OIL / PETROL information & documentation

Necessary to close an Oil / Petrol Operation.

I hope that this information and documentation serve to facilitate the beginning of the operations and the work between the Buyers, the Sellers and all the participants in the possible Oil/Petrol operations..........Best regards

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1. THE PLAYERS:

We refer to all the participants above as "**the players**". They all play important roles throughout the process of any Oil deal. These participants are paid from the commission account commonly known as the **discount**. The players from the buyer's side are paid from the buyer's side of the **discount** while those on the seller's side are paid from the seller's side of the **discount**. If you are working for the seller, you will be paid on the seller's side while you will get paid from the buyer's side of the commission if you came into the deal as the buyer's **agent or facilitator. It is always good to be at the buyers' side because the account is always open to accommodate you**

1.a) Buyers.

A buyer is an individual, company or a group of individuals who sign a contract for the purchase of crude oil from the seller or directly from the supplier. A buyer may also sign a contract with a broker for a final purchase of a crude oil product from the seller or the supplier.

1.b) Sellers.

A seller is an individual or group of individuals, or companies who would sign a contract with a supplier and sell the crude oil product to an **end-buyer**. Notice the word **End-Buyer.** The seller could sell to another broker or directly to an end buyer. A seller is an individual, group of individuals or companies who would sign a contract and passes it unto an **end-buyer** for a final purchase agreement .

1.c) Suppliers:

A supplier is the seller who has an irrevocable power to a specified crude oil allocation and has the exclusive right to sell the allocation. He may or may not posses an export license, and can empower any seller who has an export license to sell his allocation on his behalf to a potential buyer.

1.d) Mandates:

There are two kinds of Mandates, Buyers' and Sellers' Mandates. A mandate is an individual, who is empowered by the buyer, the seller or the supplier to negotiate and sign a contract on their behalf. The Mandate can sign and seal a contact on behalf of the buyer, the seller or the supplier. Realistically, he has the power to sign on behalf of who-so-ever he represents.

1.e) Agents:

An agent is an individual, group of individuals or company who negotiate on behalf of the buyer, sellers or the suppliers to conclude any oil deal transaction. The agents deal directly with the facilitators or the seller/buyer. There are two types of agent, viz: The buyer's and the sellers Agents.

1.f) Consultants:

Consultants are companies or individuals who negotiate the terms of the contract as contained in the contract procedure working in close conjunction with the agents, facilitators and mandates. They could be paid either by the buyer or the seller. If a consultant is brought into a deal, his/her commission would be paid by the party who brought him/her into the deal.

1.g) Brokers:

A Broker is the buyer who signs a contract with a supplier on behalf of another buyer and passes the contract to the end-buyer. The broker is quite like the seller. He is not the final buyer. A broker posses technically as a buyer and finally flips the contract over to the **end-buyer**.

1.h) Facilitators:

The facilitator is the individual, or group of people arranging business activities as contained in a contract and bringing two parties into a mutual agreement towards the smooth implementation of a contracts as defined in the procedures of the contract

2. BANK RELATED DOCUMENTS/TERMINOLOGIES:

2.a) BG:

Bank Guarantee: A Bank Guarantee is a financial instrument issued by a bank confirming that full payment will be made by the issuing bank when conditions stipulated in the (SPA Procedure) Sale and Purchase Agreement procedure are met. The holder can borrow against it or secure a higher line of credit based on the value of the instrument.

2.b) BCL:

Bank Comfort Letter: A Bank Comfort Letter is unlike a Bank Guarantee. It rather states the financial position of the account holder, **(the Buyer).** It cannot be cashed or borrowed against, nor can it be used to increase the holder's credit line. BCL is not a valid financial instrument.

2.c) DLC:

Documentary Letter of Credit: A Documentary Letter of Credit is a financial instrument issued by a bank and payable at full face value upon successful production of the required documentation as contained in the body of the document (DLC). When the required documents are tendered

and verified by the issuing bank, payment will be transmitted to the recipient's bank by **swift** within the number of hours or days as specified in the contract procedure.

2.d) RDLC:

Revolving Documentary letter of Credit: RDLC is the same thing as DLC but revolves around the life of the contract.

2.e) Pre-Advice:

Bank Pre-Advice: A Pre-Advice is a document sent by a bank advising the recipient's bank about her intention to open a financial instrument. For example, bank **"A"** will send a notice to bank **"B"** about her readiness to open a DLC in favour of the seller who is a customer of the bank, Bank **B**. Bank **B** will respond confirming her readiness to receive such financial instrument on behalf of her customer.

