



# Contract No.21

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THE GRAIN AND FEED TRADE ASSOCIATION

## INTRA-ASIA SUPPLY TERMS FOR FEEDINGSTUFFS IN BAGS OR BULK TALE QUALE – CIF/CIFFO/C&F/C&FFO TERMS

*\*delete/specify as applicable*

Date.....

1 **SELLERS**.....

2  
3 **INTERVENING AS BROKERS**.....

4  
5 **BUYERS**.....

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

7  
8 **1. GOODS**..... in bulk.

9 If in bags, then bags to be suitable for export and able to withstand ordinary wear and tear to port of  
10 destination. Such bags to be taken and paid for as goods. Wherever the words "cakes" is used this is  
11 deemed to mean goods of the contractual description.

12  
13 **2. QUANTITY** .....

14 5% more or less, at Sellers' option at contract price. In the event of more than one shipment being made, each  
15 shipment shall be considered a separate contract, but the margin on the mean quantity sold shall not be  
16 affected thereby.

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18 **3. PRICE AND DESTINATION**

19 At the price per tonne of 1,000 kilograms gross weight of .....

20  
21 \*cost, insurance and freight to .....

22  
23 \*cost, insurance and freight free out to .....

24  
25 \*cost and freight to .....

26  
27 \*cost and freight free out to.....

28  
29 **4. BROKERAGE** .....per tonne, to be paid by Sellers on the mean contract quantity, goods

30 lost or not lost, contract fulfilled or not fulfilled unless such non-fulfilment is due to the cancellation of the  
31 contract under the terms of the Prevention of Shipment Clause. Brokerage shall be due on the day shipping  
32 documents are exchanged, or if the goods are not appropriated then brokerage shall be due on the 30th  
33 consecutive day after the last day for appropriation. Any disputes arising out of this clause shall be referred  
34 to arbitration in accordance with the arbitration clause.

35  
36 **5. QUALITY** .....

37  
38 final at time and place of shipment, to be certified by .....

39 **Condition.** Shipment shall be made in good condition.

40  
41 **6. PERIOD OF SHIPMENT**

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

43 The bill(s) of lading to be dated when the goods are actually on board. Date of the bill(s) of lading shall be  
44 accepted as proof of date of shipment in the absence of evidence to the contrary. In any month containing an  
45 odd number of days, the middle day shall be accepted as being in both halves of the month.

46

47 **7. SALES BY NAMED VESSELS**

48 For all sales by named vessels, the following shall apply:-

- 49 (a) Position of vessel is mutually agreed between Buyers and Sellers;
- 50 (b) The word "now" to be inserted before the word "classed" in the Shipment and Classification Clause;
- 51 (c) Appropriation Clause is cancelled if sold "shipped".

52  
53 **8. SHIPMENT AND CLASSIFICATION**

54 Shipment from.....  
55 direct or indirect, with or without transshipment by first class mechanically self-propelled vessel(s) suitable  
56 for the carriage of the contract goods, classed in accordance with the Institute Classification Clause of the  
57 International Underwriting Association in force at the time of shipment.

58  
59 **9. NOMINATION OF VESSEL(S) FOR CONTRACTS CONCLUDED ON C & F/C&FFO TERMS**

- 60 (a) At a date agreed between the Parties but in any event prior to the commencement of loading,  
61 Sellers shall nominate the intended carrying vessel(s) to Buyers.
- 62 (b) Sellers are entitled to substitute the nomination(s) provided that the substituting vessel(s)  
63 complies with the terms of this clause.

64  
65 **10. EXTENSION OF SHIPMENT**

66 The contract period for shipment, if such be 31 days or less, shall be extended by an additional period of not  
67 more than 8 days, provided that Sellers serve notice claiming extension not later than the next business day  
68 following the last day of the originally stipulated period. The notice need not state the number of additional  
69 days claimed.

70 Sellers shall make an allowance to Buyers, to be deducted in the invoice from the contract price, based on the  
71 number of days by which the originally stipulated period is exceeded, in accordance with the following scale: -

- 72 1 to 4 additional days, 0.50%;
- 73 5 or 6 additional days, 1%;
- 74 7 or 8 additional days 1.50% of the gross contract price.

