

# IFA TRADE CONTRACT TEMPLATE

## - CIF DRY BULK -

### COMMERCIAL TERMS

Seller agrees to sell and to deliver and Buyer agrees to purchase and to take delivery of the Product as per the terms and conditions set forth in this Contract:

Contract Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
day month year

<b>Contract Ref.</b>	_____		
<b>1 Seller</b>	_____	_____	_____
	Seller name	Seller address	
<b>2 Buyer</b>	_____	_____	_____
	Buyer name	Buyer address	
<b>3 Product</b>	_____		
<b>4 Quantity</b>	_____	+/- _____	% determined at _____
	qty	unit	% Seller's / Buyer's option
<b>5 Specifications</b>	The Seller warrants and guarantees that all Product supplied pursuant to this Contract shall be in conformity with the following Specifications:		

This IFA Trade Contract Template (the "Template") has been provided as a starting point for parties looking to enter a contractual buy/sell relationship. IFA makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of any information contained therein. The Template, or parts thereof, may be used or modified as appropriate by the parties. By utilizing this Template, the parties (i) assume full responsibility for any loss, damage, or liability resulting from the use of the Template and (ii) release IFA and the preparers of the Template from any known and unknown claims, demands and/or causes of action that may arise, at any time, out of or relating to their use thereof. IFA cannot and will not provide any advice as it relates to any disputes between parties that have incorporated any terms provided in a Template. Nothing herein constitutes legal advice or the establishment of an attorney-client relationship. The parties may wish to obtain their own independent legal review prior to formalizing any agreement. Disputes between parties utilizing the Template, or variant thereof, should be decided by the court/arbitration tribunal designated in their agreement.

6	<b>Packing</b>	In bulk									
7	<b>Price</b>	_____ per _____ currency amount unit									
8	<b>Payment Terms</b>	_____									
9	<b>Default Interest Rate</b>	_____ % per annum									
10	<b>Shipment Period</b>	The term "Shipment Period" refers to the period agreed by the parties during which the nominated vessel ("Vessel") shall be scheduled for loading.  Shipment Period: from _____ fill _____ both included, on _____ date date Seller's / Buyer's option									
11	<b>Product Origin</b>	_____									
12	<b>Load Port/ Terminal</b>	_____									
13	<b>Destination</b>	_____									
14	<b>Discharge Rate</b>	Product to be discharged at an average rate of _____ per _____ : qty unit  <table border="0"> <tr> <td>PWWD SShEX UU</td> <td>PWWD FHINC</td> <td>PWWD FHEX EIU</td> </tr> <tr> <td>PWWD SShEX UU</td> <td>PWWD SShEX EIU</td> <td>PWWD FSHEX EIU</td> </tr> <tr> <td>PWWD SShINC</td> <td>PWWD SShEX EIU</td> <td>_____ other</td> </tr> </table> <p style="text-align: right;"><b>(check only one)</b></p>	PWWD SShEX UU	PWWD FHINC	PWWD FHEX EIU	PWWD SShEX UU	PWWD SShEX EIU	PWWD FSHEX EIU	PWWD SShINC	PWWD SShEX EIU	_____ other
PWWD SShEX UU	PWWD FHINC	PWWD FHEX EIU									
PWWD SShEX UU	PWWD SShEX EIU	PWWD FSHEX EIU									
PWWD SShINC	PWWD SShEX EIU	_____ other									
15	<b>Demurrage/ Despatch</b>	<p>15.1. The parties agree that "Laytime" is the amount of time allowed for all activities relating to discharge the Product under this Contract.</p> <p>15.2. In case the Vessel is delayed at the Discharge Port/Terminal by the Buyer longer than the Laytime allowed, Buyer shall pay Seller demurrage at the rate specified in the charter party between Seller and Vessel owner for every running day, or part thereof, the Vessel is so detained but not to exceed _____ per day, with portions of days to count proportionately. currency amount</p> <p>15.3. Seller shall pay the Buyer despatch at half of demurrage rate for all Laytime saved at Discharge Port/Terminal at the same rate specified in the charter party between Seller and Vessel owner, with portions of days to count proportionately.</p> <p>15.4. Demurrage and despatch claims (including undisputed invoice and supporting documents) shall be submitted within thirty (30) calendar days from completion of Vessel's discharging and shall be settled within fourteen (14) calendar days after submission, unless otherwise agreed by the parties.</p>									

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**Notice of  
Readiness****(check only one)**

SSHEX	FHEX	_____
SHEX	FHINC	other
SSHINC	FSHEX	

After the Vessel is ready in all respects to proceed to the berth to commence discharging the Product, the master, or the master's agent, shall give the Buyer or Buyer's agent written notice by email, fax, letter, or telegraph that the Vessel is ready to discharge the Product.