2.f) Soft Probe:

A soft probe is a means by which a bank conduct a brief credit worthiness of a customer and also confirm if that customer's account is in good standing. It could be summarized as a "**light credit check"**.

2.g) SWIFT:

SWIFT is the coded means by which banks transfer funds and documents through wire process.

What Is SWIFT? SWIFT is the Society for Worldwide Interbank Financial Telecommunications. This organization operates a closed network which operates between banks and financial institutions for the purposes of exchanging messages relating to financial information. SWIFT was founded in Brussels, Belgium, in 1973 at a time when it was fast becoming apparent that globalization was a major market force, but banks in various countries were having trouble keeping up with the emerging demand for quickly and efficiently sending money and communicating financial information across borders.

When it was first founded, the SWIFT network operated in just fifteen countries and had less than 300 banks and financial institutions associated with its network. Nowadays SWIFT operates in 208 countries and there are well over 8,000 banking institutions who make use of the SWIFT messaging network.

SWIFT Codes SWIFT codes are simply a means of differentiating between different kinds of SWIFT messages. The SWIFT messaging network operates using a series of standardized message types. In order to send a SWIFT message, the banking officer simply fills in the appropriate information in the appropriate fields, and sends the message. In order to identify the different types of SWIFT message, there are numbers assigned to each of them. The 'MT' prefix stands for 'Message Type', and the three digit number that follows it represents a specific message type.

2.g.1) <u>SWIFT CODE MT 760</u>

The MT-760 is a type of SWIFT message that is sometimes requested in trading because it functions much like a Bank Guarantee. Essentially, a MT-760 is a SWIFT message which guarantees that a bank will make payment in favour of a client of another bank.

When a MT-760 is issued, the issuing bank puts a hold on its client's funds, thereby ensuring that the funds are in place to make payment to the recipient of the MT-760.

2.g.2) <u>SWIFT CODE MT 799</u>

The MT-799 is a free format SWIFT message type in which a banking institution confirms that funds are in place to cover a potential trade. This can, on occasion, be used as an irrevocable undertaking, depending on the language used in the MT-799, but is not a promise to pay or any form of bank guarantee in its standard format. The function of the MT-799 is simply to assure the seller that the buyer does have the necessary funds to complete the trade. The MT-799 is usually issued before a contract is signed and before a letter of credit or bank guarantee is issued. After the MT-799 has been received by the seller's bank, it is then normally the responsibility of the seller's bank to send a POP (proof of product) to the buyer's bank, at which point the trade continues towards commencement.

2.g.3) <u>SWIFT CODE MT 700</u>

MT 700 is a swift message type that is used by issuing banks when opening a letter of credit, this swift message is sent by the issuing bank to the advising bank, it is used to indicate the terms and conditions of a documentary credit which has been originated by the Sender (issuing bank), according to latest UCP rules, UCP 600, unless otherwise specified, a documentary credit advised to the beneficiary or another advising bank based on a SWIFT message constitutes an operative credit instrument which means that MT 700 swift message is an operative letter of credit. No written message need to follow, the advising bank must advise a documentary credit, including all its details, in a way that is clear and unambiguous to the beneficiary.

2.g.4) <u>SWIFT CODE MT 103</u>

SWIFT MT-103's is the most commonly used form of SWIFT communications, and one which many people will have utilized without even knowing it. For most bank customers, they are known not as MT-103's at all, but rather as wire transfers, telegraphic transfers, or SWIFT transfers. A SWIFT MT-103 is used by the bank when its customers wish to make payment to customers of another bank in another country.

3. <u>BUYER'S DOCUMENTS:</u>

3.a) LOI:

Letter Of Intent: A letter of intent is the initial request sent by the buyer (either directly or through his/her, agent, facilitator or mandate) to the seller, expressing their intention to purchase a product from the seller, the supplier or the broker. The letter usually will describe the product, the quantity, method of payment, method of shipping and their banking details. The LOI must be in the buyer's letterhead and must be signed and sealed. In some instances a buyers mandate can sign and seal an LOI on behalf of the buyer. A trusted agent can do so, only if, an approval has been given by the buyer.

