

## Section 42 Requirements for documents

In the light of stricter requirements by regulators regarding providing documents for contracts, and for achieving easier acceptance and implementation of transactions, we want to pay special attention to the following moments:

1. The delivery conditions specified in the contract or invoice should be **realistic**: When you specify goods, you have to think how they are going to be 'shipped' (weight of the cargo, volumes, address of the manufacturing plant, type of transport: road, rail or ship.) In the case of 'shipping' of goods with very large volume or size please specify a factory close to railroad or port.

For example:

- There has to be mutual correspondence [between goods and transport] Heavy industrial equipment (such as a crane) cannot be transported by a truck or cement by sea etc:

- To indicate pickup at customer expense in a \$3mn contract is not realistic. As a rule, shipping is performed by the production plant at the cost of, or on order of, the seller or purchaser, as applicable.

- If the production plant has no water or rail connection, than the question arises as to how the goods get transported to a port or railway station..

- You could have picked up the goods in your own vehicle, without transport documents, but this is unrealistic unless you own a fleet of ships or a couple of hundred trucks, which means that you would have to hire an expeditor to provide shipping services and thus draw up the relevant waybills.

2. If you provide transport documents, such as a bill of lading, then you should understand that all information in this document is in the public domain and can easily be verified on the Internet (for instance every maritime shipping firm has its own webpage, its waybill forms bearing the company logotype, the names of its ships and their routes, meaning that it is possible to establish where any vessel was at the time of your shipment.)

3. The waybill forms of shipping companies differ widely and if you use the services of any shipping firm we have an urgent request: please supply us with blank waybill forms taken from the paperwork of the respective shipping company.

4. [contracts specifying] 100% advance payment with delivery of goods within a specified period will not be accepted - since it will be anyway necessary to complete the document flow and produce those transport documents [at a later date]

5. Shipping documents are so diverse that we would appreciate seeing any such waybills forms that you might have in your possession, and which we could then use in partnership with you.

To make this difficult situation easier

- We urgently request to respond to all our queries as quickly as possible - even if the answer is negative.

- The total contract sum should not exceed €700,000 euros and a single payment should not exceed €300,000. Non-observance of these criteria leads to **mandatory** request for transport documents

- If you fail to specify in the payment details the specific goods, and only include the number and date of the contract (invoice) - this will also lead to a request for shipping documents regardless of the sum!

“Thus we draw your attention once again — follow the rules for payments (purpose of payment reference) in the strictest possible way.

**In order not to create difficulties for us, and thus also for you - observe the first and fundamental rule – the purpose of payment must be specified with the rigid form "payment for the purchase or sale of the goods ... according to contract number N., date dd.mm.yy"**

**PAYMENT CAN ONLY BE MADE FOR THE PURCHASE / SALE OF THE GOODS SPECIFIED IN THE DETAILS OF OUR COMPANIES. WE HAVE NEVER LISTED ANY SERVICES WHATSOEVER AND NEVER WILL, ONLY GOODS.**

**None of your own creations such as advance payment .... commissions .... third parties .... no licenced products (software, computer programmes, brands, trademarks etc) no real estate or leases, or any goods not specified by us.**

### **Section 43 Rules for contracts**

Rule for drawing up contracts - mandatory specification of:

- 1) Number and date of contract.
- 2) Name of company, first and last name of representatives of both sides. It is also necessary to indicate on what legal basis the representatives are acting (statutes, attorney etc)  
!!! Representatives of our companies **ALWAYS** act on the basis of **POWER OF ATTORNEY**
- 3) Name of goods or description of services
- 4) Sum and currency of contract (if the sum is still to be determined, than write for instance that it comprises the sum of the invoices issued).
- 5) Description of how the payment for the goods or services will be made. In what currency should payment be made.
- 6) Conditions of delivery according to the international rules Incoterms 2010.  
It is obligatory to indicate **the destination of the goods** (name of city / port and country).
- 7) Specify a place of jurisdiction (city, country) in the event of disputes
- 8) Term of contract. Specify the start and end of the contract.
- 9) The company details of both sides should include:
  - Name of the company

- Address of registration
- Name of bank and address (at least city, country)
- Account number and swift code
- **Signature (including printed name of signer) and company seal**

10) **MANDATORY INCLUSION OF INVOICE OR SPECIFICATION OF GOODS**

- 11) If the contract contains reference to any other documents - specifications, annexes, bills of lading, waybills, any certificates, then you must provide these!!!  
If you don't have these documents, don't mention them in the contract!
- 12) If the contract exceeds \$1 mn, it becomes mandatory to provide waybills.