

General Cost Insurance Freight Terms Contract (C.I.F.)

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Date _____

Sellers _____ have this day entered into a contract on the following terms and conditions.

1. Goods _____

2. Quantity _____

3. Price

At _____ per tonne of 1000 kilograms, cost, insurance and freight to _____

4. Quality

Specifications _____

5. Period of shipment

As per bill(s) of lading dated or to be dated _____

6. Shipment and classification

Shipment from _____

Shipment to be made in good condition, direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s) suitable for the carriage of the contract goods classed Lloyds 100A1, or equivalent class, or in accordance with the Institute Classification Clause of the Institute of London Underwriters.

7. Extension of shipment

The contract period for shipment, if such be 31 days or less, shall, if desired by the Shipper, be extended by an additional period of not more than 8 days, provided that the Shipper gives notice claiming extension by telegram, or telex sent not later than the next business day following the last day of the originally stipulated period. The notice need not state the number of additional days claimed, and such notice shall be passed on by Sellers to their Buyers respectively in due course after receipt. Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on the number of days by which the originally stipulated period is exceeded as follows: for 1, 2, 3 or 4 additional days, 0.50% of the gross c.i.f. price; for 5 or 6 additional days, 1% of the gross c.i.f. price; for 7 or 8 additional days 1.50% of the gross c.i.f. price. If, however, after having given notice to the Buyers as above, the Sellers fail to make shipment within such 8 days, then the contract shall be deemed to have called for shipment during the originally stipulated period plus 8 days, at contract price less 1.50%, and any settlement for default shall be calculated on that basis. If any allowance becomes due under this clause, the contract price shall be deemed to be the original contract price less the allowance and any other contractual differences shall be settled on the basis of such reduced price.

8. Appropriation

Notice of Appropriation stating the vessel's name, the port of shipment, date of the bill of lading and the approximate weight shipped, shall, within 10 consecutive days (unless otherwise agreed), from the date of the bill of lading be despatched by or on behalf of the Shipper direct to his Buyers or to the Selling Agent or Broker named in the contract. In case of resales, notices of appropriation to be passed on without delay. The Non-Business Days Clause shall not apply.

9. Payment _____

Final Invoices for monies due may be prepared by either party and shall be settled without delay. If not settled, either party may declare that a dispute has arisen which may be referred to arbitration as herein provided.

10. Interest

If there has been unreasonable delay in any payment interest appropriate to the currency involved shall be charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration. Otherwise interest shall be payable only where specifically provided in the terms of the contract, or by an award of arbitration. The terms of this clause do not override the parties obligation under the Payment Clause.

11. Shipping documents

Shipping documents shall consist of:

1. Invoice.

2. Full set(s) of on board Bill(s) of Lading and/or Ship's Delivery Order(s) and/or other Delivery Order(s) in negotiable and transferable form. Such other Delivery Order(s) if required by Buyers, to be certified by the Shipowners, their Agents or a recognised bank.

3. Policy(ies) and/or Insurance Certificate(s) and/or Letter(s) of Insurance in the currency of the contract. The Letter(s) of Insurance to be certified by a recognised bank if required by Buyers.

4. Other documents as called for under the contract. Should documents be presented with an incomplete set of bill(s) of lading or should other shipping documents be missing, payment shall be made, provided that delivery of such missing documents be guaranteed, such guarantee to be signed, if required by Buyers, by a recognised bank. Acceptance of this guarantee shall not prejudice Buyers' rights under this contract. No clerical error in the documents shall entitle Buyers to rejection or to delay payment provided that Sellers furnish at the request of Buyers a guarantee, to be countersigned by a recognised bank, if required by Buyers. Sellers shall be responsible for any loss or expense incurred by Buyers on account of such error. Buyers agree to accept documents containing the Chamber of Shipping War Deviation Clause and/or other recognised official War Risk Clause.

12. Duties, taxes, levies, etc

All export duties, taxes, levies, etc., present or future, in country of origin, shall be for Sellers' account. All import duties, taxes, levies, etc., present or future, in country of destination, shall be for Buyers' account.

13. Discharge _____

14. Weighing _____

15. Sampling and analysis

Samples required for the purposes of the contract shall be taken and analytical instructions shall be given in accordance with the GAFTA Sampling Rules Form No. 124. When superintendents are required for the purposes of supervision and sampling of the goods in accordance with these Rules, then the parties agree to appoint from superintendents in the GAFTA Approved Register of Superintendents.

