**TRADE RELATED INFO**

LOI- Standard

COMPANY LOGO HERE

Date: 00/00/2021
To: SELLER via SAC Buyers ref no.:

                                                                     **LETTER OF INTENT**

We the undersigned \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (your company name) here represented by Mr. \_\_\_\_\_\_\_\_\_\_\_, Director, hereby confirm with full legal and corporate responsibility and under penalty of perjury that we are ready to purchase the commodity in the quantity and for the price as specified in the Terms and Conditions stated below: This representation is made with full corporate authority and responsibility of the above named company.

|  |  |
| --- | --- |
| **Commodity:** |  |
| **Appearance:** |  |
| **Shipping Terms for Sale:** | **CIF** |
| **Origin:** | **Brazil** |
| **Total / Contract Quantity:** |  |
| **Duration of Contract:** | **12 months** |  |
| **Packing:**  |  |
| **Price:** | **US $** |
| **Payment Terms:** | SBLC / ARDLC / DLC (MT 700/760)The Bank Instrument Must Be Revolving, Transferable, Irrevocable, Divisible, Operational, Renewable And Confirmed By Top 50 Bank. |
| **Value Of Contract Total.** | **U$D 000.000.000** |
| **Delivery terms:** | **35 – 45 days** |
| **Inspection:** | Quality, Quantity, Weight, & Photo by SGS or equivalent at seller cost at port of loading. |
| **Insurance:** | 110% |
| **Performance bond:** | 2% Of value of the SBLC |
|  |  |
| **Shipping Documents:** | All Shipment Documents And Invoices |

|  |
| --- |
| **BUYER’S INFORMATION:** |
| **Name:** |  |
| **Position:** |  |
| **Company name:** |  |
| **Registration Number:** |  |
| **Address:** |  |
| **City/Zip:** |  |
| **Country:** |  |
| **Business Telephone:** |  |
| **Business Fax:** |  |
| **Mobile Telephone:** |  |
| **E–mail:** |  |
| **Website address** | http://www. |
| **BUYER’S BANK INFORMATION:** |
|  | **ISSUING BANK:** | **CONFIRMING BANK:** |
| **Bank Name:** |  | If the buyers bank is not one of top 25/50 banks, the Payment Instrument must be confirmed by a top 25/50 Bank |
| **Bank Address, City, Country:** |  |  |
| **Bank Swift Code:** |  |  |
| **Bank Telephone:** |  |  |
| **Bank Fax:** |  |  |
| **Account Name:** |  | We understand that any and all offers and/or contracts are subject to successful seller verification of funds availability. We hereby give our permission for the seller/sellers mandate to conduct a soft probe of our account as listed below. |
| **Account Number:** |  |
| **Bank Officers name:** |  |
| **Bank Officer E–mail address:** |  |
| **Bank Website address:** |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Buyer´s signature sealed and stamp

ICPO –Standard

YOUR COMPANY LOGO HERE

This document is prepared in the form of an Irrevocable Confirmed Purchase Order (I.C.P.O.) which has drafted subject to the rules of the International Chamber of Commerce, ICP 500.

**IRREVOCABLE CONFIRMED PURCHASE ORDER (ICPO)**

Date: 00/00/2021

We the undersigned \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (your company name) here represented by Mr. \_\_\_\_\_\_\_\_\_\_\_, Director, hereby confirm with full legal and corporate responsibility and under penalty of perjury that we are ready to purchase the commodity in the quantity and for the price as specified in the Terms and Conditions stated below: This representation is made with full corporate authority and responsibility of the above named company.

