

STANDARD CIF TRANSACTION PROCEDURE

Cost, Insurance, and Freight (Incoterms 2020)

STEP-BY-STEP EXECUTION PATHWAY:

- 1. Issuance of Intent:** Buyer issues an Irrevocable Corporate Purchase Order (ICPO) accompanied by a detailed Company Profile (CP) and a copy of the signatory's passport.
- 2. Contracting (SPA):** Seller reviews the ICPO and issues the Draft Sale and Purchase Agreement (SPA) or Commercial Invoice (CI). Both parties review, amend, initial, sign, and seal the final contract.
- 3. Partial Proof of Product (PPOP):** Seller transmits the initial PPOP documents to the Buyer to prove availability. This typically includes:
 - Copy of License to Export
 - Statement of Availability of Product
 - Refinery Commitment to Produce/Supply
- 4. Financial Instrument Activation:** Within the agreed banking timeframe, Buyer's bank issues an operative, irrevocable financial instrument (e.g., DLC or SBLC via SWIFT MT700/MT760) to the Seller's designated fiduciary bank.
- 5. Chartering & Loading:** Seller confirms the bank instrument, charters the cargo vessel under a Charter Party Agreement (CPA), finishes product loading, and issues the **Full Proof of Product (POP)** and shipping documents (including the Bill of Lading - B/L, Certificate of Origin, and loading port SGS report) to the Buyer.
- 6. Vessel Transit & Arrival:** The vessel departs for the destination port. Upon arrival at the Buyer's discharge port, the Buyer facilitates vessel docking and coordinates an independent quality and quantity (Q&A) inspection via SGS, Intertek, or an equivalent authority.
- 7. Payment & Title Release:** Upon confirmation of successful SGS results at the destination port, the Buyer executes 100% payment via SWIFT MT103/TT against the final commercial invoice. Seller immediately releases all title and ownership documents to the Buyer.