75 If, however, after having served notice to Buyers as above, Sellers fail to make shipment within such 8 days,  
76 then the contract shall be deemed to have called for shipment during the originally stipulated period plus 8  
77 days, at contract price less 1.50%, and any settlement for default shall be calculated on that basis. If any  
78 allowance becomes due under this clause, the contract price shall be deemed to be the original contract price  
79 less the allowance and any other contractual differences shall be settled on the basis of such reduced price.

80  
81 **11. APPROPRIATION**

82 (a) Notice of appropriation shall state the vessel's name, the presumed weight shipped, and the date or the  
83 presumed date of the bill of lading.

84 (b) The notice of appropriation shall within 7 consecutive days from the date of the bill(s) of lading be  
85 served by or on behalf of the Shipper direct on his Buyers or on the Selling Agent or Brokers named in the  
86 contract. The Non-Business Days Clause shall not apply.

87 (c) Notice of appropriation shall, within the period stated in sub-clause (b) be served by or on behalf of  
88 subsequent Sellers on their Buyers or on the Selling Agent or Brokers named in the contract, but if notice of  
89 appropriation is received by subsequent Sellers on the last day or after the period stated in sub-clause (b)  
90 from the date of the bill of lading, their notice of appropriation shall be deemed to be in time if served: -

- 91 (1) On the same calendar day, if received not later than 1600 hours on any business day, or
- 92 (2) Not later than 1600 hours on the next business day, if received after 1600 hours or on a non-business  
93 day.

94 (d) A notice of appropriation served on a Selling Agent or Brokers named in the contract shall be considered  
95 an appropriation served on Buyers. A Selling Agent or Brokers receiving a notice of appropriation shall  
96 serve like notice of appropriation in accordance with the provisions of this clause. Where the Shipper or  
97 subsequent Sellers serves the notice of appropriation on the Selling Agent, such Selling Agent may serve  
98 notice of appropriation either direct to the Buyers or to the Brokers.

99 (e) The bill of lading date stated in the notice of appropriation shall be for information only and shall not be  
100 binding, but in fixing the period laid down by this clause for serving notices of appropriation the actual date  
101 of the bill of lading shall prevail.

102 (f) Every notice of appropriation shall be open to correction of any errors occurring in transmission,  
103 provided that the sender is not responsible for such errors, and for any previous error in transmission  
104 which has been repeated in good faith.

105 (g) Should the vessel arrive before receipt of the appropriation and any extra expenses is incurred thereby,  
106 such expenses shall be borne by Sellers.

107 (h) When a valid notice of appropriation has been received by Buyers, it shall not be withdrawn except with  
108 their consent.

(i) In the event of less than 95 tonnes being tendered by any one vessel Buyers shall be entitled to refund of any proved extra expenses for sampling, analysis and lighterage incurred thereby at port of discharge.

## 12. PAYMENT

\* (a) .....

\* (b) Unless the terms are otherwise agreed payment by irrevocable, confirmed, letter of credit payable at sight for the contract value, including the quantity tolerance. Letter of credit is to be opened and advised to Sellers no later than 15 consecutive days prior to the commencement of the shipment period. Third party documents acceptable. Charter party bills of lading shall be acceptable unless the contract is concluded on liner terms. Letter of credit to allow telegraphic transfer reimbursement. Each party to bear their own bank charges. The expiry date in the letter of credit shall be 30 consecutive days after the last shipment date allowed in the contract. The last shipment date will include the provisions of the Extension clause, if applicable. If Sellers invoke the Force Majeure clause, Buyers shall automatically extend the letter of credit for 60 consecutive days, but Sellers shall not be deemed thereby to have justified their claim for extension under the Force Majeure clause.

(c) **Payment by** ..... %of invoice amount by cash in .....  
in exchange for and on presentation of shipping documents.

(d) **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 countersigned by the Shipowners, their Agents or a recognised bank. 3. For CIF/CIFFO terms 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. Buyers agree to accept documents containing the Chamber of Shipping War Deviation Clause and/or other recognised official War Risk Clause.

