



Gafta: Update on Contracts

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Pulses Conclave Mumbai 2023

Overview of Contract Changes- 2022-23 - Brokers



Brokers confirmed as parties to a Gafta contract where they are named



This means Brokers can use Gafta Arbitration – but limited to non-payment of brokerage fee only.



Overview of Contract Changes- 2022-23- Gafta 88 & 89

- Gafta container **contracts 88** and **89** were subject to extensive review and amended.
- The purpose of the updates to the contracts were to align both contract drafts with the practice in the container industry for the execution and performance of container contracts.
- The terms of **Gafta 89**, were amended from Free On Board to Free Carrier to reflect the trade practice.

Gafta 88

- **Gafta 88 Full Container Loads on Cost, Insurance and Freight/Cost & Freight Terms**

The main changes are as follows:

- **Clause 5.** Quality has been amended to give optionality to certify quality final at time and place of stuffing of the container or alternately at time and place of discharge (such option to be specified at the time of contract by the parties).
- **Clause 6.** Period of Shipment has been amended to clarify that the bill of lading can be dated on board or when the goods are handed over to the container consortia for shipment (such option to be specified at the time of contract by the parties). If no option is specified by the parties then the default position is the hand over date.

A decorative graphic of a wheat stalk, rendered in yellow and light purple, curves from the bottom left towards the top left of the slide.

Gafta 88 (continued)

- **Clause 14.** Weighing has been amended to give parties the option as to whether weight should be certified as final at stuffing of the container or at the time and place of discharge.
- A new **clause 16.** Sampling, Analysis and Certificates of Analysis has been added to expressly incorporate the Gafta Sampling Rules No. 124 and Gafta Methods of Analysis No. 130, therefore clarifying the requirements of sampling and analysis.

Gafta 89

- **Gafta 89** Full Container Loads on Free Carrier terms
- The main changes are as follows:
 - **Clause 3.** Price and Clause 6. Delivery Terms have been redrafted to clarify where the Place of Delivery is deemed to be and to include the definition of the meaning of Free Carrier under this contract. The Delivery Terms also specify with more detail the obligations of Buyer and Seller in respect of delivery of the containers for stuffing, the pre-advice required, the stuffing of the containers with the goods and the delivery of the stuffed containers to the Place of Delivery.
 - **Clause 5.** Quality and condition has been amended to provide for quality and condition to be certified quality final at time and place of stuffing of the container to reflect the common practice in the industry.



Gafta 89 (continued)

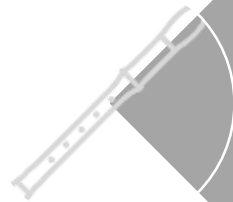
- **Clause 7.** Delivery Period clause is drafted to clarify that the applicable bill of lading date will be that when the goods are received for shipment (and not actually on board a vessel).
- **Clause 8.** Extension clause has been amended to provide the right of extension for both Seller and Buyer in relation to the performance of their obligations under the contract, namely for Buyer an extension of the date for the presentation of empty containers and for Seller the obligation to deliver back the stuffed containers.

Circle clause

- The following wording has been inserted within the pre-existing Circle Clause in the second sub-paragraph of contracts: 1,2, 5, 8, 9, 10, 19, 21, 24, 25, 27, 30, 31, 40, 41, 43, 45, 48, 54A, 59, 60, 61, 62, 79, 80, 80A, 83, 88, 96, 97, 98, 99, 100, 100A, 101, 102, 103, 104, 114, 122, 201 (contracts dated 2020 amended).
- *“if a circle is established prior to the goods being appropriated to all parties in the circle, settlement shall be based on the mean contract quantity. However, where a circle is established after the goods have been appropriated to all parties in the circle, settlement shall be based on the appropriated quantity. No circle settlement shall apply where documents have been presented to and paid by one of the parties in the circle.”*



Gafta 123



Gafta 124



Gafta virtual hearings

Notices – contracts and 125

All notices to be served on the parties pursuant to these Rules shall be in legible form by E-mail, or by other mutually recognised electronic method of rapid communication. For the purposes of time limits, the date of despatch shall, unless otherwise stated, be deemed to be the date of service. Service on the brokers or agents named in the contract shall be deemed proper service under these Rules. So far as concerns such notices, this Rule over-rides any other provisions of the contract.