|  |  |
| --- | --- |
| **Commodity:** |  |
| **Appearance:** |  |
| **Shipping Terms for Sale:** | CIF |
| **Origin:** |  |
| **Total / Contract Quantity:** | ............ MT |
| **Month Delivery:** | ............ MT |
| **Duration of Contract:** | 12 months |  |
| **Packing:**  |  |
| **Price:** | US $ |
| **Payment Terms:** | SBLC / ARDLC / DLC (MT 700/760)The Bank Instrument Must Be Revolving, Transferable, Irrevocable, Divisible, Operational, Renewable And Confirmed By Top 50 Bank. |
| **Value Of Contract Total.** | U$D 000.000.000 (value in full dollars) |
| **Delivery terms:** | 35 – 45 days |
| **Inspection:** | Quality, Quantity, Weight, & Photo by SGS or equivalent at seller cost at port of loading. |
| **Insurance:** | 110% |
| **Performance bond:** | 2% Of value of the SBLC |
| **Quality** | Export Quality |
| **Shipping Documents:** | All Shipment Documents And Invoices |

|  |
| --- |
| **BUYER’S INFORMATION:** |
| **Name:** |  |
| **Position:** |  |
| **Company name:** |  |
| **Registration Number:** |  |
| **Address:** |  |
| **City/Zip:** |  |
| **Country:** |  |
| **Business Telephone:** |  |
| **Business Fax:** |  |
| **Mobile Telephone:** |  |
| **E–mail:** |  |
| **Website address** | http://www. |
| **BUYER’S BANK INFORMATION:** |
|  | **ISSUING BANK:** | **CONFIRMING BANK:** |
| **Bank Name:** |  | If the buyers bank is not one of top 25/50 banks, the Payment Instrument must be confirmed by a top 25/50 Bank |
| **Bank Address, City, Country:** |  |  |
| **Bank Swift Code:** |  |  |
| **Bank Telephone:** |  |  |
| **Bank Fax:** |  |  |
| **Account Name:** |  | We understand that any and all offers and/or contracts are subject to successful seller verification of funds availability. We hereby give our permission for the seller/sellers mandate to conduct a soft probe of our account as listed below. |
| **Account Number:** |  |
| **Bank Officers name:** |  |
| **Bank Officer E–mail address:** |  |
| **Bank Website address:** |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Buyer´s signature sealed and stamp

**BCL / RWA - Standard**

***Should be submitted on Banker's Letterhead (BUYER TO COMPLY)***

**READY WILLING AND ABLE (RWA / BCL )**

 (Bank must be one of the TOP 50 Prime global Banks)

Date:.............................., 2018

To: whom so ever it may concern;

This Letter is to Confirm That \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of the company) registered in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (address bank – tel.) has Business checking account with our branch in good standing and we are ready to issue a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (unconditional total contract, transferable or non-transferable, divisible, irrevocable) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (SBLC/BG/DLC/ LC UCP600), on behalf \_\_\_\_\_\_\_\_\_\_\_\_ (name of the company) for a maximum amount of \_\_,000,000,00 (total contract amount) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Write amount in words).

For more information please contact me at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (tel. Bank)

Sincerely yours,

Clients' Name as written in account …………………………………………………

Account Nº …………………………....................................................... Bank Telephone Nº *(if not printed above)* ………………………………………… Bank's fax Nº ……………………………………………………………………………………… Bank Swift/Sort-Code ………………………………………………………………………… **Bank rubber stamp**

**Xxx**

**Bank officer 1 Bank officer 2**

Signed and sealed Signed and sealed

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title and typed full name Title and typed full name

**VERY IMPORTANT:** BCL or RWA will be automatically rejected if it has not the stamp of the bank & sign/seal by two bank officer´s without exceptions.

**Quantity for Order**

Many commodity products such as grains and solids are transported by special cargo ships, the so-called freighters.

The standard stipulated quantity for commodity for bulk orders:



12.500 metric tons (MT)

25.000 metric tons (MT)

50.000 metric tons (MT)

75.000 metric tons (MT)

100.000 metric tons (MT)

150.000 metric tons (MT)

200.000 metric tons (MT)

300.000 metric tons (MT)

**Container Size**

The standard stipulated quantity for merchandise for container orders and small quantity:


**Container 20 FEET** - Dimensions:

internal: 5,900 m long X 2,350 m wide X 2,393 m high, with a cubic capacity of 33.2 m.
external: 6,058m long X 2,438m wide X 2,591 m high and maximum capacity of 24,000 kg.

**Container 40 FEET** - Dimensions:
internal: 12,032 m long X 2,350 m wide X 2,392 m high, with a cubic capacity of 67.7 m.
external: 12,192m long X 2,438 m wide X 2,591 m high and maximum capacity of 26,930 kg.

