

# Contract No.18



Copyright  
THE GRAIN AND FEED TRADE ASSOCIATION

## GOODS FROM CONTRACT FOR AUSTRALIA IN BULK FOB TERMS

*\* delete/specify as applicable*

**Date**.....

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

**SELLERS**

.....  
.....

**INTERVENING AS BROKERS**

.....  
.....

**BUYERS**

.....  
.....

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

**1. GOODS** .....

**2. QUANTITY** .....

5 % more or less at Buyers' option at contract price. In the event of more than one delivery being made each delivery shall be considered a separate contract, but the tolerance on the mean quantity sold shall not be affected thereby.

**3. PRICE** .....

At the price per tonne of 1,000 kilograms delivered Stowed and Trimmed, Free on Board Buyers' vessel at .....

**4. BROKERAGE** .....per tonne, to be paid by Sellers on the mean contract quantity, goods lost or not lost,

contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the contract under the terms of the Prevention of Performance Clause. Brokerage shall be due on the day shipping documents are exchanged, or if the goods are not delivered then the brokerage shall be due on the 30<sup>th</sup> consecutive day after the last day of the period for presentation of the vessel. Any disputes arising out of this clause shall be referred to arbitration in accordance with the arbitration clause.

**5. QUALITY**

**\*Warranted to contain**

Difference in quality shall not entitle Buyers to reject except under the award of arbitrator(s) or board of appeal, as the case may be, referred to in the Arbitration Rules specified in the Arbitration Clause.

**\*Official**..... certificate of inspection or certification of inspection of..... issued at time and place of delivery shall be final as to quality. Buyers shall not be entitled to reject the delivery of a higher grade of grain of the same colour and description.

**\*Sample**, at time and place of delivery about as per sealed sample marked .....  
in possession .....

the word "about" when referring to quality shall mean the equivalent of 0.50% on contract price.

**Condition.** Delivery shall be made in good condition.

47 **6. PERIOD FOR PRESENTATION OF THE VESSEL**

48 Presentation of the vessel during .....at Buyers' call.

49 **Nomination of vessel.**

50 Buyers shall serve not less than ..... consecutive days' notice of the name and probable readiness date of  
51 the vessel and the estimated tonnage required. The Buyer has the right to substitute any nominated vessel. Buyers'  
52 obligations regarding pre-advice shall only apply to the original vessel nominated. No new pre-advice is required  
53 to be given in respect of any substitute vessel, provided that the substitute vessel arrives no earlier than the  
54 estimated time of arrival of the original vessel nominated and always within the period for presentation of the  
55 vessel. Provided the vessel is presented at the loading port in readiness to load within the period for presentation  
56 of the vessel, Sellers shall if necessary complete loading after the period for presentation of the vessel and carrying  
57 charges shall not apply. Notice of substitution to be given as soon as possible but in any event no later than one  
58 business day before the estimated time of arrival of the original vessel. In case of re-sales a provisional notice shall  
59 be passed on without delay, where possible, by telephone and confirmed on the same day in accordance with the  
60 Notices Clause.

61 In any month containing an odd number of days the middle day shall be accepted as being in both halves of the  
62 month, except for pricing purposes the middle day shall be considered to be in the first half of the month.

63 **Loading**

64 Vessel(s) to be clean and fit to receive the goods and to load in accordance with the custom of the port of loading  
65 unless otherwise stipulated. Bill of lading shall be considered proof of delivery in the absence of evidence to the  
66 contrary.

67 The cost of loading to be for Sellers' account. Vessel(s) to load at a rate of ..... metric tons per WWDSSHEX  
68 EIU (Weather Working Day, Saturdays, Sundays and Holidays Excluded, even if used). Notice of readiness to be  
69 tendered during business hours Monday to Friday, WIPON, (Whether in Port or Not), WIBON, (Whether in Berth  
70 or Not), WIFPON (Whether in Free Pratique or Not), WCCON (Whether Customs Cleared or Not), and time to count  
71 at 0800 hours on the next working day. Time from Friday 1700 hours to Monday at 0800 hours, or from 1700  
72 hours on a day preceding a holiday to 0800 hours on the next business day, not to count, even if used. Time used  
73 in shifting from anchorage to berth not to count, even if the vessel is already on demurrage.

74 Demurrage/Despatch as per Charter Party, but maximum .....Demurrage/Despatch to be  
75 settled within 30 days of the presentation of an invoice and supporting documents.