3.b) IPO:

Irrevocable Payment Order: An Irrevocable Payment order is a document issued by the buyer to his bank to effect payment irrevocably to all agents, facilitators, consultants, mandates and any party whose banking (information) coordinates were provided in the banking coordinate page(s) of the contract (SPA) and in (MFPA) master fee protection agreement. When the paying bank receives the payment order, they will effect payment irrevocably in accordance with the specific instructions in the IPO and MFPA. **(Master Fee Protection Agreement).**

3.c) ICPO:

Irrevocable Corporate Purchase Order: After the buyer has received an offer from the seller called, FCO **(Full Corporate Offer),** the seller may request for an ICPO to confirm that the buyer has accepted his initial offer. The buyer sends a signed and sealed (ICPO) to the seller. This exchange of documents is usually done through and between the buyer and seller's facilitators or agents/mandates. The buyer must usually sign and seal the ICPO.

3.d) POF:

Proof Of Fund: Proof of fund is a document that is issued by a bank, confirming the financial capability of their (customer) client to complete the transaction. It could be a letter written, signed and sealed by bank officials in the bank's official stationary (letter head). It can also be in the form of a quarterly bank statement signed and sealed by authorized bank officials, with his phone, fax numbers and e-mail addresses for verification of the authenticity of the document. Proof of fund documents are usually subject to verification for authenticity from the issuing bank. **Proof of fund is not a financial instrument and cannot borrowed against. It is not cashable.**

4. SELLER'S DOCUMENTS:

4.a) POP:

Proof Of product: The proof of product is a document issued by the seller to the buyer to prove that he /she has the product being sold. The proof of Product is subject to verification by the buyer. The buyer may not continue with the transaction if he /she is unable to establish that the seller has a tangible product to sell. This may be done either by a physical inspection of the product in a vessel by accredited inspection firms or through a verification authority.

4.b) FCO:

This document is issued by the seller as an acknowledgement of the buyer's LOI and confirmation and acceptance of the specifics in the procedure. After receipt of the FCO, the buyer issues an ICPO if such document is demanded by the seller.
Some Sellers, directly uses the SPA after the ICPO the order is SCO, ICPO, SPA.

4.c) SPA:

Sales / Purchase Agreement (Contract): SPA stands for **Sale and Purchase Agreement** and it is the same document we refer to as **contract.** The buyer and the seller or their mandates must sign and seal the contract before it becomes binding. If contract is not signed and sealed by both parties, (buyer and Seller), such contract is not effective.

5. INSURANCE DOCUMENTS:

5.a) PB:

Performance Bond (operative and non operative: A Performance bond is an insurance document guaranteeing that the issuer will pay a stipulated amount of money (%) to the other party if he/she breaches (Failed to perform) the contract. This amount will compensate for the losses suffered by the other party. The defaulting party's bond cover all the losses incurred by the beneficiary. It is usually 2% of the total value of the purchase in the SPA. A bond will become operative if the conditions to activate it are met. Conclusively, a PB is not operative until it has been activated by a similar document or a clause that will make it operative.

6. BUYER'S, SELLER'S AND SUPPLIER'S, INSTRUMENTS:

6.a) CPB:

Cash Penalty Bond: A Cash Penalty Bond is a cash amount held in escrow by a designated bank to pay penalty to a party by a defaulting party. Both parties are usually required to post same amount in cash. In most cases, it is usually held in the buyer's bank or a jointly appointed attorney to maintain an escrow account for this purpose. Most sellers object to cash bond being held by the buyer in his own account.

6.b) CP:

Cash Penalty: Some contracts stipulate that if the buyer or seller defaults (failed to carry out some clause in the procedure), the defaulting party will have to pay the other party to compensate for a possible financial loss or losses incurred as a result of their default (breach of Contract). Both parties, each will deposit an agreed sum of money into their bank accounts or a selected bank account. The banks take charge of the amount. If there is any defaulting party, that party looses his or her deposit. This is a sure way to make both the buyer and seller play a fair and honest game in the transaction.

7. SHIPPING TERMS:

7.a) CIF:

Cost Insurance and Freight: Cost Insurance and Freight method is the safest shipping method for the buyer. The seller pays the shipping, the Insurance and cost of the product. The Seller will be paid by the Buyer, upon the safe delivery and inspection of the product, plus production of all required documents as specified in the body of the DLC. The discount for this kind of delivery is very small compared to TTT and FOB transactions. The seller or supplier loads the vessel, inspects the product onboard the vessel and deliver the product at a mutually agreed safe port. At the delivery port, the buyer will conduct his own inspection to ascertain the quantity and quality of the product and pay the seller or supplier based on the result of the inspection after the seller or supplier has submitted all relevant documentations as specified in the (SPA Procedure) contract. This is the best and safe way to buy crude oil. We will discuss the commission aspect of a CIF transaction later. There is usually a 2% performance bond involved in this kind of transaction.