**Payment methods**

The information on this page is all about payment methods accepted in Brazil for commodity payments.

Which banks are accepted for purchase from abroad in Brazil?

All banks that are in the top 50 list in the world.

The most common forms of payment in this type of experior trade are as follows:

**SBLC** - Standby Letter of Credit.

StandBy Letter of Credit is a written commitment by a bank that issues it to pay a certain amount of money on behalf of the bank's customer in favor of a beneficiary in the event that the customer / buyer is unable to meet its financial obligation to the beneficiary / salesman.

**DLC -** Documentary Letter of Credit.
A document issued by a bank that guarantees payment of a buyer's invoices for a specified period and up to a specified amount.

**RDLC** - Revolving Documentary Letter of Credit.
RDLC is the same as DLC, but revolves around the life of the contract.

**TT** - Telegraphic Transfer
Bank transfer

**MT - 103**
Bank transfers. SWIFT MT-103 is used by the bank when its customers wish to make payment to customers of another bank in another country.

**MT - 760**
When an MT-760 is issued, the issuing bank places a pool of customer funds, which it guarantees that the funds have been established for payment to the MT-760 beneficiary.

**RWA -**
Readiness, Willingness and Availability
A banking term that means: readiness, disposition and availability of funds for a specific transaction.

**BCL** - **Bank Comfort Letter** or **POF** - **Proof of Funds**.
BCL, or Bank Comfort Letter, is a document usually issued by investment banks in which the bank says the client has a good credit history, sufficient to support large transactions, or in which the bank he says that he is willing to grant loans to the client, enough to cover the value of a certain operation.
In other words, it is a vote of confidence issued by the bank, with the purpose of helping to generate trust (comfort) between the parties.
It is usually sent with the LOI letter of intention to prove the purchasing company's financial strength.

\*\*\*\*

**TRANSACTION PROCEDURES:**

1. Buyer issues the LOI / or ICPO ( BANK APPROVED )
2. Seller sends SCO / or FCO
3. Buyer signs and sends the FCO/ or SCO back to seller
4. ***Important step; either of the documents is a must before we move to payment and contract procedure :***
	* 1. Buyer issues BCL (As fund proof )
		2. or any previous import record as proof of their trade capabilities
		3. or some trade permit copy issued to them from respective country Government to import
		4. or a large company, who has authorized them to do the negotiation on behalf of them.
5. Seller send draft contract for negotiation and to show his approval / Or issues proforma invoice ( as applicable)
6. Buyer agrees on draft contract/ or proforma invoice and with the draft of letter of credit or bank acceptation.
7. Seller sends the original contract.
8. Contract to be verified by the seller and buyer, and signed the electronic version.
9. Buyer’s bank sends the pre-advice ( draft LC copy ) within 5 working days to seller’s bank for acceptance.
10. Seller’s bank confirms within 5 working days the acceptability of the terms and conditions of the Letter of Credit otherwise advise the amendments, if any.
11. Buyer issues the operative LC/ DLC/SBLC to seller’s bank within 7 banking days.
12. Seller conduct the SGS at port of loading.
13. Load the cargo and;
14. Seller send original shipment documents to the buyer’s bank and buyer
15. Bank will send 100% invoice value via mt103 / or similar instrument to seller’s bank
16. Steaming of the vessel.

**Acronyms & Abbreviations - Customs**

SIGLAS AND EXPRESSIONS OF INTERNATIONAL TRADE COMMODITY

**ASWP**
Any Safe World Port
This is not an official incoterm, but is often used in sellers' quotes as, e.g. "CIF ASWP", and is widely accepted. CIF ASWP in a quote implies that CIF shipment would cost the same for delivery to any safe port in the world, whatever the distance from source.

**ATB**
Authority To Board
Used for oil shipments - issued by the seller, it provides the authority to enable the buyer to board the vessel to confirm cargo availability, quantity and quality.