(e) In the event of shipping documents not being available when called for by Buyers, or on arrival of the vessel at destination, Sellers shall provide other documents or an indemnity entitling Buyers to obtain delivery of the goods and payment shall be made by Buyers in exchange for same, but such payment shall not prejudice Buyers' rights under the contract when shipping documents are eventually available.

(f) Should Sellers fail to present shipping documents or other documents or an indemnity entitling Buyers to take delivery, Buyers shall take delivery under an indemnity provided by themselves and shall pay for the other documents when presented. Any reasonable extra expenses, including the costs of such indemnity or extra charges incurred by reason of the failure of Sellers to provide such documents, shall be borne by Sellers, but such payment shall not prejudice Buyers' rights under the contract when shipping documents are eventually available.

(g) Should shipping 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 is guaranteed, such guarantee to be countersigned, if required by Buyers, by a recognised bank.

(h) Costs of collection shall be for account of Sellers, but if Buyers demand presentation only through a bank of their choice, in that event any additional collection costs shall be borne by Buyers.

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

(j) **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' contractual obligation under sub-clauses (a), (b) or (c).

## 13. DUTIES, TAXES, LEVIES, ETC.

Sellers shall customs clear the goods for export. 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.

## 14. DISCHARGE

(a) **For CIF/C&F terms**, discharge shall be as fast as the vessel can deliver in accordance with the custom of the port, but in the event of shipment being made under liner bill(s) of lading, discharge shall be as fast as the vessel can deliver in accordance with the terms of the bill(s) of lading. The cost of discharge from hold to ship's rail shall be for Sellers' account, from ship's rail overboard for Buyers' account.

(b) **For C&FFO/CIFFO terms**, the cost of discharge shall be for Buyers' account.

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Discharge shall be at the average rate of ..... tonnes per Weather Working Day, Saturdays, Sundays, Holidays Excepted, Unless Used, (WWD SSHEX UU), in which case actual time used to count.

Notice of Readiness (NOR) shall be tendered during ordinary office hours on arrival, Whether In Port Or Not, (WIPON), Whether In Berth Or Not, (WIBON), Whether In Free Pratique Or Not, (WIFPON), Whether Customs Cleared Or Not (WCCON) and laytime shall commence at 0800 hours on the next working day. Rate of demurrage/despatch as per Charter Party. In the event of a time charter, the daily hire rate shall be taken as the rate of demurrage, half despatch.

(c) If documents are tendered which do not provide for discharging as above or contain contrary stipulations, Sellers shall be responsible to Buyers for all extra expenses incurred thereby. Discharge by grab(s) shall be permitted unless specifically excluded at time of contract. If shipment is effected by lash barge, then the last day of discharge shall be the day of discharging the last lash barge at the port of destination.

## 15. WEIGHING

The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this contract. Unless otherwise agreed, final settlement shall be made on the basis of gross delivered weights at time and place of discharge at Buyers' expense. If the place of destination is outside the port limits, Buyers agree to pay the extra expenses incurred by Sellers or their agents for weighing. No payment shall be made for increase in weight occasioned by water and/or oil during the voyage. If final at time and place of loading, as per GAFTA registered superintendents' certificate at Sellers' choice and expense, (in which case the Deficiency Clause will not apply).

## 16. DEFICIENCY

Any deficiency in the bill of lading weight shall be paid for by Sellers and any excess over bill of lading weight shall be paid for by Buyers at contract price.

## 17. SAMPLING, ANALYSIS AND CERTIFICATES OF ANALYSIS

The terms and conditions of GAFTA Sampling Rules No. 124 are deemed to be incorporated into this contract. Samples shall be taken at the time of discharge on or before removal from the ship or quay, unless the parties agree that quality final at loading applies, in which event samples shall be taken at time and place of loading. The parties shall appoint superintendents, for the purposes of supervision and sampling of the goods, from the GAFTA Register of Superintendents. Unless otherwise agreed, analysts shall be appointed from the GAFTA Register of Analysts.

