define the obligations of the seller and buyer in relation to delivery of goods, transfer of risk, allocation of transport and insurance responsibilities and customs formalities. Incoterms help parties avoid ambiguity by clearly assigning responsibilities at each stage of the transaction and are used to define who does what, where, and who pays for it. According to Dr. Bamidele Ayemibo, Incoterms are “contracts within contracts,” therefore traders should make sure the other terms of the underlying contract address the relevant issues in addition to the selection of and proper reference to the preferred Incoterm.

## ‘Impact of Incoterms on International Trade, Compliance and Supply Chain’. – Mr. Rodrigo Altaf

Mr. Rodrigo started his excellent presentation with an anonymous quote; ‘Incoterms are like prenups for cargo - know who's responsible before the honeymoon goes overseas’ that set the pace for an engaging and illuminating discussion on the impact of Incoterms on trade, compliance and global supply chain. He delved a little into current challenges with sanctions (Russia) and tariffs (USA), legal practice considerations when selecting Incoterms and common mistakes he has seen in the many years he has spent advising businesses that conduct international trade. He ended his presentation by providing useful tips on the future outlook of Incoterms and what can be expected in future iterations.

Generally, all the experts opined that the choice of Incoterms will be informed by the legal and regulatory regime as well as commercial considerations. Participants at the event also had the opportunity to ask questions and engage with the interactive polls that interrogated their understanding of Incoterms and dispute management. This contributed to the robustness of the session and centred the discussion on pertinent specific issues arising from using Incoterms in trade originating or terminating on African shores.

Mrs. Ebokpo expressed her appreciation to the speakers for their impactful contributions and thanked the attendees for their time, engagement and thoughtful questions throughout the two-hour session in her closing remarks. She also commended the AELX ITPG team for their dedication to organising another successful and impactful webinar. She emphasised the team's commitment to fostering a platform for learning and knowledge sharing on international trade particularly under the AfCFTA. Annual ITPG webinars are typically designed to equip stakeholders with practical insights on how to navigate cross-border transactions effectively and this year's edition was another fully packed instalment. She noted that the International Chamber of Commerce (ICC) introduced the International Commercial Terms (Incoterms) in 1936 in response to the growing need for certainty and clarity in the delineation of the respective obligations of buyers and sellers in international trade.

AELX is a leading Commercial & Dispute Resolution law firm. We are one of the largest full-service law firms in West Africa with offices in Lagos, Port Harcourt and Abuja in Nigeria and Accra, Ghana. We provide legal services involving commercial practice areas that cover a broad spectrum of matters relating to Project Finance, Litigation & Arbitration, Oil & Gas, Agriculture, Capital Market & Securities Law, Power, Tax Law, International Trade Law, Securities Law, Energy & Infrastructure, Banking & Finance Law, Aviation & Maritime Law, Intellectual Property Law, Technology Law, Telecommunications Law, Media & Entertainment and Financial Technology.

Members of the ITPG are- Mr. Adesegun A. Akin-Olugbade (International Counsel), Mrs. Rebecca Ebokpo (Partner, Nigeria), Mr. Raymond Ofagbor (Senior Associate, Nigeria), Mrs Chijioke Ochogwu (Associate, Nigeria), Ms. Oluwatosin Fajulo (Associate, Nigeria), Ms. Shalewa Akinde (Associate, Nigeria), Mr. Bolutife Desile (Associate, Nigeria), Ms. Temisan Ocloo (Associate, Nigeria), and Ms. Abena Titilola Safo-Duodu (Associate, Ghana).

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