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TFP Trade Finance Program

WORKSHOP ON AML/CFT AND TRADE FINANCE

26-28 June 2019
Tanoa International Hotel, Nadi, Fiji

Agreeing International Contracts



• UCP 600

• ISBP 681

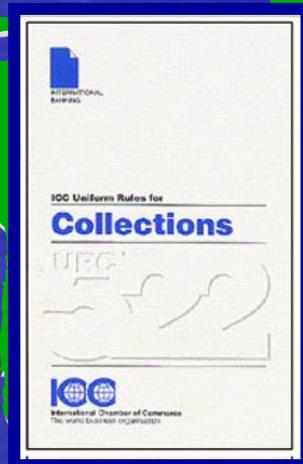
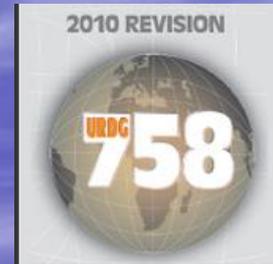
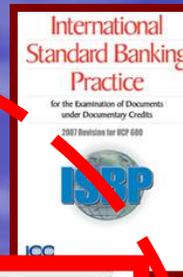
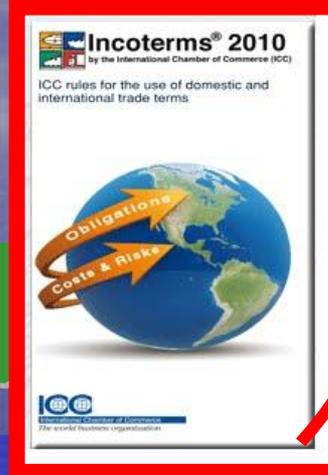
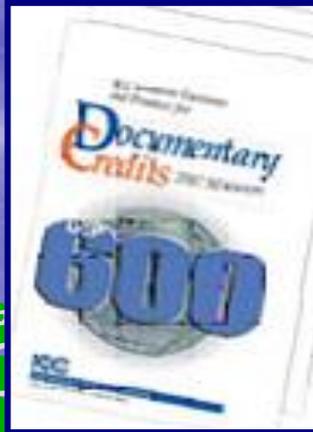
• URC 522