## 18. FUMIGATION

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

## 19. INSURANCE

**19.1 For Contracts Concluded on CIF/CIFFO terms** Sellers shall provide insurance on terms not less favourable than those set out hereunder, and as set out in detail in GAFTA Insurance Terms No.72 viz:-. Where the sale is on CIF terms Sellers shall provide insurance. Where the sale is on C&F terms Buyers shall provide insurance for their own account and give Sellers confirmation prior to the commencement of the shipment period. If Buyers fail to provide this confirmation, Sellers shall have the right to place such insurance at Buyers' risk and expense.

(a) Risks Covered: -

Cargo Clauses (WA), 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

(b) Insurers - The insurance to be effected with first class underwriters and/or companies who are domiciled or carrying on business in the United Kingdom or who, for the purpose of any legal proceedings, accept a British domicile and provide an address for service of process in London, but for whose solvency Sellers shall not be responsible.

(c) Insurable Value - Insured amount to be for not less than 2% over the invoice amount, including freight when freight is payable on shipment or due in any event, ship and/or cargo lost or not lost, and including the amount of any War Risk premium payable by Buyers.

(d) Freight Contingency - When freight is payable on arrival or on right and true delivery of the goods and the insurance does not include the freight, Sellers shall effect insurance upon similar terms, such insurance to attach only as such freight becomes payable, for the amount of the freight plus 2%, until the termination of the risk as provided in the above mentioned clauses, and shall undertake that their policies are so worded that in the case of a particular or general average claim the Buyers shall be put in the same position as if the C.I.F.

233 value plus 2% were insured from the time of shipment.

234 (e) Certificates/Policies - Sellers shall give all policies and/or certificates and/or letters of insurance provided  
235 for in this contract, (duly stamped if applicable) for original and increased value (if any) for the value  
236 stipulated in (c) above. In the event of a certificate of insurance being supplied, it is agreed that such  
237 certificate shall be exchanged by Sellers for a policy if and when required and such certificate shall state on its  
238 face that it is so exchangeable. If required by Buyers, Letter(s) of Insurance shall be guaranteed by a  
239 recognised bank, or by any other guarantor who is acceptable to Buyers.

240 (f) Total Loss - In the event of total or constructive total loss, or where the amount of the insurance becomes  
241 payable in full, the insured amount in excess of 2% over the invoice amount shall be for Sellers' account and  
242 the party in possession of the policy (ies) shall collect the amount of insurance and shall thereupon settle with  
243 the other party on that basis.

244 (g) Currency of Claims - Claims to be paid in the currency of the contract.

245 (h) War and Strike Risks Premiums - Any premium in excess of 0.50% to be for account of Buyers. The rate of  
246 such insurance not to exceed the rate ruling in London at time of shipment or date of vessel's sailing  
247 whichever may be adopted by underwriters. Such excess premium shall be claimed from Buyers, wherever  
248 possible, with the Provisional Invoice, but in no case later than the date of vessel's arrival, or not later than 7  
249 consecutive days after the rate has been agreed with underwriters, whichever may be the later, otherwise  
250 such claim shall be void unless, in the opinion of arbitrators, the delay is justifiable. Sellers' obligation to  
251 provide War Risk Insurance shall be limited to the terms and conditions in force and generally obtainable in  
252 London at time of shipment.

253 **19.2 For Contracts Concluded on C & F/C&FFO terms** - Buyers shall be responsible for obtaining  
254 insurance cover as per Clause 19.1 above and shall, if required by Sellers, provide evidence to Sellers  
255 prior to the commencement of loading that they have obtained suitable cover. If Buyers refuse or fail  
256 to provide evidence Sellers are entitled (but not obliged) to cover insurance on the same terms at the  
257 Buyers' expense.

## 258 259 **20. PREVENTION OF SHIPMENT**

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

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268 Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of  
269 Force Majeure, the performance of this contract shall be suspended for the duration of the Event of Force  
270 Majeure, provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the  
271 occurrence or not later than 21 consecutive days before commencement of the shipment period, whichever  
272 is later, with the reasons therefor.

273  
274 If the Event of Force Majeure continues for 21 consecutive days after the end of the shipment period, then  
275 Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later  
276 than the first business day after expiry of the 21 day period.

277  
278 If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14  
279 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the  
280 contract shall be automatically cancelled.