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**Inspection**

17.1. At Load Port/Terminal, an independent, internationally recognized inspection company ("Inspection Company") shall certify:

- 17.1.1. **Prior to loading:** **(check any that are applicable)**  
 Holds and hatches cleanliness of the Vessel (appointed by \_\_\_\_\_ at \_\_\_\_\_ cost)  
 Seller / Buyer / jointly options Seller's / Buyer's / shared options  
 Cleanliness of the loading facilities (appointed by \_\_\_\_\_ at \_\_\_\_\_ cost)  
 Seller / Buyer / jointly options Seller's / Buyer's / shared options
- 17.1.2. **At loading time:** **(check any that are applicable)**  
 Weight/Quantity of the Product (appointed by \_\_\_\_\_ at \_\_\_\_\_ cost)  
 Seller / Buyer / jointly options Seller's / Buyer's / shared options  
 Quality of the Product (appointed by \_\_\_\_\_ at \_\_\_\_\_ cost)  
 Seller / Buyer / jointly options Seller's / Buyer's / shared options

17.2. The weight/quantity and quality certificates provided by the Inspection Company with respect to the Product shall be final and binding for Seller and Buyer.

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**Documents**

18.1. Seller shall provide to Buyer (or its designate) the following documents:

**(check any that are applicable)**

Full set of original Bills of Lading and \_\_\_ non-negotiable copies

Invoice ( \_\_\_ original/s and \_\_\_ copy/ies)

Certificate of Origin of the Product ( \_\_\_ original/s and \_\_\_ copy/ies)

18.2. If issued by an independent, internationally recognized inspection company appointed by Seller, Seller shall provide the following additional documents:

**(check any that are applicable)**

Certificate of Weight/Quantity ( \_\_\_ original/s and \_\_\_ copy/ies)

Certificate of Quality ( \_\_\_ original/s and \_\_\_ copy/ies)

Certificate of Holds cleanliness of the Vessel ( \_\_\_ original/s and \_\_\_ copy/ies)

Certificate of cleanliness of the loading facilities  
( \_\_\_ original/s and \_\_\_ copy/ies)\_\_\_\_\_  
other

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**Insurance**

- 19.1. Seller is responsible for arranging marine cargo and other applicable insurance coverage sufficient to cover loss of or damage to the cargo.
- 19.2. Seller warrants that at all times that Vessel is at or approaching the Discharge Port or Terminal, Vessel shall have valid Protection and Indemnity Insurance with limits of not less than \_\_\_\_\_ and valid Pollution Liability Insurance with limits not \_\_\_\_\_ less than that required by applicable law. If requested by Buyer, Seller shall promptly furnish to the Buyer, Discharge Port or Terminal, as applicable, evidence of the above referenced insurance.

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**Applicable Law  
and Dispute  
Resolution Location**

This Contract shall be governed by and construed in accordance with:

**(check only one)**

English law and seat of arbitration shall be in London, UK

Singaporean law and seat of arbitration shall be in Singapore, Singapore

General maritime law of the United States (with respect to marine, maritime and Vessel matters) and the laws of the state of New York for all other matters, and seat of arbitration shall be in New York, New York, USA

\_\_\_\_\_ law and seat of arbitration shall be in \_\_\_\_\_

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**Dispute Resolution**

- 21.1. In the event of any dispute arising out of or in connection with this Contract, the parties shall first refer the dispute to proceedings under the ICC Mediation Rules. The commencement of proceedings under the ICC Mediation Rules shall not prevent any party from commencing arbitration in accordance with the below sub-clauses.
- 21.2. All disputes arising out of or in connection with this Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce in effect at the Contract date by:
- (check only one)**
- one, or
- three arbitrators
- appointed in accordance with the said Rules. The award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction.
- 21.3. The language of the mediation and arbitration shall be English.

<b>22</b> <b>Notice Parties</b>	22.1. Any notice to the Seller:	_____	_____
		Contact name	Contact title
		_____	_____
		Email address	Phone number
<b>23</b> <b>Additional Provisions</b>	22.2. Any notice to the Buyer:	_____	_____
		Contact name	Contact title
		_____	_____
		Email address	Phone number

The above Commercial Terms, together with the attached Terms and Conditions ("T&C"), constitute the entire agreement between the parties with respect to the matters set forth herein (the Commercial Terms and the T&C shall together constitute the "Contract"). Provided, however, that if there is any conflict between the Commercial Terms and the T&C, the Commercial Terms shall prevail.