76 **7. EXTENSION OF PERIOD FOR PRESENTATION OF THE VESSEL**

77 The period for presentation of the vessel shall be extended by an additional period of not more than 21 consecutive  
78 days, provided that Buyers serve notice claiming extension not later than the next business day following the last  
79 day of the period for presentation of the vessel. In this event Sellers shall carry the goods for Buyers' account and all  
80 charges for storage, interest, insurance and other such normal carrying expenses shall be for Buyers' account, unless  
81 the vessel presents in readiness to load within the original period for presentation of the vessel.

82 Any differences in export duties, taxes, levies etc, between those applying during the original period for presentation  
83 of the vessel and those applying during the period of extension, shall be for the account of Buyers. If required by  
84 Buyers, Sellers shall produce evidence of the amounts paid. In such cases the Duties, Taxes, Levies Clause shall not  
85 apply.

86 Should Buyers fail to present a vessel in readiness to load under the extension period, Sellers shall have the option  
87 of declaring Buyers to be in default, or shall be entitled to demand payment at the contract price plus such charges  
88 as stated above, less current FOB charges, against warehouse warrants and the tender of such warehouse warrants  
89 shall be considered complete delivery of the contract on the part of Sellers.

90 **8. SHIP'S CLASSIFICATION**

91 Shipment by first class mechanically self-propelled vessel(s) suitable for the carriage of the contract goods, classed  
92 in accordance with the Institute Classification Clause of the International Underwriting Association in force at the  
93 time of shipment, excluding tankers and vessels which are either classified in Lloyd's Register or described in Lloyd's  
94 Shipping Index as "Ore/Oil" vessels.

95 **9. PAYMENT**

96 (a) By cash in .....

97 against the following documents

98 (b) No obvious clerical error in the documents shall entitle Buyers to reject them or delay payment, but Sellers shall  
99 be responsible for all loss or expense caused to Buyers by reason of such error and Sellers shall on request of Buyers  
100 furnish an approved guarantee in respect thereto.

110 (c) **Interest.** If there has been unreasonable delay in any payment, interest appropriate to the currency involved  
111 shall be charged. If such charge is not mutually agreed, a dispute shall be deemed to exist which shall be settled by  
112 arbitration. Otherwise interest shall be payable only where specifically provided in the terms of the contract or by  
113 an award of arbitration. The terms of this clause do not override the parties' contractual obligation under sub-  
114 clause (a).  
115

116 **10. DUTIES, TAXES, LEVIES, ETC.**

117 Sellers shall customs clear the goods for export. All export duties, taxes, levies, etc., present or future, in Australia or  
118 of the territory where the port or ports of loading named herein is/are situate, shall be for Sellers' account.  
119

120 **11. EXPORT LICENCE** - if required, to be obtained by Sellers.  
121

122 **12. WEIGHING**

123 The terms and conditions of Gafta Weighing Rules No. 123 are deemed to be incorporated into this contract. Final  
124 at time and place of loading, as per Gafta approved register of superintendent certificate at Sellers' choice and  
125 expense. Buyers have the right to attend at loading.  
126

127 **13. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS**

128 The terms and conditions of Gafta Sampling Rules No.124 are deemed to be incorporated into this contract.  
129 Samples shall be taken at time and place of loading. The parties shall appoint superintendents, for the purposes of  
130 supervision and sampling of the goods, from the Gafta Approved Register of Superintendents. Unless otherwise  
131 agreed, analysts shall be appointed from the Gafta Approved Register of Analysts.  
132

133 **14. FUMIGATION**

134 Where fumigation has been agreed, the terms and conditions of Gafta Fumigation Rules No. 132 shall be  
135 incorporated into this contract.  
136

137 **15. INSURANCE**

138 Marine and War Risk insurance including strikes, riots, civil commotions and mine risks to be effected by the Buyers  
139 with first class underwriters and/or approved companies. Buyers shall supply Sellers with confirmation thereof at  
140 least 5 consecutive days prior to expected readiness of vessel(s). If Buyers fail to provide such confirmation Sellers  
141 shall have the right to place such insurance at Buyers' risk and expense.  
142

143 **16. PREVENTION OF PERFORMANCE**

144 "Event of Force Majeure" means (a) prohibition of export or other executive or legislative act done by or on behalf  
145 of the government of the country of origin or of the territory where the port or ports named herein is/are situate,  
146 restricting export, whether partially or otherwise, or (b) blockade, or (c) acts of terrorism, or (d) hostilities, or (e)  
147 strike, lockout or combination of workmen, or (f) riot or civil commotion, or (g) breakdown of machinery, or (h)  
148 fire, or (i) ice, or (j) Act of God, or (k) unforeseeable and unavoidable impediments to transportation or navigation,  
149 or (l) any other event comprehended in the term "force majeure".  
150