• ISP98

• URDG 758

• URR 725

• INCOTERMS



That Contract may take a number of different forms



Seller

SELLER agrees to sell

Formal Agreement
Proforma Invoice
Purchase Order
Exchange of Telexes
emails

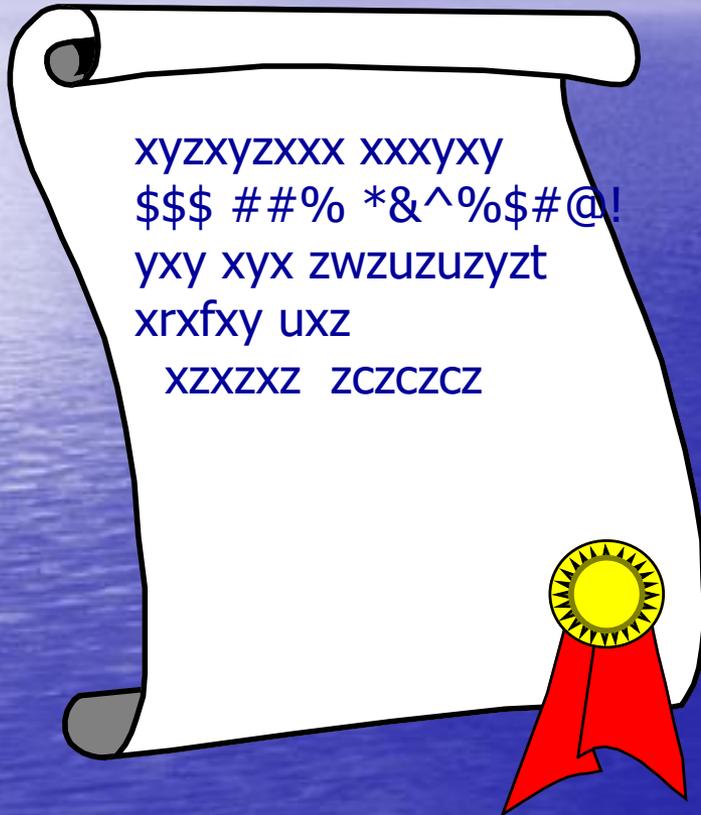


Buyer

BUYER agrees to buy

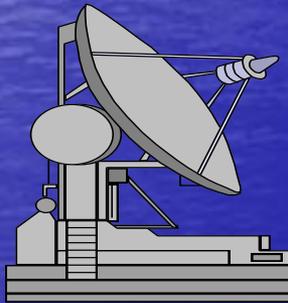


The Sales Contract covers



- Goods ...
- SHIPMENT
- FROM...TO...
- TERMS
 - INCOTERMS
 - Financing
- PRICE
 - Currency
- Method of Payment

Merchandise/Goods



- Description
- Quantity
- Quality
- Model
- Style
- Standards
- Services

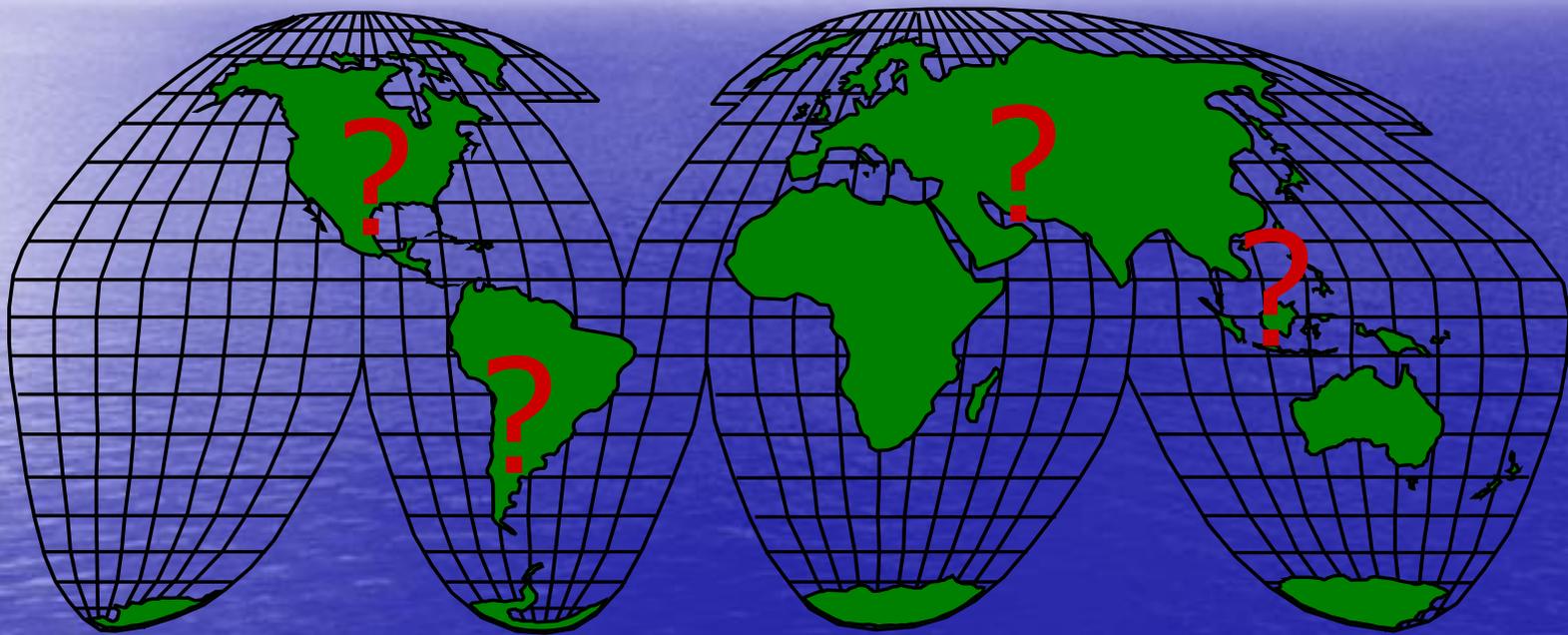
Shipment Date...



October 2006						
			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	

From ...

To ...



The Role of Documents in International Trade.