Wider Contractual Issues

- Force Majeure
- Review of 1996 Arbitration Act
- Removal of Gafta Charterparty
- Associated Arbitration rules 127

Emoji

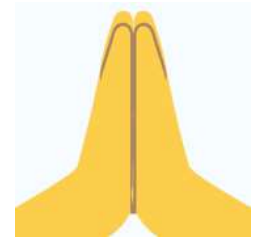
- **No universal definition** of emoji – what do they actually mean? **There is no dictionary!**
- Ability to gather/provide evidence could be impacted through **deletion of messages**



Yes or OK?



Smile or Laugh?



Pray or High Five?

Training Update

- Resumption of Face-to-Face Training Courses
- New Online KYGC webinar
- Free topical webinars for members-only
- Growth of Agribility
 - An Introduction to Shipping the Goods
 - An introduction to the trade
 - Appropriation and default
 - Catastrophe
 - Common difficulties with shipping documents
 - Conducting an Internal Audit
 - Enforcement
 - Fumigation
 - Futures and hedging
 - Gafta Contract terms and Approved Registers
 - Insurance
 - Laytime



Approved Registers

- All 3 standards complete
- All now incorporated into Gafta contracts – mandatory to use Superintendents, Fumigators and Analysts from the Approved Registers
- Move to online audits



Sustainability Pledge



Gafta

Gafta Sustainability Pledge
Growing Positive Change

Pledge Directory
Find Gafta members who have made their commitment to a sustainable future

Gafta PLEDGE
SUSTAINABILITY

Information Hub
Discover sustainability initiatives and information relevant to Gafta members

International trade of agricultural commodities has a key role to play in meeting the needs of today, without compromising future generations' ability to meet their needs.

The Sustainability Pledge is an all-inclusive, accessible platform which encourages and supports Gafta members to contribute towards a sustainable future.

Members who sign up to the Sustainability Pledge are making a strong commitment which they can promote to their customers and peers through the Sustainability Pledge logo.

www.gafta.com/Sustainability-Pledge
Email: SustainabilityPledge@gafta.com



How to sign up

All Gafta member companies are able to sign up to the Sustainability Pledge.

Gafta PLEDGE
SUSTAINABILITY

Applications are submitted online at www.gafta.com/Sustainability-Pledge

You will need to provide:

- evidence of participation of two schemes, for example your certificate of conformance. You can find a list of acceptable schemes in the Information Hub on the Gafta website.
- A short statement why the two chosen schemes contribute to sustainability and how they are helping your business be more sustainable.
- A copy of, or link to, your publicly available Corporate Social Responsibility (CSR) Report or equivalent.
- An annual progress statement against your Environmental, Social and Governance (ESG) objectives.

The cost of the Sustainability Pledge is £300* for a 3-year commitment. This includes permission to use the Sustainability Pledge logo and your listing in the Sustainability Pledge Directory.

*Group discounts available on application

For all queries, and to submit your accompanying evidence, please email SustainabilityPledge@gafta.com



Trade Policy

- WTO, FAO, IAFN engagement especially on importance of international free trade
- UN Food Systems Summit
- Observer Status confirmed of International Maritime Organisation (IMO)



Food and Agriculture
Organization of the
United Nations



Gafta
Promoting international trade

Training & Events in 2023



- **Know Your Gafta Contracts** | 22 & 24 March 2023 | Online
- **GPD - Commodity Dispute Resolution** | 28 - 29 March 2023 | Buenos Aires
- **GPD - Trade Foundation Course** | 25-28 April 2023 | London
- **Thames River Cruise** | 27 April 2023 | London
- **Gafta Annual Dinner** | 14 June 2023 | London
- **Know Your Gafta Contracts** | 18 & 20 July 2023 | Online
- **GPD - Commodity Shipping** | 13-14 September 2023 | London
- **Know Your Gafta Contracts** | 3 & 5 October 2023 | Online
- **GPD - Commodity Contracts** | 10-11 October 2023 | Warsaw
- **GPD - Commodity Dispute Resolution** | 7-8 November 2023 | Kiev (TBC)
- **Arbitrators Masterclass** | 30 November 2023 | London





Any questions?