This Contract may be executed simultaneously in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Contract. The parties agree that facsimile and electronically-transmitted signatures, whether in .pdf format or otherwise, shall have the same force and effect as original signatures for all purposes.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed by their duly authorized representatives.

_____	_____
Buyer's full legal name	Seller's full legal name
_____	_____
Buyer's signature	Seller's signature
_____	_____
title	title
_____	_____
print name	print name
_____	_____
date	date

- i. **DISCLAIMER OF WARRANTIES/GUARANTIES. SELLER WARRANTS AND GUARANTEES THAT ALL PRODUCT SUPPLIED PURSUANT TO THIS CONTRACT SHALL BE IN CONFORMITY WITH THE SPECIFICATIONS. ALL OTHER GUARANTEES, WARRANTIES, CONDITIONS AND REPRESENTATIONS, EITHER EXPRESSED OR IMPLIED, ORAL OR IN WRITING, WHETHER ARISING UNDER STATUTE, COMMON LAW, COMMERCIAL USAGE OR OTHERWISE ARE EXCLUDED, INCLUDING ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- ii. **Limitation of Liability.** Except with respect to breaches of confidentiality, under Section xxv of these T&C's, each party's exclusive remedy against the other for any claim of any kind for any loss or damage arising out of or in any way relating to the Contract (whether in contract, tort, strict liability or otherwise) shall be for actual money damages and not for injunctive or other relief (whether at law or in equity). **UNDER NO CIRCUMSTANCE (BUT SUBJECT TO THE MAXIMUM EXTENT PERMITTED BY LAW) SHALL EITHER BUYER OR SELLER BE LIABLE TO THE OTHER PARTY WHETHER DUE TO BREACH OF CONTRACT, TORT, NEGLIGENCE, WARRANTY, STRICT LIABILITY OR OTHERWISE, FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOSS OF GOODWILL OR BUSINESS PROFITS, OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSS. EXCEPT AS OTHERWISE SET FORTH IN THE CONTRACT, THE MAXIMUM MONETARY LIABILITY BY EITHER BUYER OR SELLER UNDER THIS CONTRACT SHALL BE EQUAL TO THE TOTAL PRICE OF THE PRODUCT.**
- iii. **Title / Risk of Loss.** Any and all Products delivered shall remain Seller's property until the price of the Product is paid in full. The title in the goods will pass to Buyer as soon as Seller receives full payment for the Product. Delivery shall occur and risk of loss of or damage to the Product shall pass from Seller to Buyer when the Product is on board the Vessel nominated by Seller.
- iv. **Payment.** Payment shall be made as stipulated in the Commercial Terms, without withholding, deduction, set off or counterclaim to the bank designated by Seller. Payment must be received at the disposal of Seller no later than the due date. If payment is due on a non-banking day at such place as may be designated by Seller for payment, payment must be received by the nearest preceding banking day.
- v. **Interest.** All amounts that are not paid when due shall automatically bear interest at the Default Interest Rate set forth in Section 9 of this Contract, or, if less, at the highest rate allowed by applicable law, for the entire period that the due amounts remain unpaid.
- vi. **Licenses, authorizations and formalities.** Unless otherwise agreed by the parties, the Seller must obtain at its own risk and expense any export license and/or other official authorization and carry out, where applicable, all customs formalities necessary for the export of the Product to the extent required by INCOTERMS 2020, and, to the extent not required by INCOTERMS 2020, such responsibilities shall be the obligation of Buyer. Unless otherwise agreed by the parties, the Seller shall be responsible for all costs associated with loading, taxes, duties and licenses imposed by the country in which the Product is loaded and all other costs, charges and levies of the exporting country, whether existing at the date of loading, whether applicable to the Product or to commercial documents relating thereto. Unless otherwise agreed by the parties, the Buyer must obtain at its own risk and expense any import license and/or other official authorization and carry out, where applicable, all customs formalities for the import of the Product, where necessary, for their transit through any country including, without limitation, all costs associated with transportation, discharge, taxes, duties and licenses imposed by the country in which the Product is discharged and all other costs, charges and levies of the importing country, whether existing at the date of discharge, whether applicable to the Product or to commercial documents relating thereto.
- vii. **Letter of Credit ("LC") Payment.** If the Commercial Terms require payment to be made by means of Letter of Credit, the following provisions shall apply: LC must be irrevocable and workable, and shall be issued by a bank reasonably acceptable and in a form acceptable to Seller. Buyer is responsible for all Bank charges, unless otherwise agreed in writing. If the parties agree to extend the shipment period, Buyer shall amend the LC accordingly with the cost to be paid by mutual agreement.
- viii. **Payment by Documentary Collection.** If the Commercial Terms require payment to be made by documentary collection (i.e., cash against documents), the following provisions shall apply: Buyer shall pay immediately to Seller's designated bank account upon receipt of the agreed documents by Buyer's bank. Buyer's bank must be acceptable to Seller. Each party shall bear its own costs, unless otherwise agreed.
- ix. **Documentary instructions.** Seller shall receive complete documentary instructions and requirements for issuing of shipping documents in writing and not less than seven (7) working days prior to the commencement of the Shipment Period.