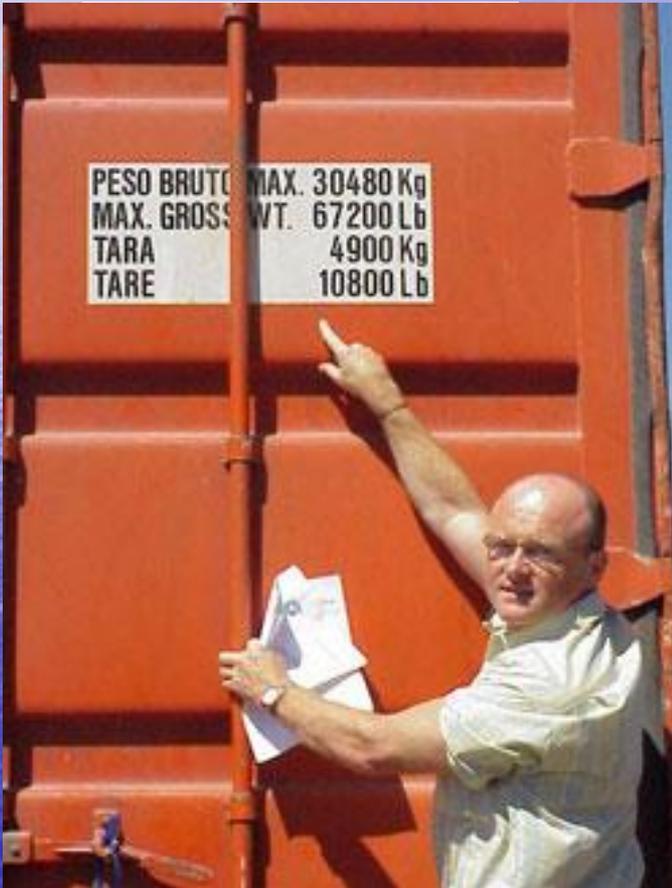
- Evidence of specific fact or action.
- Presentation of Documents (evidence) to banks under Collections or Letters of Credit.