281  
282 If the Event of Force Majeure ceases before the contract or any unfulfilled part thereof can be cancelled,  
283 Sellers shall notify Buyers without delay that the Event of Force Majeure has ceased. Sellers shall be  
284 entitled, from the cessation, to as much time as was left for shipment under the contract prior to the  
285 occurrence of the Event of Force Majeure. If the time that was left for shipment under the contract is 14  
286 days or less, a period of 14 consecutive days shall be allowed.

287  
288 The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or  
289 non-fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required,  
290 satisfactory evidence justifying the delay or non-fulfilment.

## 291 292 **21. NOTICES**

293 All notices required to be served on the parties pursuant to this contract shall be served rapidly in legible  
294 form. Methods of rapid communication for the purposes of this clause are defined and mutually recognised

295 as: - either telex, or letter if delivered by hand on the date of writing, or telefax, or E-mail, or other electronic  
296 means, always subject to the proviso that if receipt of any notice is contested, the burden of proof of  
297 transmission shall be on the sender who shall, in the case of a dispute, establish, to the satisfaction of the  
298 arbitrator(s) or board of appeal appointed pursuant to the Arbitration Clause, that the notice was actually  
299 transmitted to the addressee. In case of resales/repurchases all notices shall be served without delay by  
300 sellers on their respective buyers or vice versa, and any notice received after 1600 hours on a business day  
301 shall be deemed to have been received on the business day following. A notice to the Brokers or Agent shall  
302 be deemed a notice under this contract.

## 303 304 **22. NON-BUSINESS DAYS**

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

## 310 311 **23. DEFAULT**

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

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

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

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

321 (d) In no case shall damage include loss of profit on any sub-contracts made by the party defaulted against or  
322 others unless the arbitrator(s) or board of appeal, having regard to special circumstances, shall in his/their  
323 sole and absolute discretion think fit.

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

327 (f) Default may be declared by Sellers at any time after expiry of the contract period, and the default date shall  
328 then be the first business day after the date of Sellers' advice to their Buyers. If default has not already been  
329 declared then (notwithstanding the provisions stated in the appropriation clause) if notice of appropriation  
330 has not been served by the 10th consecutive day after the last day for appropriation laid down in the contract,  
331 the Sellers shall be deemed to be in default, and the default date shall then be the first business day thereafter.

## 332 333 **24. CIRCLE**

334 Where Sellers re-purchase from their Buyers or from any subsequent buyer the same goods or part thereof,  
335 a circle shall be considered to exist as regards the particular goods so re-purchased, and the provisions of  
336 the Default Clause shall not apply. (For the purpose of this clause the same goods shall mean goods of the  
337 same description, from the same country of origin, of the same quality, and, where applicable, of the same  
338 analysis warranty, for shipment to the same port(s) of destination during the same period of shipment).  
339 Different currencies shall not invalidate the circle. Subject to the terms of the Prevention of Shipment  
340 Clause in the contract, if a circle is established prior to the goods being appropriated to all parties in the  
341 circle, settlement shall be based on the mean contract quantity. However, where a circle is established after  
342 the goods have been appropriated to all parties in the circle, settlement shall be based on the appropriated  
343 quantity. No circle settlement shall apply where documents have been presented to and paid by one of the  
344 parties in the circle. Settlement shall be made between the parties in the circle by payment by all Buyers to  
345 their Sellers of the excess of the Sellers' invoice amount over the lowest invoice amount in the circle.  
346 Payment shall be due not later than 15 consecutive days after the last day for appropriation, or, should the  
347 circle not be ascertained before the expiry of this time, then payment shall be due not later than 15  
348 consecutive days after the circle is ascertained. Where the circle includes contracts expressed in different  
349 currencies the lowest invoice amount shall be replaced by the market price on the first day for contractual  
350 shipment and invoices shall be settled between each Buyer and his Seller in the circle by payment of the  
351 differences between the market price and the relative contract price in currency of the contract. All Sellers  
352 and Buyers shall give every assistance to ascertain the circle and when a circle shall have been ascertained  
353 in accordance with this clause same shall be binding on all parties to the circle. As between Buyers and  
354 Sellers in the circle, the non-presentation of documents by Sellers to their Buyers shall not be considered a  
355 breach of contract. Should any party in the circle prior to the due date of payment commit any act  
356 comprehended in the Insolvency Clause of his contract, settlement by all parties in the circle shall be