**ATL**
Authority To Load
Authority to load buyer's vessel

**AWB**
Air Way Bill
The air freight equivalent of a BOL.

**BCL**
Bank Comfort Letter
Also known as a Bank Capability Letter, or Bank Confirmation Letter, this is a letter from the customer's bank confirming his ability to meet a certain level payment requirements. It should however be understood that this does not imply any guarantee of payment.

**BG**
Bank Guarantee

**BOL**
Bill of Lading
This is the receipt given by the shipping company when goods are loaded on board the vessel. This is an important document and gives title to the goods. It is needed by the buyer to obtain the goods from the port.

**BPU**
Bank Payment Undertaking

**CFR**
Cost and Freight
The price includes the cost of the goods, loading, and freight to the named Destination Port. This does not include unloading charges. e.g. CFR Rotterdam.

**C&F, CNF**
Same as CFR. These are old terms and should not be used. The correct term to use is CFR (see INCOTERMS).

**CIF**
Cost, Insurance and Freight
This is the same as CNF, but also includes insurance to the named Destination Port. e.g. CIF Conakry.

**COO, CO or C/O**
Certificate of Origin
A documentary statement signed by the exporter and attested to by a local Chamber of Commerce/Consulate, attesting the country of origin (normally the exporter's) of the goods being shipped. Some countries have different types of CO (e.g. Singapore has 'Ordinary' and 'Preferential')

**CPA**
Charter Performance Agreement

**DLC**
Documentary Letter of Credit (see L/C)

**DDP**
Delivered Duty Paid
Delivered, all duty paid, to the named Destination (which can be customer's works) e.g. DDP Madrid. All delivery charges and duties to the named destination are paid by the exporter.

**E&OE**
Errors and Omissions Excepted
This is often found on invoices and quotations, and denotes that the author does not take responsibility if there are errors or missing text. Documents should therefore be thoroughly checked.

**EXW**
Ex-Works
The buyer pays all costs of transport from pickup at the suppliers premises. e.g. EXW Delhi.

**FAS**
Free Alongside Ship
The supplier pays costs only to the port of loading. Loading and shipment are then the responsibility of the buyer. However the supplier must clear the goods for export. e.g. FAS Port Klang.

**FOB**
Free on Board
This means that the supplier pays only to the point where the goods are loaded on board the carrying vessel. The seller must clear the goods for export. As soon as the goods are over the ship's rail they become the responsibility of the buyer. e.g. FOB Cape Town.

**FCA**
Free Carrier
The supplier must deliver the goods, cleared for export, to the carrier nominated by the buyer at the named place.

**FCL**
Full Container Load
The goods fill a container, no other purchaser's goods will share the container. Often suppliers will not supply less then one full container. LCL would denote less than one container load.
(Also short for FCLtrading.com, a leading commodity trading company)

**FCO**
Full Corporate Offer
A FCO usually starts with a clause similar to the following:

**ICPO**
Irrevocable Corporate Purchase Order
However this acronym can also mean Irrevocable Commission Payment Order (the meaning Irrevocable Confirmed Payment Order has also been quoted).

**INCOTERMS**
"International Commercial Terms"
A set of import/export related shipping terms devised and published by the International Chamber of Commerce (ICC). These terms (Incoterms 2000) are internationally accepted and should always be used in order to avoid misunderstandings between trading partners. All terms in this glossary are Incoterms.