Documents



Financial or Commercial



COMMERCIAL
INVOICES

PACKING
LIST

CERTIFICATE
OF ORIGIN

INSURANCE
CERTIFICATE

TRANSPORT
DOCUMENTS



**1936 – 1957 – 1967 – 1974 – 1980
– 1990 – 2000 – 2010**



Port of Loading

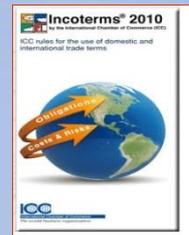
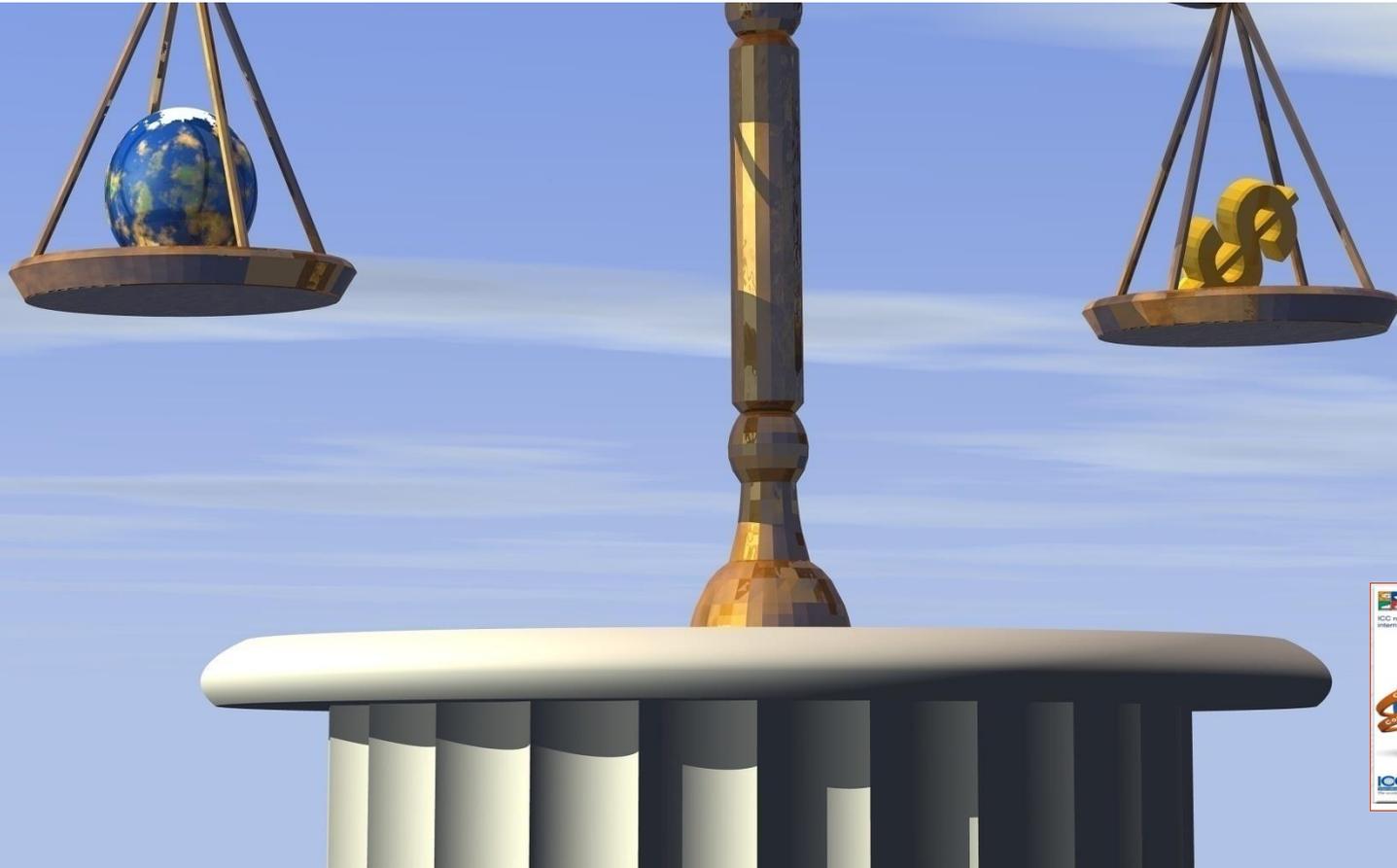
Place of Receipt

USD3,250,000.00
CIF Jebel Ali Port Terminal 2.
....is acceptable.

Great ...
.... That was easy
and clear!

