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PROCEDURE 2-5

STANDARD BANKING PROCEDURE TTO (TANKER TAKE OVER)

1. Buyer issues an official **ICPO** with company registration license.
2. Seller issues Takeover of Contract **MOU** to buyer along with the **NCNDA/IMFPA** for all parties/intermediaries to sign, buyer signs and returns the Takeover of Contract **MOU** with an official acceptance letter to execute the transaction along with the **NCNDA/IMFPA** signed by all parties/intermediaries involved.
3. Seller legalizes the Takeover of Contract **MOU** and within 48hrs release copies to buyer with the **PPOP** / Shipping Documents:
 - (3.1) Bill of lading
 - (3.2) Vessel tanker details
 - (3.3) Cargo manifest
 - (3.4) Product Passport (Analysis Test Report)
 - (3.5) **5% payment invoice**
4. Upon receipt of the above documents by the buyer, buyer verifies product availability/vessel positioning via the vessel master/captain and shipping company; buyer within 48hrs makes 5%-part payment of the on-board product quantity as transaction commitment and security guarantee deposit/payment via **T/T-MT103** to seller's nominated fiduciary bank.
(**Note: the 5%-part payment will be deducted from the product total value**).
5. Upon receipt confirmation of the above payment, seller issues the act of transfer / change of ownership title documents, loading port **SGS** test report, Product approval to export certificate, Product export license certificate, Authorization to board the vessel (**ATB**) and Dip test authorization (**DTA**) and all shipping documents will be reissued in buyer's name and vessel will be sent/rerouted to the buyer's discharge port.
6. Upon arrival of the vessel at discharge port and on successful discharge port **SGS** or equivalent inspection, buyer pays **95% balance payment** of the total product value via **T/T-MT103**.

Seller pays commission to all parties stipulated in the signed **NCNDA/IMFPA** within 72 hours



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What buyer need to provide:

- 1) Proof of funds** from the Buyer (**BCL** signed by two bank officers) must be presented, to be considered to advance towards an **ICPO**

CONFIDENTIAL



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PROCEDURE 2-5

STANDARD BANKING PROCEDURE TTO (TANKER TAKE OVER) [PRODUCT LIST]

Product	Sub-Product	UM	Min Quantity	Max Quantity
Jet Fuel	Aviation Kerosene Colonial Grade 54 (JET FUEL JP54)	BBL	1,000,000	1,000,000
Jet A-1	Aviation Turbine Fuel (JET A-1)	BBL	1,000,000	1,000,000
Diesel	Diesel D2 Gasoil Gost 305-2013	MT	50,000	100,000
Diesel	Diesel D6 Virgin Low Pour Fuel Oil	GLN	100,000,000	100,000,000
Diesel	Diesel Fuel EN590 Euro 5 (ULSD 10PPM)	MT	50,000	100,000
Crude Oil	Easter Siberian Pacific Ocean (ESPO) Crude Oil	BBL	2,000,000	2,000,000
Oil	Light Cycle Oil (LCO)	MT	50,000	100,000
Oil	MazutM100 Gost 10585-2013	MT	50,000	100,000
Naptha	Naptha	MT	50,000,000	50,000,000



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PROCEDURE 3-5

PROCEDURE FOR LOADED VESSEL TANKER TAKE OVER (TTO) TO ANY SAFE WORLD PORT (TANKER TAKE OVER)

1. Buyer Issues ICPO with banking details including Company Registration Certificate of Incorporation with Buyer international passport copy to Seller.
2. Seller approved Buyer ICPO and issues original MOU to the Buyer within 24 hours.
3. Buyer countersigns the original **MOU** and forwards it back to the Seller.
4. Seller issues below documents to the Buyer:
 - A) Certificate of Product Origin
 - B) Storage Tank Receipt (**TSR**)
 - C) Product Passport (Quantity & Quality Dip Test Analysis Report)
 - D) Bill of Lading
 - E) Tanker Vessel **Q88** Document
 - F) Ullage Report
 - G) Cargo Manifest
 - H) Invoice for Title Takeover Payment fee of 5% of Total product cost.
5. Buyer's shipping agent contacts vessel master to verify and confirm above POP documents/vessel position. Buyer's bank transmits 5% of product total cost available via **SWIFT MT103/TT** to the Seller's nominated bank as transaction guarantee for the total product value within 48 hours.
6. Seller's transfers Title ownership to the Buyer after payment receipt confirmation by the Seller's bank. Seller's bank transmits full **POP** documents to the Buyer's bank.
7. Buyer's bank transmits payment for the balance cargo value to Seller's bank via **SWIFT MT103/TT** after successful Quality and Quantity inspection and at sight of complete set of original shipping documents at Buyer's discharge port within 24 hours.
8. Seller's bank transmits commission payment to all Intermediaries as per IMFPA within 24 hours on confirmation of receipt of payment from Buyer's bank.