**L/C**
Letter of Credit
A Letter of Credit is a document issued by a bank which guarantees the payment of a buyer's drafts for a specified period of time and up to a specified amount, under specified conditions. Effectively it is a method of payment where the buyer's bank guarantees payment to the supplier. L/C are almost always irrevocable, can (if required) be transferable, and subject to terms (e.g. on SIGHT, 30 days, 60 days, etc.). For regular shipments a Revolving L/C is often utilised. The various types can be defined as follows :
CL/C (Confirmed Letter of Credit) A letter of credit, issued by a foreign bank, with validity confirmed by a First Class (usually US or European) bank. A seller with CL/C terms is assured of payment even if the foreign buyer or the foreign bank defaults.
DL/C or DLC (Documentary Letter of Credit) A document issued by a bank which guarantees the payment of a buyer's drafts for a specified period and up to a specified amount. The Documentary Letter of Credit provides a more secure means of carrying out transactions in import-export trade than by documentary bills collection (see Bill of Exchange). A letter of credit when transmitted through a bank, usually in the seller's country, becomes the means by which the seller obtains payment. The necessary documents, correctly completed, are presented to a bank by an agreed date. If the terms of the credit are met, a seller can receive payment from a bank immediately.
IL/C (Irrevocable Letter of Credit) An Irrevocable Letter of Credit cannot be amended or cancelled without the consent of the issuing bank, the confirming bank (if confirmed), and the beneficiary. The payment is guaranteed by the bank if the credit terms and conditions are fully met by the beneficiary. The words Irrevocable Documentary Credit or Irrevocable Credit may be indicated in the L/C. It means that once the buyer's conditions in the letter have been agreed to by the seller, they constitute a definite undertaking by the buyer's bank and cannot be revoked without the seller's agreement.
Revocable Letters of Credit are rarely used as the terms of the credit can be cancelled or amended by an overseas buyer at any time without notice to the seller.
RL/C (Revolving Letter of Credit) When a letter of credit (L/C) is specifically designated a Revolving Letter of Credit, the amount involved when utilized is automatically reinstated, that is, the amount becomes available again without issuing another L/C and usually under the same terms and conditions within a period of time (usually several months to one year). This saves administration when multiple shipments are involved.
SL/C or SBLC (Stand-by Letter of Credit) is a financial guarantee or performance bond issued by a bank on behalf of a buyer. i.e. a written obligation of the issuing bank to pay a sum to a beneficiary on behalf of their customer in the event that the customer himself does not pay the beneficiary. The SL/C is regulated by the ICC-500 rules.
RDLC Revolving Documentary Letter of Credit

**LCL**
Less than a Container Load
LCL denotes less than one container load. The goods do not fill the complete space of a container. Often containers are consolidated, i.e. they are filled with goods from different suppliers for different buyers in order to make efficient use of space.

**LOI**
Letter of Intent
A document by which the buyer states that he intends to enter into a transaction.

**PB**
Performance Bond it is a type of insurance that guarantees the fulfillment of a contract as agreed.

**POF**
Proof of Funds
A note from a buyer's bank to the seller/seller's bank that money is available to complete the proposed transaction.

**POP**
Proof of Product
A Proof of Product ('POP') is often requested by customers or agents who believe it will give them some guarantee of the existence of the product and ability of the supplier to deliver. In practice many POPs are produced which are false. In practice it offers no proof at all, because once a POP has been drafted it is automatically out of date - the product could have been sold to another buyer and therefore no longer exists. Nevertheless, a POP is still occasionally requested as apparent proof that a seller/broker has the product, which is possibly not the case.
A POP for large quantities is often not genuine as it is unlikely that a manufacturer has stockpiled possibly millions of tonnes of a product. Large quantities of a products are made to order to match the terms of a specific contract, in this case a proof of allocation would be more relevant. A POP without a contract reference is also worthless, a POP with a contract reference can and will only be issued once a financial instrument has been put in place, so is therefore superfluous.
A POP is realistically provided only when the buyer's bank issue a Bank Confirmation Letter (BCL) to the seller's bank via SWIFT. Then the seller's bank can check the availability of funds in the buyer's bank and issue a POP to the buyer's bank within an agreed time period (e.g. 5 days). In reality, the best and only real proof of product is when the seller can demonstrate the products in his possession at the dock side.

**RDLC**
Revolving Documentary Letter of Credit (see L/C)

**RWA**
A banking term meaning Readiness, Willingness and Availability of funds for a particular transaction.

**SGS**
This is an international company (SGS Group) who are the definitive quality/specification testing agency for many commodities. Their certificates are internationally accepted.

**SPA**
Sale and Purchase Agreement

**TTM**
Table Top Meeting
Sometimes required for large transactions - where the parties physically meet at a prescribed location, usually involving the exchange of documents.

**TTT**
Tanker to Tanker Transfer
(relates to a method of consignment for Crude Oil)

**TTO**
Tanker Take Over
(relates to method of consignment for Crude Oil)