7.b) FOB:

Freight On Board: In FOB transactions, the buyer provides his vessel and a copy of his charter party agreement (CPA) to the seller or the supplier. His vessel sails to the loading destination (port) and his vessel load the cargo. He pays for his vessel charter and all insurance. This method is also good because the buyer pays after his vessel is loaded and inspected to ascertain (Q&Q) Quality and Quantity.

7.c) Dip & Pay:

Dip & Pay Are the fastest procedure: the Buyer must demonstrate that has tank available to inject the product and once presented the TSR, ATV and RTR, the Seller begins to inject the product into buyer tank and buyer confirm the fuel and Pays against SGS report

7.d) TTT

Tanker-to-Tanker Transfer: Tanker-to-Tanker Transfer (TTT) transaction is usually conducted in the International waters. The buyers and sellers' vessels exchange communication document and commence communication. The seller's vessel would send a marine document called (NOR) to the buyer's vessel. **NOR** stands for **Notice of Readiness**. This means that the seller's vessel contacts the buyer's vessel as a confirmation that he is ready to sail and meet him at an agreed discharge point. The Buyer's vessel will respond with an **"ETA"** which stands for **"Expected Time of Arrival".** This is the time he expect to arrive at the agreed meeting point for a TTT transaction. TTT is a very risky type of transaction. The ocean could be very cruel. Among the three forms of crude oil delivery to the buyer, **CIF** is the most recommended. The seller gets paid after the product is trans-shipped into the buyer's vessel, Q & Q Conducted, and all relevant documents are presented to the buyer's bank as specified in the contract. However, most sellers will require the buyer to open an irrevocable letter of credit in favor of the seller before trans-shipment takes place. This assures the seller that the buyer will not steal the product and run away.

8. MARINE DOCUMENTS:

8.a) ATB:

Authority To Board: ATB stands for **Authority To Board** a vessel. This is a marine document issued by the captain of the mother vessel. The mother vessel is the seller's vessel carrying the cargo to be delivered. The captain issues this document to the buyer, advising him to bring his inspector onboard his vessel to conduct a **Q&Q** inspection. I hope you know what Q & Q means at this point. The captain will give details of his location by exact latitude and longitude. You know that the ocean is very vast. He will also include his e-mail address, phone and Fax numbers for painless contacts. This marine document must originate from the captain of the vessel. If it does not originate from the captain, it might be fake. Please make sure that the **ATB** is verified by confirmation from the captain of the mother vessel by the captain of the receiving vessel. Some fake sellers will send a fake **ATB** to buyer just for the purpose of defrauding him. Just to open a DLC so that they can borrow against it.

8.b) CPA

Charter Party Agreement: A charter Party Agreement is the copy of a contract signed between the Chatterer and the commercial operators of a vessel. The agreement specifies the total cost for the charter, method of payment and all relevant information about the vessel. Most TTT sellers require that the buyer should provide them with a copy of his charter party agreement. It is risky to provide Nigerian sellers with such documents hence they can easily alter it for fraud related activities**. Please be careful while dealing with Nigerian sellers and suppliers.**

8.c) NOR:

Notice Of Readiness: A **NOR** is a marine document sent from one vessel captain to the other. During a TTT Transaction, the captain of a mother (Supply) vessel sends a notice of readiness **(NOR)** to the buyer's vessel to inform him about his readiness to meet him at a point for TTT transaction.

He request for the receiving vessel's location and the expected time of arrival **(ETA)** at the agreed location. The receiving (buyer's) vessel responds with his marine document, called ETA. This document outlines his expected time of arrival **(ETA)** at the location they have mutually agreed upon for a TTT transaction.

8.d) ETA:

Expected Time of Arrival: ETA **(Expected Time of Arrival)** is a marine document issued by a vessel captain in response to an NOR he received from a fellow captain. The captain informs the originator of the document the time he is expected to arrive at the mutually agreed location in the ocean for a TTT transaction. See **NOR above.**

9. GENERAL TERMS:

9.a) TTM:

Table Talk Meeting: A table talk meeting **"TTM"** is a meeting held between the buyer and the seller or their mandates to negotiate and come to a final mutual agreement to complete and sign a contract. TTM could also be held after a contract has been signed. At the TTM, buyers and sellers discuss and agree on areas in the contract that has plagued its execution. It is also a forum for the **players** to meet and know themselves.

