



GPC Pulses Contract #1

Huseyin Arslan & Andrew Jacobs
Co-Chair, GPC Contracts Committee



GPC Pulses Contract #1

Introductory remarks

Huseyin Arslan
President of GPC



GPC takes Disciplinary powers over Defaulters

Huseyin Arslan
President of GPC



GPC Contract Consultation Group

Huseyin Arslan
President of GPC



| | |
|-----------------|-------------------|
| Argentina | Horacio Fragola |
| Australia | Sanjiv Dubey |
| Canada | Dan Burnseki |
| Dubai | Sudhakar Tomar |
| Europe | Hassan Boubes |
| India | Pravin Dongre |
| India (Brokers) | Anurag Tulshan |
| Mexico | Eleazar Cota |
| Pakistan | Ahmed Muhammad |
| Singapore | Vijay Iyengar |
| Turkey | Huseyin Arslan |
| UK | Andrew Jacobs |
| USA | Jeff Van Pevenage |

GPC CONTRACT CONSULTATION GROUP



Review Process

| | |
|------------------------|--|
| April 12 th | 1 st draft shared with Consultation Group |
| April 20 th | Feedback from Consultation Group incorporated in 2 nd draft |
| April 27 th | Conference Call to work through changes |
| May 12 th | Recommendation sent to GPC Executive |
| June 2 nd | Feedback from GPC Executive incorporated into final text |

Huseyin Arslan
President of GPC



Launch today !

Huseyin Arslan
President of GPC



Guiding principles

Andrew Jacobs

Co-chair of Contracts Committee

Guiding principles



- * rights and responsibilities of both Buyers & Sellers to be clearly explained
- * even-handed, not favouring Buyers or Sellers
- * heavily based on Gafta 88 (for cif / cfr transactions)
- * incorporating Gafta Simple Arbitration Rules 126
- * varying standard Gafta terms & conditions to reflect “custom of the pulse trade” so we have a bespoke CIF/CFR contract of our own



Everyone received a hard copy of C/T #1 in their Delegate bag, so now's the time to take it out.

E-copy on www.globalpulses.com



Step-by-Step guide

Andrew Jacobs

Co-chair of Contracts Committee



2. QUANTITYfull containers each estimated to containMT.
Tolerance 5% more or less at Seller's option.

Tolerance only applies to total tonnage of goods loaded,
no tolerance on number of containers

Lines 14 -16



5. QUALITY

Unless agreed to the contrary, Government, Official or Gafta-recognized independent Inspector's Certificates shall be final as to shipped quality.

Lines 30-32



Fumigation with certified by competent body
(only if agreed between parties)

Line 40



6: EXTENSION OF SHIPMENT

The contract period for shipment shall be extended by an additional period of **not more than 8 days**,

Lines 43-44



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, in accordance with the following scale: -

- 1 to 4 additional days, 0.50%;
- 5 to 8 additional days, 1%;

Lines 47-50

7: PERIOD OF SHIPMENT

As per bill(s) of lading (or intermodal transport document(s)) dated or to be dated

(a) The bill(s) of lading (or intermodal transport document(s)) to be dated when the goods are actually on board the expected first vessel, or

(b) The bill(s) of lading (or intermodal transport document(s)) to be dated when the goods are handed over to the container consortia.

*In the event the parties do not agree one of the above options, the bill(s) of lading to be dated when the goods are actually **“On Board”**. The date of the bill(s) of lading shall be accepted as proof of date of shipment in the absence of evidence to the contrary. Other dates, if any, appearing on a multimodal transport document shall not invalidate **“On Board”** date.*



8: NOTIFICATION OF SHIPMENT CONCLUDED ON C&F TERMS –

Sellers shall notify Buyers of the container identification number(s) and, when known, the intended carrying vessel(s), to enable the Buyers to insure the goods. Sellers shall hold the goods insured until appropriated to Buyers.

Lines 70-72

12: PAYMENT

Payment In exchange for original shipping documents by using an appropriate method of payment, to be agreed between the parties at time of concluding the contract (* Please delete / specify as appropriate)

- (i) Documentary Presentation payable at sight, within 3 working days of arrival at presenting bank
- (ii) Irrevocable Letter of Credit payable at sight
- (iii)% pre-payment in advance, with balance% on Documentary Presentation at sight
- (iv) Within 48 hours of receipt of faxed or scanned email copies of shipping documents
- (v) Documentary Presentation payable latest on arrival of vessel at port of discharge
- (vi) other as agreed between the parties

In absence of specific agreement, payment will be (i) Documentary Presentation payable at sight, within 3 working days of arrival at presenting bank



14: WEIGHING

*Final at time and place of loading as Sellers' expense as per GAFTA registered superintendents' certificate at Sellers' choice and expense, (in which case the Deficiency Clause will not apply). The terms and conditions of GAFTA Weighing Rules No. 123 are deemed to be incorporated into this contract,

*Final at time and place of discharge at Buyers' expense

* Independent weighbridge certificate, with deduction of pallet weight where appropriate.

In the absence of agreement, Government, Official or Gafta-recognized independent Inspector's Certificates shall be final as to shipped quantity, in which case Deficiency Clause 15 shall not apply.

Lines 164-174



18: PREVENTION OF SHIPMENT

"Events of Force Majeure"

Lines 226-256



25: DISPUTES & ARBITRATION

(a) Both parties shall first consider resolving any dispute through Gafta Mediation in accordance with Gafta Mediation Rules 128

Lines 357-359



25: DISPUTES & ARBITRATION

(b) If either party declines mediation, it is hereby agreed that 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 Simple Disputes Arbitration Rules 126**, 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.

Lines 360-362



25: DISPUTES & ARBITRATION

(c) 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, which shall be heard and determined by the arbitrator, in accordance with **GAFTA Simple Disputes Arbitration Rules 126** which shall be final and binding on the parties. There is no right of appeal to Gafta or the Courts. (The role of the Courts shall be restricted to enforcement, if required, of an Award of Arbitration)

Lines 365-369



25: DISPUTES & ARBITRATION

(e) DEFAULT OF ARBITRATION

In the event that any party to a Gafta Arbitration (a) neglects or refuses to carry out or abide by an Award of Arbitration within 21 days of the issue of that Award by Gafta or (b) fails to pay any costs, fees or expenses of the Arbitration within 21 days of being called upon by Gafta to do so, both parties expressly agree that **Gafta shall notify GPC in writing of any such default.**

Lines 375-379



25: DISPUTES & ARBITRATION

(e) DEFAULT OF ARBITRATION

GPC shall then, at its absolute discretion, have the right to take disciplinary action against the defaulting party under, without limitation, the GPC Code of Ethics and/or the GPC By-Laws / Articles of Association. Disciplinary action shall include, but shall not be limited to, suspension from GPC membership or recommendation of suspension from any GPC affiliates, on such terms and for such duration as GPC shall determine (including a prohibition on attending any GPC convention or event and notification of suspension to GPC membership)

Lines 379-384



Use it, or lose it



QUESTIONS & ANSWERS following Gafta Presentation