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- x. **Vessel Nomination and Acceptance.** Buyer shall advise the Seller, in writing, of any restrictions prevailing at the Discharge Port, including any existing or reasonably anticipated weather conditions, no less than twenty-eight (28) days prior to commencement of loading, unless otherwise agreed by the parties. Seller shall nominate a suitable vessel in time for Seller to perform its obligations under the Contract, but in any event not less than fourteen (14) days prior to commencement of loading, unless otherwise agreed by the parties.
- Such nomination must be in writing and shall specify: (i) the vessel name and its characteristics (IMO number, date built, flag, etc.) and (ii) demurrage rate for delay in loading, which shall be the rate specified in the charter party between Seller and vessel owner. Seller may nominate a substitute vessel for a vessel previously nominated in accordance with the terms and conditions set forth herein. Unless Seller advises that other time limits are imposed due to operational or chartering constraints, Buyer shall give notice accepting or rejecting the vessel nomination as soon as reasonably practicable, but in any event within forty-eight (48) hours excluding Fridays (where applicable), Saturdays, Sundays and holidays after receipt of nomination. Buyer shall not unreasonably reject any vessel nomination. In the case of Buyer's reasonable rejection together with explanation of such rejection of the vessel, Seller shall, as soon as practical, nominate and give notice of an alternative vessel and/or date range for arrival of such vessel for Buyer's acceptance or rejection within forty-eight (48) hours excluding Fridays (where applicable), Saturdays, Sundays and holidays.
- xi. **Arrival of Vessel.** Seller shall request the owner of the Vessel to report its position and latest ETA at noon local time at the Discharge Port at each of 10/7/5/3/2/1 days prior to Vessel's arrival at the Discharge Port to any party as instructed by Buyer.
- xii. **Discharge and Discharging Facilities.** Buyer shall ensure that the discharging berth, terminal and installations together with all their facilities and equipment comply in all respects with the requirements of the ISPS Code. Buyer shall nominate the berth to which the Vessel can safely reach and leave and at which she can lie and load at all times afloat. Seller shall ensure that it, or any parties contracted by it, shall abide by the safety and access procedures at any facility utilized by the Buyer with respect to this transaction. Seller shall be responsible for any loss caused to the terminal, Discharge Port, and discharging facilities by it or parties contracted by it while abiding to the safety and access procedures of facilities' operators.
- xiii. **Overtime.** Overtime shall be for the party ordering the same.
- xiv. **Stevedores.** Stevedores at Discharge Port shall be appointed by the Buyer and the Buyer shall be responsible for timely discharging of the Vessel free of risk and expense to the Vessel and for any stevedore damage and its related cost caused to the Vessel and/or the Product.
- xv. **Force Majeure.** The ICC Force Majeure clause 2003 is incorporated by reference into this Contract.
- xvi. **Incoterms.** Except to the extent inconsistent herewith, the Contract shall be governed by the provisions of the INCOTERMS 2020 CIF. In the event there are any inconsistencies between this Contract and INCOTERMS 2020, the terms of this Contract shall prevail.
- xvii. **Compliance with Laws.** Each party shall comply with all applicable laws and regulations in its performance of the Contract. The parties warrant that they shall comply with all economic and trade sanction laws, anti-boycott laws and trade restrictions imposed by the applicable law of the countries where any party is established; provided that nothing herein shall require a party to violate any law of its home country. A non-compliant party shall defend and indemnify the other party for any costs incurred and/or fines/penalties/sanctions imposed as a result of non-compliance with this section. Any breach of this section by a non-compliant party shall enable the other party to immediately terminate this Contract.
- xviii. **Default.** If any of the parties (a) fail to perform any of its obligations under the Contract and such default has not been cured (or commenced actions to cure) within ten (10) working days' notice by the non-defaulting party to the defaulting party or (b) if bankruptcy, reorganization, liquidation or receivership proceedings are instituted by or against one of the parties, this shall constitute an event of default under the Contract, whereupon the other party may, in its absolute discretion, and without prejudice to any other rights it may have in law or equity, take one or more of the following actions: (i) terminate the Contract upon written notice to the other party; (ii) cancel any quantities which have not been delivered or (iii) treat the default as a repudiatory breach of the Contract and claim damages. Such rights and remedies may be exercised independently and shall not be mutually exclusive. If Buyer fails to purchase or take delivery of the Product or Seller fails to deliver the Product: (a) the non-defaulting party has the right, after serving at least five (5) working days written notice on the other party, to buy/sell the same Product from/to a third party and such purchase/sale shall establish the default price (the "Default Price") and (b) the non-defaulting party has the right to claim the difference between the Contract Price and the Default Price as damages against the defaulting party).