9.b) ASWP:

Any Safe World Port: This stands for **Any Safe World Port**. This is usually associated with a **CIF** transaction where the seller and the buyer mutually agreed to deliver the cargo at a safe place (port).

9.c) RWA:

Ready Willing and Able: RWA means **Ready, Willing, and Able** to transact an Oil Deal. The seller and buyer must both express their readiness, willingness and ability to hatch and conclude a deal as specified in the (**SPA Procedure**) contract.

9.d) DD:

Due Diligence: Due Diligence is the process by which both the buyer and the seller conduct a fair investigation on each other's ability to deliver and perform. This may include reviewing each other's financial background and business records, including business ethics.

10. AGENTS, FACILITATOR'S, BUYER'S AND SELLER'S DOCUMENT:

10.e) NCNDA

Non Circumvention Non Disclosure Agreement: NCNDA as it stands is a document which protects all parties' financial interest. (which is the commission fee). A Non Circumvention Non Disclosure Agreement is usually signed by all involved parties before the SPA is signed could be embedded in the SPA. This protects all parties from being circumvented by any greedy participant in any given deal. It is always advisable to have this document signed by all the players in any particular deal. It is very important to have this document embedded in a contract as an integral part rather than as an addendum to a contract.

10.f) MFPA:

Master Fee Payment Agreement: This is a document usually embedded in the contract, signed by the buyer and the seller, guaranteeing the payment of commission to all the parties involved in the deal. Since the buyer pays all the parties from the discounted price, he is the party required to sign and seal the document. It is always a good practice to have this document in the contract as an integral part or as an addendum.

11. MARINE RELATED TERMINOLOGIES:

11.a) Destination Point:

Destination point is the point of discharge, e.g., the location where the cargo will be discharged from the vessel. It could either be, a CIF, TTT or FOB cargo. This term is very often synonymous with a CIF transactions.

11.b) Mother or Feeder Vessel:

A Feeder or Mother vessel is a vessel with a loaded cargo to be discharged into another vessel waiting to receive the cargo. This is always associated with **TTT** transactions. It is called the feeder or mother vessel because it feeds another vessel with her onboard cargo.

11.c) Receiving Vessel:

A receiving vessel takes cargo from the feeder or mother vessel. As the name implies, the receiving vessel is usually fed by a mother or feeder vessel. This is very common with **TTT** transactions.

11.d) Along Siding:

Two vessels are said to be along side (Side by side) before they engage in the process of trans-shipment. When they get side by side, they connect all trans-shipment hoses and pumps before they commence trans-shipment **(pumping the crude oil)** from the feeder to the receiving vessel.

11.e) Lightening:

Lightening is the process of transferring crude oil from a large oil tanker by a smaller oil tanker into a storage refining facility. This may occur where it will be very unsafe for the larger tanker to come close to a storage facility.

11.f) Tank Farm:

A tank farm is a storage facility where crude oil is stored and finally pumped into awaiting vessels.

12. CONTRACTS:

12.a) CIF:

Cost Insurance and Freight: Cost Insurance and freight method is the safest shipping method for the buyer. The seller pays the shipping cost, the Insurance and cost of the product. He gets paid by the buyer upon safe delivery and inspection of the product plus presentation of all required documents as specified in the contract. The discount for this kind of delivery is very small compared to TTT and FOB transactions. The seller or supplier loads the vessel, inspect the product on board the vessel and deliver the product at a mutually agreed safe port. At the delivery port, the buyer will conduct his own inspection to ascertain the quantity and quality of the product and will then pay the seller or supplier based on the result of the inspection report conducted by his inspectors, after the seller or supplier has submitted all relevant documentations as specified in the (SPA) contract. This is the best and safest way to buy crude oil. This contract is executed and completed at the buyers and sellers mutually agreed port of discharge**.**

12.b) FOB:

Freight On Board : In an FOB Contract, the buyer provides his vessel and a copy of his charter party agreement (CPA) to the seller or the supplier.
The buyer's vessel would sail to an agreed loading destination (port) and his vessel loads the cargo. He pays for his vessel charter and all insurance. This method is very good because the buyer pays after his vessel is loaded and inspected to ascertain (Q&Q) Quality and Quantity. The contract is usually executed and completed at the sellers loading port.