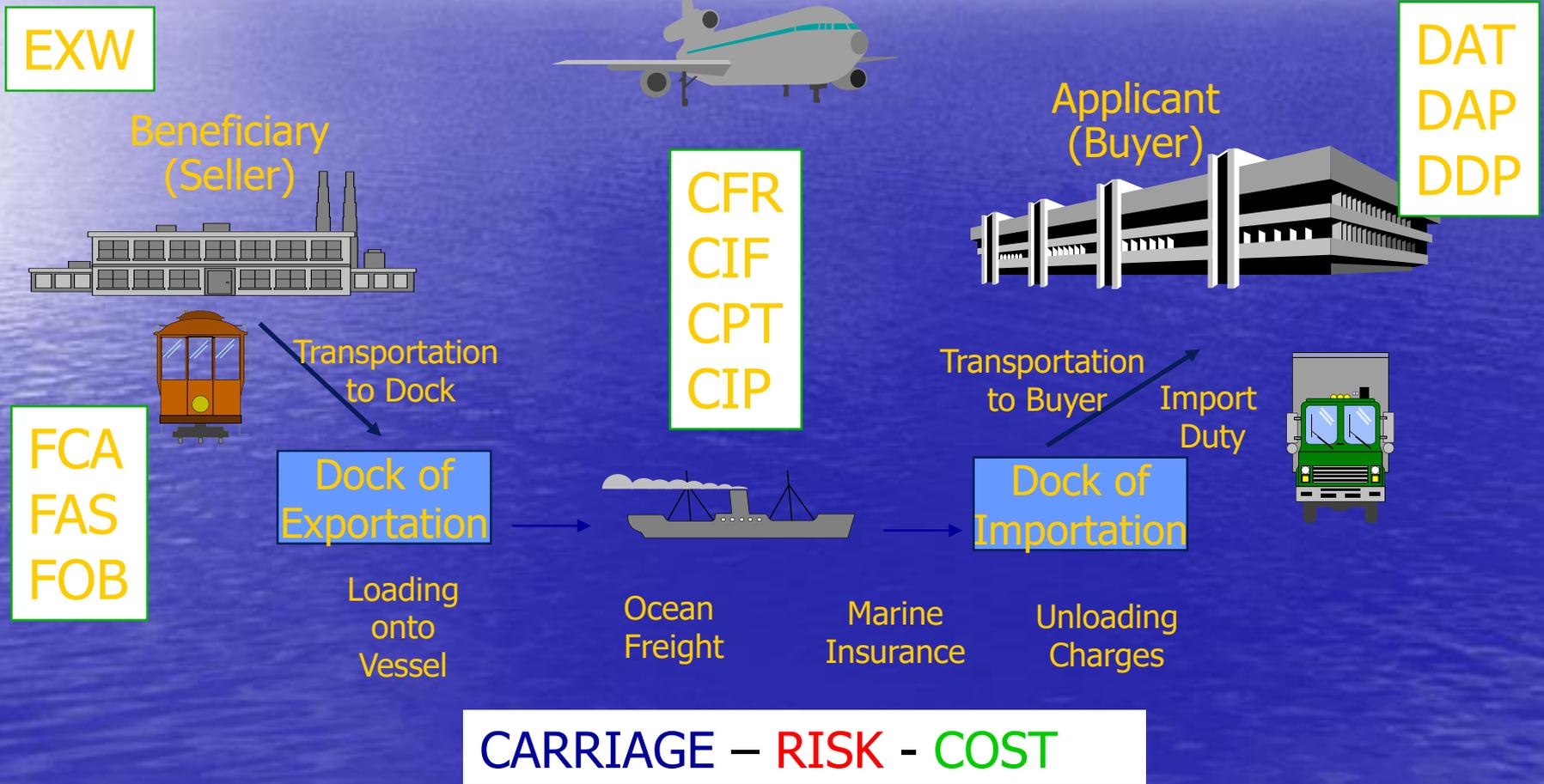


Shared Imaging, Inc.(buyer) plaintiff
V
Neuromed Medical Systems & Support (seller)
defendant



INCOTERMS 2010

...international commercial terms



INCOTERMS

What do they define?



Who has to take care and pay for the **transport** of the goods



Who has to take care and pay for the **insurance** of the goods



Who has to take care and pay for **other costs** like, e.g. customs, handling,...



Define the place where the seller has to **DELIVERED** to the buyer.



Define clearly the place and time when the **risk is transferred** from one party to another.

INCOTERMS 2010

ICC publication 715 E

As of January 1st, 2011 the new “**INCOTERMS 2010**” came into force, involving the following changes in relation to INCOTERMS 2000:

4 INCOTERMS are eliminated and 2 new are created, all belonging to the so-called D's :

Eliminated

DDU

Delivered Duty Unpaid

DAF

Delivered At Frontier

DES

Delivered Ex Ship

DEQ

Delivered Ex Quay

New terms

DAT

Delivered At Terminal

DAP

Delivered At Place

Risk?





OBLIGATIONS OF SELLER	OBLIGATIONS OF BUYER
A1 General obligations of the seller	B1 General obligations of the buyer
A2 Licenses, authorizations security clearances and other formalities	B2 Licenses, authorizations security clearances and other formalities
A3 Contracts of carriage and insurance	B3 Contracts of carriage and insurance
A4 Delivery	B4 Taking delivery
A5 Transfer of risks	B5 Transfer of risks
A6 Allocation of costs	B6 Allocation of costs
A7 Notices to the buyer	B7 Notices to the seller
A8 Delivery document	B8 Proof of delivery
A9 Checking-packaging-marking	B9 Inspection of goods
A10 Assistance with information and related costs	B10 Assistance with information and related costs

INCOTERMS

Extent of obligations

From the **standpoint** of the seller

Goods available to the buyer, in our warehouse and unloaded meaning NOT LOADED.



Deliver the goods to the carrier chosen by the buyer.



