

# CIF TRANSACTION PROCEDURE

## EN590 10 PPM — CIF HOUSTON

### *Seller Procedure*

**Important:** This document presents the transaction procedure for the above CIF delivery. The commercial terms, product specifications, quantities, price, laycan and other contractual details shall be stated in the applicable commercial offer and Sales and Purchase Agreement (SPA).

1. Buyer issues an official ICPO confirming acceptance of the Seller's transaction procedure, together with the Buyer's company registration documents, banking details and valid identification.
2. Seller issues the Draft Sales and Purchase Agreement (SPA) to Buyer for review. Buyer reviews, signs and returns the SPA within the agreed period.
3. Seller reviews and countersigns the SPA. The fully executed contract is exchanged between the parties and, where required, lodged with the respective banks within 24 hours of signing.
4. Within five banking days after execution of the SPA, Buyer issues an SBLC via SWIFT MT760 to the Seller's nominated bank for the value required to cover the first shipment. Upon confirmation of the operative payment instrument, Seller provides the agreed performance security in accordance with the SPA.
5. Seller arranges the vessel, freight and insurance for the CIF shipment to Houston and commences loading within the agreed laycan window. Upon completion of loading, Seller arranges independent SGS inspection for quantity and quality and provides the Buyer with the applicable shipping and Proof of Product documents.
6. The vessel proceeds to the nominated discharge port in Houston. Upon arrival, the Buyer's inspection team may conduct SGS/CIQ or equivalent inspection to verify the quantity and quality of the cargo in accordance with the SPA.
7. Following successful inspection at the discharge port and in accordance with the agreed payment terms in the SPA, Buyer makes payment for the delivered product by the agreed banking instrument/MT103. Seller transfers title to the product and discharge proceeds in accordance with the contract.
8. Seller pays all agreed intermediaries in accordance with the signed NCNDA/IMFPA and the applicable SPA terms. Subsequent monthly shipments, where contracted, continue according to the agreed delivery schedule.

### **CIF DELIVERY NOTE**

Under CIF terms, the Seller is responsible for arranging and paying the ocean freight and marine insurance to the agreed Houston discharge port, subject to the final terms of the signed SPA.