16. Insurance

Sellers shall provide insurance on terms not less favourable than those set out hereunder, and as set out in detail in The Grain and Feed Trade Association Form. 72 viz Risks Covered:

Cargo Clauses (W.A.), with average payable, with 3 % franchise or better terms;	- Section 2 of Form 72
War Clauses (Cargo);	- Section 4 of Form 72
Strikes, Riots and Civil Commotions Clauses (Cargo);	- Section 5 of Form 72

17. Prohibition

In case of prohibition of export, blockade or hostilities or in case of any executive or legislative act done by or on behalf of the government of the country of origin or of the territory where the port or ports of shipment named herein is/are situate, restricting export, whether partially or otherwise, any such restriction shall be deemed by both parties to apply to this contract and to the extent of such total or partial restriction to prevent fulfilment whether by shipment or by any other means whatsoever and to that extent this contract or any unfulfilled portion thereof shall be

cancelled. Sellers shall advise Buyers without delay with the reasons therefor and, if required, Sellers must produce proof to justify the cancellation.

18. Force majeure, strikes etc

Sellers shall not be responsible for delay in shipment of the goods or any part thereof occasioned by any Act of God, strike, lockout, riot or civil commotion, combination of workmen, breakdown of machinery, fire or any cause comprehended in the term "force majeure". If delay in shipment is likely to occur for any of the above reasons, the Shipper shall give notice to his Buyers by telegram, telex or by similar advice within 7 consecutive days of the occurrence, or not less than 21 consecutive days before the commencement of the contract period, whichever is the later. The notice shall state the reason(s) for the anticipated delay. If after giving such notice an extension to the shipping period is required, then the Shipper shall give further notice not later than 2 business days after the last day of the contract period of shipment stating the port or ports of loading from which the goods were intended to be shipped, and shipments effected after the contract period shall be limited to the port or ports so nominated. If shipment be delayed for more than 30 consecutive days, Buyers shall have the option of cancelling the delayed portion of the contract, such option to be exercised by Buyers giving notice to be received by Sellers not later than the first business day after the additional 30 consecutive days. If Buyers do not exercise this option, such delayed portion shall be automatically extended for a further period of 30 consecutive days. If shipment under this clause be prevented during the further 30 consecutive days extension, the contract shall be considered void. Buyers shall have no claim against Sellers for delay or non-shipment under this clause, provided that Sellers shall have supplied to Buyers, if required, satisfactory evidence justifying the delay or non-fulfilment.

19. Notices

All notices served on the parties pursuant to this contract shall be served by letter, if delivered by hand on day of writing, or by telegram or by telex or by other method of rapid written communication. A notice to the broker or agent shall be deemed a notice under this contract. For the purpose of time limits, the date and time of despatch shall, unless otherwise stated, be deemed to be the date and time of service. In case of resales all notices shall be passed on without delay by Buyers to their respective Sellers or vice-versa.

20. Non-business days

Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days which The Grain and Feed Trade Association may declare as non-business days for specific purposes, shall be non-business days. Should the time limit for doing any act or giving any notice expire on a non-business day, the time so limited shall be extended until the first business day thereafter. The period of shipment shall not be affected by this clause.

21. Default

In default of fulfilment of contract by either party, the following provisions shall apply:

(a) The party other than the defaulter shall, at their discretion have the right, after giving notice by letter, telegram or telex to the defaulter to sell or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default price.

(b) If either party be dissatisfied with such default price or if the right at (a) above is not exercised and damages cannot be mutually agreed, then the assessment of damages shall be settled by arbitration.

(c) The damages payable shall be based on the difference between the contract price and either the default price established under (a) above or upon the actual or estimated value of the goods, on the date of default, established under (b) above.

(d) In all cases damages shall, in addition, include any proven additional expenses which would directly and naturally result in the ordinary course of events from the defaulter's breach of contract, but shall in no case include loss of profit on any sub-contracts made by the party defaulted against or others unless the Arbitrator(s) or Board of Appeal, having regard to special circumstances, shall in his/their sole and absolute discretion think fit.

(e) Damages, if any, shall be computed on the quantity appropriated if any but, if no such quantity has been appropriated then on the mean contract quantity, and any option available to either party shall be deemed to have been exercised accordingly in favour of the mean contract quantity.