12.c) TTT:

Tanker-to-Tanker Transfer: Tanker-to-Tanker Transfer (TTT) transaction is usually conducted in the International waters. The buyers and sellers' vessels exchange communication document and commence communication. The seller's vessel would send a marine document called (NOR) to the buyer's vessel. **NOR** stands for **Notice of Readiness**. This means that the seller's vessel contacts the buyer's vessel as a confirmation that he is ready to sail and meet him at an agreed discharge point. The Buyer's vessel will respond with an **"ETA"** which stands for **"Expected Time of Arrival".** This is the time he expect to arrive at the agreed meeting point for a TTT transaction. TTT is a very risky type of transaction. The ocean could be very cruel. Among the three forms of crude oil delivery to the buyer, **CIF** is the most recommended. The seller gets paid after the product is trans-shipped into the buyer's vessel, Q & Q Conducted, and all relevant documents are presented to the buyer's bank as specified in the contract. However, most sellers will require the buyer to open an irrevocable letter of credit in favor of the seller before trans-shipment takes place. This assures the seller that the buyer will not steal the product and run away.

This type of contract is usually executed and completed at a mutually agreed point by both vessel captains in international waters.

13. CONTRACT PROCEDURE

13.a) PROCEDURES:

As I stated earlier, every contract has a procedure. It is the specifics in the procedure that is followed during the execution of any contract. A procedure is like an engine in a car. It is the driving force. Without an engine, a car cannot move. Therefore, without a procedure, there is no execution specifics to be followed.

Before a contract is signed and sealed, it is the items in the procedure that are being negotiated upon. It is the hub of the contract and must be followed strictly. If any item in the procedure is not followed sequentially, that will be characterized as a default or a breach of contract. It is the contents of a procedure that are generally the objects of discussion in a **TTM.** A procedure specifies the order of business in respect with a contract. It states how and when things could be done within the specifics in a contract. It is the pillar in a house without which, the house cannot stand. The importance of a procedure cannot be overemphasized. When a contract is drawn, it specifies what the seller and buyer will do at a given time period. The specifics of the procedure come into effect as soon as the contract is signed and sealed by both parties. Time is of essence in any procedure.

13.b) Required Documents Before Payment:

Some of the documents which, will be handed over to the Buyer for confirmation that the product
has been discharged are as listed below:

a) Original and 3 copies of commercial invoice.

b) Full set of 3 original and non-negotiable copies of bill of lading

c) 1 original and 3 copies of Certificate of Quantity

d) 1 original and 3 copies of Certificate of Quality

e) 1 original and 3 copies of Certificate of Origin

f) 1 Original and 3 copies of master's receipt of samples

g) 1 Original and 3 copies for master's receipt of each one-copy document, excepting commercial invoice

h) 1 Original Ullage report issued at loading terminal.

i) 1 Original and 3 copies of cleanliness report at loading port. Certificate of Ownership

14. DISCOUNT PRICES:

14.a) Gross discount

A Gross Discount is the amount a price would be reduced to purchase crude oil at a lesser price from the quoted ongoing market price Sometimes used to refer to the price differences between futures of different delivery months, as in the phrase "July is trading at a discount to May," indicating that the price of the July transaction is lower than that of May.

It is the total price less than a specific amount setup as an incentive to purchase the (Crude Oil) product. This gross is equitably distributed between the buyer and the seller of the crude oil product.

If the present market price is $60.00 per barrel with a $10.00 gross discount, the buyer will pay to the seller, $60.00 less ten dollars per barrel. This means that the seller will only be paid $50.00 dollars per barrel.

14.b) Net discount:

A net discount is the percentage share of the total discount (gross) that is allocated to the buyer. For example, if the gross discount is $10.00 and the net discount is $6.00 dollars, the buyer will pay the seller the market price less $10.00 and $4.00 left over from the $10.00 will be distributed equally between the seller and buyer sides agents, consultant's mandates and facilitators. That means that each side will get $2.00 dollars from the $4.00 discount.

15. Documents templates:

15.a) LOI Download
15.b) SCO Download
15.c) ICPO CIF Download
15.d) ICPO FOB Download
15.e) ICPO FOB VESSEL Download
15.f) SPA Download
15.g) NCNDA/IMPFA Download
15.h) Warning Letter Download
15.i) Draft verbiage MT 760 Download
15.j) Draft verbiage MT 799 Download
15.k) Draft verbiage MT 700 Download
15.l) Draft verbiage MT 199 Download

I hope that this information and documentation serve to facilitate the beginning of the operations and the work between the Buyers, the Sellers and all the participants in the possible operations.

Best regards