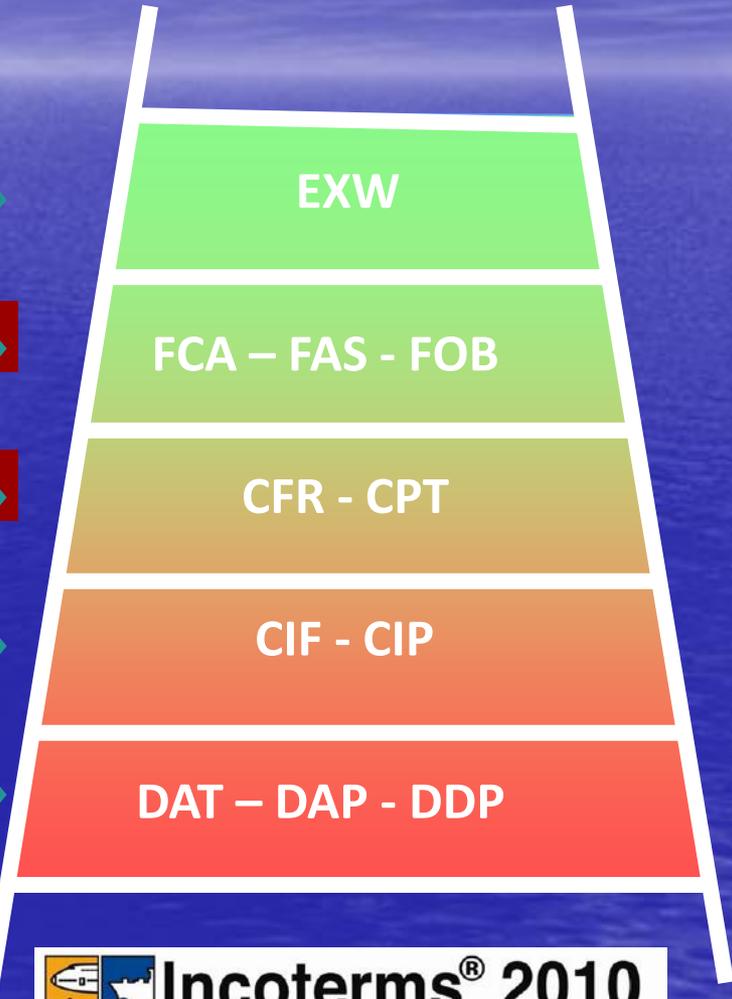
Deliver the goods to the carrier selected by seller.



Deliver the goods to the carrier chosen by seller, dealing and paying the insurance.