- xxix. **Assignment.** All covenants and agreements contained in the Contract by or on behalf of Buyer or Seller will bind and inure to the respective successors and assigns of the parties hereto; provided, however, that neither party may assign the Contract, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- xx. **Headings.** The headings used herein are inserted for convenience only and do not constitute a part of the Contract.
- xxi. **Waiver.** The waiver by a party of any breach of the Contract or the failure of any party to enforce any of the terms and conditions of the Contract at any time shall not in any way affect, limit or waive that party's right thereafter to enforce and compel strict compliance with every term and condition thereof.
- xxii. **Survival of Claims.** Termination or expiration of the Contract shall not relieve either party of any obligation or deprive it of any right arising prior to termination or expiration.
- xxiii. **Time.** Time is of the essence of the Contract and of each and every provision thereof, unless otherwise agreed by the parties.
- xxiv. **Fees and Expenses.** In any proceeding, the prevailing party will be entitled to recover, in addition to its damages (which are subject to limitations stated elsewhere in the Contract), its reasonable attorneys' fees, expert witness fees, and other ordinary and necessary costs of litigation or arbitration, as determined by the arbitrators or court. Those costs include, without limitation, costs of arbitrators and arbitration, attorneys' fees and costs of any legal proceedings brought to enforce a judgment or decree.
- xxv. **Confidentiality.** Both Seller and Buyer shall keep and maintain, and shall cause its officers, employees, agents and contractors to keep and maintain, the confidentiality of all information relating to the price, quantity and type of Product purchased or sold under the Contract and shall not disclose any information to any third party except to the extent necessary to perform its obligations under the Contract and except that neither party shall have any obligation of confidentiality with respect to information that (a) is generally available to the public, (b) is or becomes known to such party through sources not bound by any obligation of confidentiality, (c) is required to be disclosed under applicable law, or (d) as may be required to by a party to enforce its rights under the Contract.
- xxvi. **Severability.** Whenever possible, each provision of the Contract will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of the Contract is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Contract.
- xxvii. **Conflicting Terms.** No term in any purchase order, acknowledgement form or other document from Seller or Buyer which conflicts with the terms hereof or increases Seller's or Buyer's obligations hereunder shall be binding on Seller or Buyer notwithstanding any provision in any such purchase order, acknowledgement form or other document to the contrary.
- xxviii. **Notices.** All notices, demands or other communications to be given or delivered hereunder shall be in writing and shall be deemed to have been given: (i) if delivered personally, when delivered, (ii) if mailed by certified or registered mail, postage prepaid and return receipt requested, three (3) business days after they have been mailed, (iii) if sent by a recognized private courier service, two (2) business days after they have been sent, or (iv) if sent by e-mail, at the time sent, in each case to the recipient at the address specified in the Contract, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.
- xxix. **Amendments and Waivers.** The Contract may be amended, or any provision of the Contract waived, only in a writing or writings signed by both parties to the Contract. The waiver by a party of any breach of the Contract or the failure of any party to enforce any of the terms or conditions of the Contract at any time shall not in any way affect, limit or waive that party's right thereafter to enforce and compel strict compliance with every term and condition of the Contract.
- xxx. **Entire Agreement.** The Contract embodies the complete agreement and understanding between Buyer and Seller with respect to the subject matter hereof and supersedes and preempts all prior or contemporaneous understandings, agreements or representations, written or oral, relating to the subject matter hereof.