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# Crude Oil & Refined Products Supply

## FOB / CIF Selling Procedures

Issued to

- BUYER
- BUYERS MANDATE
- BUYER AUTHORIZED REPRESENTATIVE

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## 1 Introduction

The purpose of the selling procedures is to provide information and outline general expectations and step involved in closing a successful transaction. These procedures may be reviewed or amended depending on buyer unique needs to comply with certain commercial or regulatory requirements.

## 2 Useful Acronyms

CI	Commercial invoice
CP	Company Profile
DTA	Dip Test Authorization
POP	Proof of Product
SPA	Sales Purchase agreement
SBLC	Standby Letter of Credit
TSA	Tank Storage Agreement
TSR	Tank Storage Receipt

## 3 Procedures Overview

Steps below outline the general sequence of activities expected to be followed to close a successful transaction. The procedure details and steps may vary depending on the product origin and commercial conditions mutually agreed between seller and buyer.

### 3.1 Procedure for Russian Export Petroleum Products

1. Buyer completes KYC Due Diligence Questionnaire.
2. Buyer issues ICPO and Attestation Letter using Seller template.
3. Seller issues Attestation Letter of Acceptance and FCO which buyer returns signed
4. Seller issues SPA and PI which the buyer signs and both parties lodge into their respective banks.
5. Buyer's bank issues a SBLC/BG payment guarantee.
6. Excluding the first shipment, a 2% PB will be issued to the buyer by the seller.
7. Seller issues Delivery Documents to the buyer's bank:
  - a. Export License
  - b. Statement of Availability of the product
  - c. Dip Test Authorization
  - d. Certificate of Conformity of Product
  - e. Product Passport- Quality SGS Inspection Certificate (GOST STANDARD)
  - f. Allocation Transaction Passport Code Certificate (ATPCC)
  - g. Tank Storage Receipt
  - h. SGS Inspection Certificate- Quantity and Quality (At loading Port)
  - i. Bill of lading (CIF)
  - j. Charter party Agreement (CIF)
8. Buyer provides their appointed Logistic Agent details so sellers logistic agent can engage to complete Dip Test and off-loading operations
9. Buyer conducts dip test at their own expense and returns Q&Q report.

- a. When vessel arrives at the Buyer's destination port (CIF)
  - b. In Seller tanks at Loading port (FOB)
10. Seller issues Commercial Invoice (“CI”) based on Q&Q report.
  11. Buyer pays for the product via SWIFT MT103.
  12. Seller banks issue title ownership documents to buyer.
  13. Product is then off-loaded into the Buyer's tanks or vessel.

### **3.2 Procedure for FOB Transfer (Rotterdam) – Option 1**

1. Buyer issues CP and ICPO (after receiving offer from seller)
2. Seller issues CI for immediately lift-able product and SPA for contract quantity
3. Buyer signs and returns CI and SPA
4. Seller provides DTA
5. Buyer performs Dip Test at their own expense.
6. Upon successful validation of results, buyer issues MT103 for verified lift-able product
7. Title transfer completed
8. Buyer issues SBLC or BG for one month’s quantity value per terms of the contract/SPA

### **3.3 Procedure for FOB Transfer (Rotterdam) – Option 2**

1. Buyer issues CP and ICPO (after receiving offer from seller)
2. Seller issues CI for immediately lift-able product and SPA for contract quantity
3. Buyer signs and returns CI and SPA
4. Seller issues fresh Analysis Report performed by SGS/Saybolt (not older than 3 days)
5. Buyer validates report and issues MT799 or TSA and TSR.
6. Seller issues DTA.
7. Buyer performs Dip Test at their own expense.
8. Upon successful validation of results, buyer issues MT103 for verified lift-able product
9. Title transfer completed
10. Buyer issues SBLC or BG for one month’s quantity value per terms of the contract/SPA

### **3.4 Procedure for FOB Transfer to Buyer’s Tank (Rotterdam) – Option 3**

1. Buyer issues CP and ICPO (after receiving offer from seller)
2. Seller issues CI for immediately lift-able product and SPA for contract quantity
3. Buyer signs and returns CI and SPA
4. Seller issues verifiable POP documents in the form of (one or many) a fresh Analysis Report issued by SGS, Saybolt or Intertek, Pipeline Injection Report, Bill of Lading (for product on a vessel in port).
5. Buyer validates product and issues TSA and TSR.
6. Seller arranges to transfer product to Buyer’s tanks.
7. Product transfer completed and buyer validates product and issues MT103 for verified product.
8. Title transfer completed.
9. Buyer issues SBLC or BG for one month’s quantity value per terms of the contract/SPA