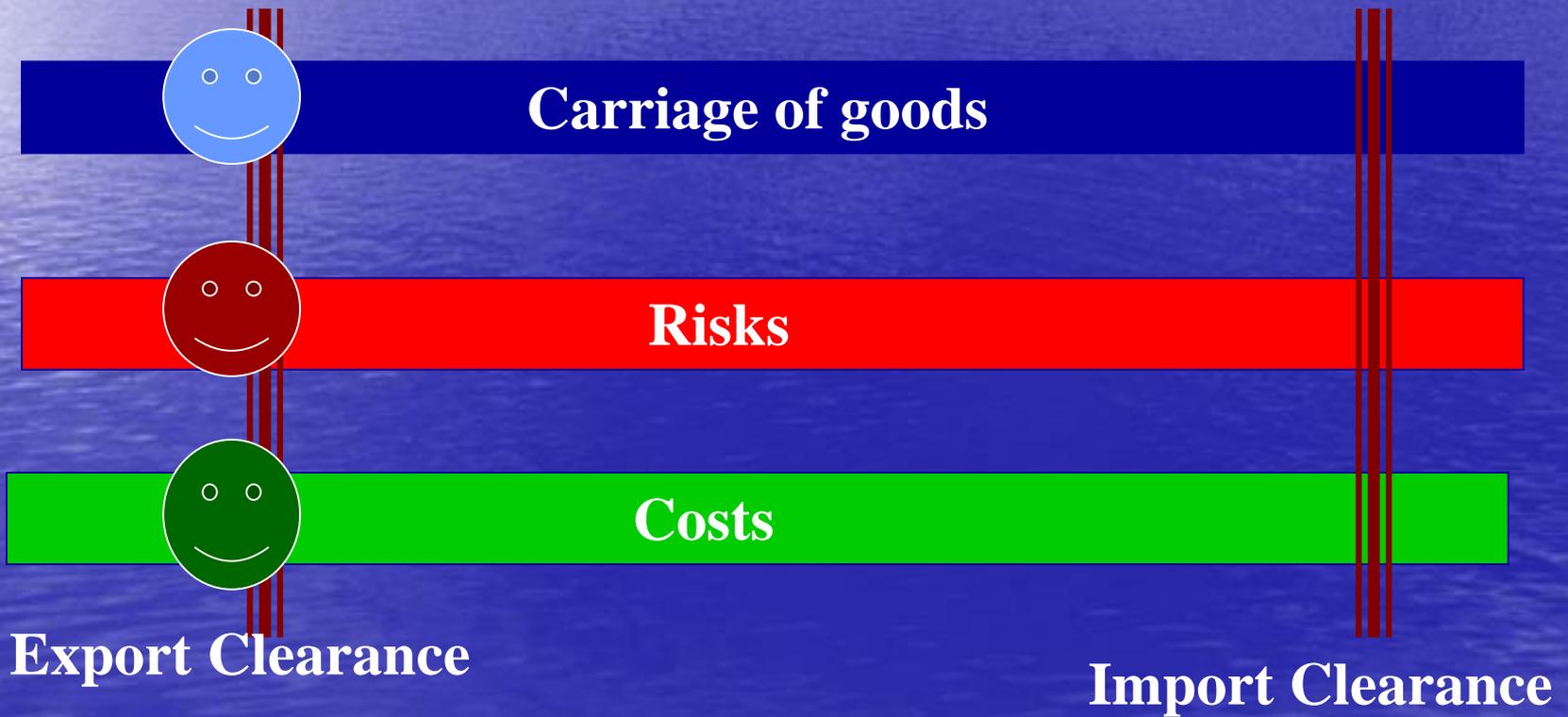


Maximum obligation. Delivering the goods at destination....named place.





- FCA (..named place)





- FOB (..na  port of shipment)



Carriage o



Risks



Costs

Export Clearance



Import Clearance



● CIF (..nar



Export Clearan

TESTED TELEX...URGENT..TESTED TELEX..

ON BEHALF OF **POLIMEX CEKOP** WE ISSUE OUR
IRREVOCABLE DOCUMENTARY CREDIT

FOR USD3.700.000.00 AVAILABLE BY SIGHT PAYMENT WITH
BARCLAYS BANK LONDON

PLEASE ADD YOUR CONFIRMATION

**COVERING 50,000 TONNES OF CEMENT MAGNASITE
'QUICK DRY' AS PER CONTRACT NO POL898/.87 CIF
GDYNIA POLAND (INCOTERMS ICC CURRENT VERSION)**

DOCUMENTS REQUIRED

+SIGNED INVOICES IN TRIPLICATE

+ INSURANCE POLICY FOR 110% OF CIF VALUE WITH CLAIMS
PAYABLE IN WARSAW FREE OF EXCESS OR FRANCHISE.

+MARINE BILL OF LADING CONSIGNED TO ORDER OF BIG
BANK WARSAW NOTIFY APPLICANT MARKED FREIGHT PAID.

+INSPECTION CERTIFICATE ISSUED BY QUALSPECO
INTERNATIONAL DATED BEFORE SHIPMENT DATE STATING
THE QUALITY QUANTITY AND SPECIFICATIONS OF GOODS
AND THAT GOODS HAVE BEEN PACKED AND STOWED IN
SEAWORTHY MANNER.

**THIS CREDIT IS SUBJECT TO UCP 400 OF THE
INTERNATIONAL CHAMBER OF COMMERCE PARIS
FRANCE.**

EXW - FCA - CPT - CIP - **DAT - DAP** - DDP - FAS - FOB - CFR - CIF



DELIVERED AT TERMINAL
DAT (insert named terminal at port or place of destination)
Incoterms® 2010