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Product	Sub-Product	UM	Min Quantity	Max Quantity
Jet Fuel	Aviation Kerosene Colonial Grade 54 (JET FUEL JP54)	BBL	500,000	10,000,000
Jet A-1	Aviation Turbine Fuel (JET A-1)	BBL	500,000	10,000,000
Diesel	Diesel D2 Gasoil Gost 305-2013	MT	50,000	500,000
Diesel	Diesel D6 Virgin Low Pour Fuel Oil	GLN	25,000,000	50,000,000
Diesel	Diesel Fuel EN590 Euro 5 (ULSD 10PPM)	MT	100,000	1,000,000



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LEGEND

ATB:	Authority To Board. Used for oil shipments – issued by the seller, it provides the authority to enable the buyer to board the vessel to confirm cargo availability, quantity and quality.
ATL:	Authority To Load: Authority to load buyer's vessel
ATPCC:	Allocation Transaction Passport – Code Certificate
ATSC:	Sellers Authorization to Sell & Collect
ATV:	Authority to verify
BG:	Bank Guarantee
CFR:	Cost and Freight. The price includes the cost of the goods, loading, and freight to the named Destination Port. This does not include unloading charges. e.g. CFR Rotterdam.
CI:	Commercial Invoice
CIF:	Cost, Insurance and Freight. This is the same as CNF, but also includes insurance to the named Destination Port.
CP:	Charter Performance Agreement
DLC:	Documentary Letter of Credit
DTA:	Dip Test Authorization / Direct Transfer Agreement
FCO:	Full Corporate Offer
FOB:	Free on Board. This means that the supplier pays only to the point where the goods are loaded on board the carrying vessel. The seller must clear the goods for export. As soon as the goods are over the ship's rail they become the responsibility of the buyer.
ICPO:	Irrevocable Corporate Purchase Order
LOI:	Letter of Intent. A document by which the buyer states that he intends to enter into a transaction.
MT103:	standardized SWIFT payment message used specifically for cross border/international wire transfers. We use SWIFT for all payments made via Money Mover. MT103s are globally accepted as proofs of payment and include all payment details such as date, amount, currency, sender and recipient.
MT199:	Interbank Message used between two banks to transmit a SKR or a free format message engaging two bank's readiness to move forward with a transaction, usually a private one. A MT199 swift message is easily explained as a "chat" message.
NOR:	Notice of Readiness
PB:	Performance Bond
POF:	Proof of Funds. A note from a buyer's bank to the seller/seller's bank that money is available to complete the proposed transaction.
POP:	Proof of Product
Q & Q Report:	quantitative and qualitative record
RWA:	(Ready, Willing, and Able) A banking term meaning Readiness, Willingness and Availability of funds for a particular transaction.
SBLC:	Stand-By Letter of Credit. Is a financial guarantee or performance bond issued by a bank on behalf of a buyer. i.e. a written obligation of the issuing bank to pay a sum to a beneficiary on behalf of their customer in the event that the customer himself does not pay the beneficiary. The SL/C is regulated by the ICC-500 rules.
SGS:	(formerly Société Générale de Surveillance). This is an international company (SGS Group) who are the definitive quality/specification testing agency for many commodities. Their certificates are internationally accepted.
SPA:	Sale and Purchase Agreement
TSA:	Tank Storage Agreement/ Trans-Pacific Stabilization Agreement
TSR:	Tank Storage Receipt
TTT:	Tanker to Tanker Transfer. (Relates to a method of consignment for Crude Oil)
TTV:	Tanker to Vessel Transfer (relates to a method of consignment for Crude Oil)
UDTA:	Unconditional Dip Test Authorization