

Standard CIF Transaction Procedure (INCOTERMS 2010)

The purchasing procedure consists of **two main parts**:

1. **KYC Review by a Refinery**: The buyer fills out a Know Your Customer (KYC) which will be reviewed by a refinery. It is a must. The actual purchasing procedure can only proceed after the KYC review has been approved by a refinery.
2. **Operational Trade Execution shall be carried out with a Reseller(Trader)**: The practical trade execution is carried out with a reseller(trader).

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1. The Seller shall issue a Full Corporate Offer (FCO) on the company's official letterhead, duly signed and stamped, incorporating the complete terms and transaction procedures. The FCO shall be addressed to the End Buyer and must include the Seller's official email address, telephone and fax numbers, as well as the company's Tax Identification Number and Registration Details.
2. The Buyer shall issue an Irrevocable Corporate Purchase Order (ICPO) addressed to the Seller, including full banking coordinates, Company Profile (CP), Certificate of Incorporation, a copy of the Buyer's authorized signatory's passport, and a current RWA Letter. The RWA Letter must be signed by two senior bank officers and issued in favor of the Seller, confirming that the Buyer is Ready, Willing, and Able (RWA) to issue a payment guarantee instrument (DLC/MT-700) for the value of the goods ordered.
3. Upon receipt of the Buyer's ICPO and RWA Letter, the Seller shall issue an amendable Draft Sales and Purchase Agreement (SPA), along with a Proforma Invoice (PI) in favor of the Buyer. Simultaneously, the Seller shall ensure the execution of the NCND/IMFPA agreements, duly completed and signed by all involved Mandates and Intermediaries.
4. The Buyer shall return to the Seller the duly signed and sealed Proforma Invoice (PI) and Sales and Purchase Agreement (SPA), together with the executed NCNDA/IMFPA, fully completed and signed by the Buyer, the Buyer's Facilitator or Mandate Group, and all involved Intermediaries.
5. The Seller shall issue the finalized Sales and Purchase Agreement (SPA), duly approved, countersigned, and sealed. The SPA shall include the NCNDA/IMFPA as an annexure to the contract. Both the Buyer and the Seller shall lodge the legalized SPA with their respective banks for record and execution purposes.
6. The Seller shall issue the Partial Proof of Product (PPOP), which shall consist of the following documents:

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- Product Passport / Certificate of Product Analysis
- Notarized Authorization to Sell (ATS)
- Certificate of Company Registration
- Tax Registration Certificate / Taxpayer Identification Certificate
- Notarized Commitment to Supply
- Notarized Statement of Product Availability

7. Upon successful verification and satisfaction with the Partial Proof of Product (PPOP), the Buyer shall issue a non-operative, transferable or non-transferable Documentary Letter of Credit (DLC/MT-700).

8. The Seller shall issue a 2% Performance Bond (PB) to activate the Documentary Letter of Credit (DLC/MT-700).

9. The Seller shall provide the Full Proof of Product (FPOP), which shall include the following documents:

- Export license (if applicable).
- Export permit.
- Certificate of Origin (COO).
- Statement of Product Availability.
- Vessel details including IMO number & Q88 questionnaire.
- Charter Party Agreement (CPA).
- Fresh SGS inspection certificate at loading port, re-inspection (SGS/CIQ) at discharge port.
- Dip Test Authorization on Board (DTAOB).
- Authority to Board (ATB).
- Bill of Lading.
- Cargo manifest.
- Product passport (Certificate of authenticity).
- Certificate of quality (Issued by nominated Inspection Agency at Loading Port).
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- Tanker Ullage Report.
- Ship Master's Receipt for Sample.
- Ship Master's Receipt for Documents.

10. Upon arrival of the ship at the destination port, a Quality and Quantity (Q&Q) inspection will be conducted by the nominated inspection agencies, such as SGS or equivalent, to verify the goods through the Bill of Lading (BL) and Commercial Invoice. Upon receipt of a satisfactory inspection report, the Buyer shall release payment via TT/MT103 to the Seller's designated bank within three (3) banking days, with 100% payment due for each shipment.

11. Documents to be issued from the shipping vessel after loading.

- One full set of 3/3 Original Ocean Bills of Lading.
- Two (2) Originals of SGS Quality and Quantity Inspection Reports issued at the Port of Loading.
- Two (2) Copies of Certificate of Origin (1 Original + 1 Copy).
- Signed Commercial Invoice based on the delivered quantity and quality onboard the vessel.
- One (1) Original of the Cargo Manifest.
- One (1) Original Captain's Receipt for All Shipping Documents.

12. Upon confirmation of payment receipt, the Seller shall instruct the ship's captain to discharge the cargo.

13. The Seller shall send the title of ownership documents to the Buyer.

14. The Seller shall pay all intermediaries' commissions by TT/MT103 in accordance with the IMFPA within 48~72 hours of receiving payment for the shipment from the Buyer.