Carriage of goods



Risks
Jebel Ali – Terminal 2 VIN

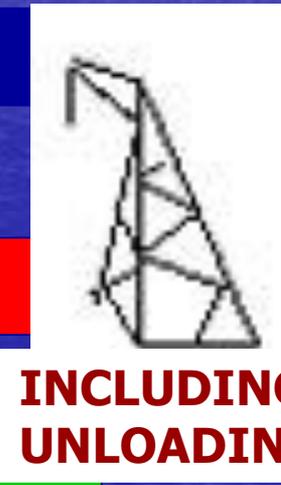


Costs

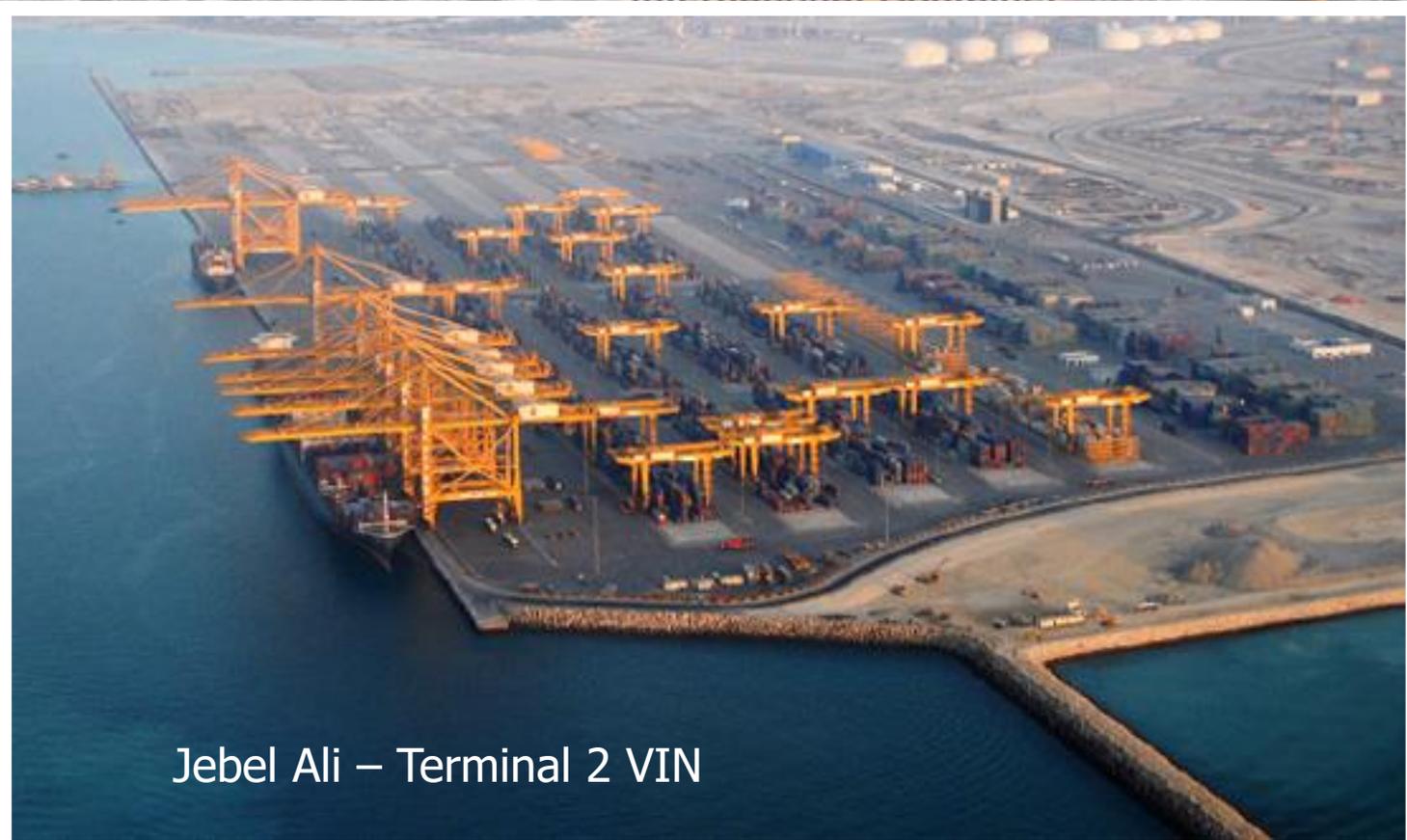


Export Clearance

Import Clearance



Baltycki Terminal Kontenerowy
International Container



Jebel Ali – Terminal 2 VIN



When the MONEY is paid ?

PAYMENT METHOD – SHOW ME THE MONEY???





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