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

## 361 **25. INSOLVENCY**

362 If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he  
363 is unable to meet debts or that he has suspended or that he is about to suspend payments of his debts,  
364 convene, call or hold a meeting of creditors, propose a voluntary arrangement, have an administration order  
365 made, have a winding up order made, have a receiver or manager appointed, convene, call or hold a meeting  
366 to go into liquidation (other than for re-construction or amalgamation) become subject to an Interim Order  
367 under Section 252 of the Insolvency Act 1986, or have a Bankruptcy Petition presented against him (any of  
368 which acts being hereinafter called an "Act of Insolvency") then the party committing such Act of Insolvency  
369 shall forthwith serve a notice of the occurrence of such Act of Insolvency to the other party to the contract and  
370 upon \_\_\_\_\_ proof \_\_\_\_\_ (by  
371 either the other party to the contract or the Receiver, Administrator, Liquidator or other person representing  
372 the party committing the Act of Insolvency) that such notice was thus served within 2 business days of the  
373 occurrence of the Act of Insolvency, the contract shall be closed out at the market price ruling on the business  
374 day following the giving of the notice. If such notice has not been served, then the other party, on learning of  
375 the occurrence of the Act of Insolvency, shall have the option of declaring the contract closed out at either the  
376 market price on the first business day after the date when such party first learnt of the occurrence of the Act  
377 of Insolvency or at the market price ruling on the first business day after the date when the Act of Insolvency  
378 occurred.

379 In all cases the other party to the contract shall have the option of ascertaining the settlement price on the  
380 closing out of the contract by re-purchase or re-sale, and the difference between the contract price and the  
381 re-purchase or re-sale price shall be the amount payable or receivable under this contract.  
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## 383 **26. DOMICILE**

384 This contract shall be deemed to have been made in England and to be performed in England,  
385 notwithstanding any contrary provision, and this contract shall be construed and take effect in accordance  
386 with the laws of England. Except for the purpose of enforcing any award made in pursuance of the  
387 Arbitration Clause of this contract, the Courts of England shall have exclusive jurisdiction to determine any  
388 application for ancillary relief, (save for obtaining security only for the claim or counter-claim), the  
389 exercise of the powers of the Court in relation to the arbitration proceedings and any dispute other than a  
390 dispute which shall fall within the jurisdiction of arbitrators or board of appeal of the Association pursuant  
391 to the Arbitration Clause of this contract. For the purpose of any legal proceedings each party shall be  
392 deemed to be ordinarily resident or carrying on business at the offices of The Grain and Feed Trade  
393 Association, England, (GAFTA), and any party residing or carrying on business in Scotland shall be held to  
394 have prorogated jurisdiction against himself to the English Courts or if in Northern Ireland to have  
395 submitted to the jurisdiction and to be bound by the decision of the English Courts. The service of  
396 proceedings upon any such party by leaving the same at the offices of The Grain and Feed Trade  
397 Association, together with the posting of a copy of such proceedings to his address outside England, shall be  
398 deemed good service, any rule of law or equity to the contrary notwithstanding.  
399

## 400 **27. ARBITRATION**

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

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

413 (c) Nothing contained under this Arbitration Clause shall prevent the parties from seeking to obtain  
414 security in respect of their claim or counterclaim via legal proceedings in any jurisdiction, provided such  
415 legal proceedings shall be limited to applying for and/or obtaining security for a claim or counterclaim, it  
416 being understood and agreed that the substantive merits of any dispute or claim shall be determined solely  
417 by arbitration in accordance with the GAFTA Arbitration Rules, No 125.  
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**28. 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.
- (c) The United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and amending Protocol of 1980.
- (d) Incoterms.
- (e) Unless the contract contains any statement expressly to the contrary, a person rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it.

**29. METHODS OF ANALYSIS**

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

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

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**GAFTA**  
**THE GRAIN AND FEED TRADE ASSOCIATION**  
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