151 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force  
152 Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure,  
153 provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not later  
154 than 21 consecutive days before commencement of the period for presentation of the vessel, whichever is later,  
155 with the reasons therefor.  
156

157 If the Event of Force Majeure continues for 21 consecutive days after the end of the period for presentation of the  
158 vessel, then Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not  
159 later than the first business day after expiry of the 21 day period.  
160

161 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14  
162 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract shall  
163 be automatically cancelled.  
164

165 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers  
166 shall notify Buyers without delay that the Event of Force Majeure has ceased. The period for presentation of the  
167 vessel shall be extended, from the cessation, to as much time as was left for presentation of the vessel under the  
168 contract prior to the occurrence of the Event of Force Majeure. If the time that was left for presentation of the  
169 vessel under the contract is 14 days or less, a period of 14 consecutive days shall be allowed.  
170

171 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non-  
172 fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory evidence  
173 justifying the delay or non-fulfilment.  
174

## 17. NOTICES

175  
176 (a) All notices required to be served on the parties pursuant to this contract shall be served in legible form by E-mail,  
177 or by other mutually recognised electronic method of rapid communication, always subject to the provision that if  
178 receipt of any notice is contested, the burden of proof of transmission shall be on the sender who shall, in the case of  
179 a dispute, establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to the Arbitration  
180 Clause, that the notice was actually transmitted to the addressee.

181 (b) In case of resales/repurchases, all notices shall be served without delay by sellers on their respective buyers or  
182 vice versa, and any notice received after 1600 hours on a business day shall be deemed, for the purpose of passing  
183 onto their sub buyers and sub sellers, to have been received on the business day following.

184 (c) A notice to the Brokers or Agent shall be deemed a notice under this contract.  
185

## 18. NON-BUSINESS DAYS

186  
187 Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and any days,  
188 which Gafta may declare as non-business days for specific purposes, shall be non-business days. Should the time  
189 limit for doing any act or serving any notice expire on a non-business day, the time so limited shall be extended until  
190 the first business day thereafter. The period for presentation of the vessel shall not be affected by this clause.  
191

## 19. DEFAULT

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

193 (a) The party other than the defaulter shall, at their discretion have the right, after serving a notice on the defaulter,  
194 to sell or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default  
195 price.  
196

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

199 (c) The damages payable shall be based on, but not limited to, the difference between the contract price and either  
200 the default price established under (a) above or upon the actual or estimated value of the goods, on the date of default,  
201 established under (b) above.

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

206 (e) Damages, if any, shall be computed on the quantity called for, but if no such quantity has been declared then on  
207 the mean contract quantity and any option available to either party shall be deemed to have been exercised  
208 accordingly in favour of the mean contract quantity.  
209

## 20. CIRCLE

210  
211 Where Sellers re-purchase from their Buyers or from any subsequent Buyer the same goods or part thereof, a  
212 circle shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the Default  
213 Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the same description,  
214 from the same country of origin, of the same quality, and, where applicable, of the same analysis warranty, for  
215 delivery from the same port(s) of loading during the same period for presentation of the vessel). Different  
216 currencies shall not invalidate the circle.

217 Subject to the terms of the Prevention of Performance Clause in the contract, if the circle is established before the  
218 goods are delivered, or if the goods are not delivered, invoices based on the mean contract quantity, or if the goods  
219 have been delivered invoices based on the delivered quantity, shall be settled by all Buyers and their Sellers in the  
220 circle by payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over the lowest invoice  
221 amount in the circle. Payment shall be due not later than 15 consecutive days after the last date for presentation  
222 of the vessel, or, should the circle not be ascertained before the expiry of this time, then payment shall be due not  
223 later than 15 consecutive days after the circle is ascertained.

224 Where the circle includes contracts expressed in different currencies the lowest invoice amount shall be replaced  
225 by the market price on the first day for presentation of the vessel and invoices shall be settled between each Buyer  
226 and his Seller in the circle by payment of the differences between the market price and the relative contract price  
227 in the currency of the contract.

228 All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle shall have been  
229 ascertained in accordance with this clause same shall be binding on all parties to the circle. As between Buyers  
230 and Sellers in the circle, the non-presentation of documents by Sellers to their Buyers shall not be considered a  
231 breach of contract.

232 Should any party in the circle prior to the due date of payment commit any act comprehended in the Insolvency  
233 Clause of this contract, settlement by all parties in the circle shall be calculated at the closing out price as provided

for in the Insolvency Clause, which shall be taken as a basis for settlement, instead of the lowest invoice amount in the circle. In this event respective Buyers shall make payment to their Sellers or respective Sellers shall make payment to their Buyers of the difference between the closing out price and the contract price.