(f) Default may be declared by Sellers at any time after expiry of the contract period, and the default date shall then be the first business day after the date of Sellers' advice to their Buyers. If default has not already been declared then (notwithstanding the provisions stated in the Appropriation Clause) if notice of appropriation is not passed by the 10th consecutive day after the last day for appropriation laid down in the contract, where the Appropriation Clause provides for 7 or more days for despatch of the appropriation, or if notice of appropriation is not passed by the 4th business day after the last day for appropriation laid down in the contract where the Appropriation Clause provides for less than 7 days for despatch of the appropriation, the Sellers shall be deemed to be in default, and the default date shall then be the first business day thereafter.

22. Insolvency

If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he is unable to meet debts or that he has suspended or that he is about to suspend payments of his debts, convene, call or hold a meeting of creditors, propose a voluntary arrangement, have an administration order made, have a winding up order made, have a receiver or manager appointed, convene, call or hold a meeting to go into liquidation (other than for reconstruction or amalgamation) become subject to an Interim Order under Section 252 of the Insolvency Act 1986, or have a Bankruptcy Petition presented against him (any of which acts being hereinafter called an "Act of Insolvency") then the party committing such Act of Insolvency shall forthwith transmit by telex or telegram or by other method of rapid written communication a notice of the occurrence of such Act of Insolvency to the other party to the contract and upon proof (by either the other party to the contract or the Receiver, Administrator, Liquidator or other person representing the party committing the Act of Insolvency) that such notice was thus given within 2 business days of the occurrence of the Act of Insolvency, the contract shall be closed out at the market price ruling on the business day following the giving of the notice. If such notice be not given as aforesaid, then the other party, on learning of the occurrence of the Act of Insolvency, shall have the option of declaring the contract closed out at either the market price on the first business day after the date when such party first learnt of the occurrence of the Act of Insolvency or at the market price ruling on the first business day after the date when the Act of Insolvency occurred.

In all cases the other party to the contract shall have the option of ascertaining the settlement price on the closing out of the contract by repurchase or re-sale, and the difference between the contract price and the re-purchase or re-sale price shall be the amount payable or receivable under this contract.

23. Domicile

Buyers and Sellers agree that, for the purpose of proceedings either legal or by arbitration, this contract shall be deemed to have been made in England, and to be performed there, any correspondence in reference to the offer, the acceptance, the place of payment, or otherwise, notwithstanding, and the Courts of England or arbitrators appointed in England, as the case may be, shall, except for the purpose of enforcing any award made in pursuance of the Arbitration Clause hereof, have exclusive jurisdiction over all disputes which may arise under this contract. Such disputes shall be settled according to the law of England, whatever the domicile, residence or place of business of the parties to this contract may be or become. Any party to this contract residing or carrying on business elsewhere than in England or Wales, shall for the purpose of proceedings at law or in arbitration be considered as ordinarily resident or carrying on business at the offices of The Grain and Feed Trade Association, and if in Scotland, he shall be held to have prorogated jurisdiction against himself to the English Courts; or if in Northern Ireland to

have submitted to the jurisdiction and to be bound by the decision of the English Courts. The service of proceedings upon any such party by leaving the same at the office of The Grain and Feed Trade Association, together with the posting of a copy of such proceedings to his address abroad, or in Scotland or in Northern Ireland, shall be deemed good service, any rule of law or equity to the contrary notwithstanding. Where goods forming the subject of this contract are not for consumption in Great Britain or Northern Ireland nothing in the foregoing shall make the sale subject to the provisions of the Agriculture Act for the time being in force.

24. Arbitration

(a) Any dispute arising out of or under this contract shall be settled by arbitration in accordance with the Arbitration Rules, No. 125, of The Grain and Feed Trade Association, in the edition current at the date of this contract, such Rules forming part of this contract and of which both parties hereto shall be deemed to be cognisant.

(b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings against the other of them in respect of any such dispute until such dispute shall first have been heard and determined by the Arbitrator(s) or a Board of Appeal, as the case may be, in accordance with the Arbitration Rules and it is expressly agreed and declared that the obtaining of an award from the Arbitrator(s) or a Board of Appeal, as the case may be, shall be a condition precedent to the right of either party hereto or of any persons claiming under either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute.

25. International conventions

The following shall not apply to this contract:

(a) the Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on International Sales Act 1967;

(b) the United Nations Convention on Contracts for the International Sale of Goods of 1980; and

(c) the United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the amending Protocol of 1980.

Sellers _____ Buyers _____