## 21. INSOLVENCY

21.1 If before the fulfilment of this contract, either party shall:

- (a) suspend payments;
- (b) 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;
- (c) convene, call or hold a meeting of creditors;
- (d) propose either:
  - (i) a voluntary arrangement; or
  - (ii) a restructuring plan under Part 26A Companies Act 2006;
- (e) be subject to a moratorium pursuant to Part A1 of the Insolvency Act 1986;
- (f) be subject to either:
  - (i) a notice of intention to appoint an administrator; or
  - (ii) a notice of appointment of an administrator;
- (g) have an administration order made;
- (h) be subject to a winding up petition;
- (i) have a winding up order made;
- (j) have a receiver or manager appointed;
- (k) convene, call or hold a meeting to go into liquidation (other than for re-construction or amalgamation);
- (l) become subject to an interim order under Section 252 of the Insolvency Act 1986; or
- (m) 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 serve a notice of the occurrence of such Act of Insolvency on the other party to the contract and upon proof (by either the other party to the contract or the office-holder or other person representing the party committing the Act of Insolvency) that such notice was served 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 serving of the notice.

21.2 If such notice has not been served, 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.

21.3 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 re-purchase 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.

## 22. DOMICILE

This contract shall be construed and take effect in accordance with the laws of England. Except for the purpose of enforcing any award made in pursuance of the Arbitration Clause of this contract, the Courts of England shall have exclusive jurisdiction to determine any application for ancillary relief, (save for obtaining security only for the claim or counter-claim), the exercise of the powers of the Court in relation to the arbitration proceedings and any dispute other than a dispute which shall fall within the jurisdiction of arbitrators or board of appeal of the Association pursuant to the Arbitration Clause of this contract. For the purpose of any legal proceedings each party shall be deemed to be ordinarily resident or carrying on business at the offices of The Grain and Feed Trade Association, (Gafta), England. The service of proceedings upon any such party by leaving the same at the offices of The Grain and Feed Trade Association, together with the posting of a copy of such proceedings to his address outside England, shall be deemed good service, any rule of law or equity to the contrary notwithstanding.

## 23. ARBITRATION

(a) Any and all disputes arising out of or under this contract or any claim regarding the interpretation or execution of this contract shall be determined by arbitration in accordance with the Gafta Arbitration Rules, No 125, in the edition current at the date of this contract; such Rules are incorporated into and form part of this Contract and both parties hereto shall be deemed to be fully cognisant of and to have expressly agreed to the application of such Rules.

(b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings against the other in respect of any such dispute, or claim until such dispute or claim 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 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

297 respect of any such dispute or claim.  
298 (c) Nothing contained under this Arbitration Clause shall prevent the parties from seeking to obtain security in  
299 respect of their claim or counterclaim via legal proceedings in any jurisdiction, provided such legal  
300 proceedings shall be limited to applying for and/or obtaining security for a claim or counterclaim, it being  
301 understood and agreed that the substantive merits of any dispute or claim shall be determined solely by  
302 arbitration in accordance with the Gafta Arbitration Rules, No 125.

303  
304 **24. INTERNATIONAL CONVENTIONS**

305 The following shall not apply to this contract: -  
306 (a) The Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on  
307 International Sales Act 1967.  
308 (b) The United Nations Convention on Contracts for the International Sale of Goods of 1980.  
309 (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the  
310 amending Protocol of 1980.  
311 (d) Incoterms.  
312 (e) Unless the contract contains any statement expressly to the contrary, a person who is not a party to this  
313 contract has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

314  
315 **25. PHYTOSANITARY CERTIFICATE**

316 Where the provision of a phytosanitary certificate has been agreed between the parties, Sellers shall use their  
317 reasonable endeavours to supply, at their own cost, a phytosanitary certificate in circumstances where:  
318 (a) After the date on which the contract has been entered into the named country of import changes its  
319 phytosanitary requirements or  
320 (b) As at the date on which the contract has been entered into Sellers are not aware of the named country of  
321 import.

322  
323 **26. METHODS OF ANALYSIS**

324 Unless otherwise agreed, the terms and conditions of Gafta Methods of Analysis No. 130 are deemed to be  
325 incorporated into this contract.

Sellers..... Buyers .....

Printed in England and issued by

**GAFTA**  
**THE GRAIN AND FEED TRADE ASSOCIATION**  
**9 LINCOLN'S INN FIELDS, LONDON WC2A 3BP**