ReedSmith

Driving progress
through partnership

2010 Shell GTCs v. 2023 Shell GTCs: A reference guide

Key
Red: significant changes
Orange: moderately significant changes
Green: less significant changes

Term	2010 GTCs	Key changes in 2023 GTCs
Overall structure	• Crude oil and petroleum products sales addressed in separate GTCs.	• Crude oil and products sales addressed in a single set of GTCs. • GTCs are now separated by delivery terms. • GTCs begin with the primary contractual terms (such as Delivery Terms, Risk and Title, and Quality and Quantity), followed by the remainder of the terms mapped to the chronological order in which a sale contract is typically performed. • A number of diagrams have been inserted to aid the reader's understanding of the provisions and to help navigate the terms. These do not have any legal effect.
Delivery	• Incoterms© 2000 incorporated.	• Incoterms© 2020 incorporated.
Measurement, sampling, inspection and certification	**FOB delivery terms** • Measurement and sampling to be in accordance with standard practice at the Loading Terminal at the time of delivery. Certificates of quantity and quality issued in accordance with such standard practices will be final on the parties for invoicing purposes only.	**FOB, CIF, and CFR delivery terms** • Measurement and sampling as per 2010 GTCs, save that the new provision explicitly states that where the parties do not agree on the appointment of an independent inspector, the appointing party pays the costs of such inspector. • Seller's additional obligations if the place of certification is not at the manifold immediately prior to loading have been removed. Therefore, the certificates of

Term	2010 GTCs	Key changes in 2023 GTCs

	• Each party may appoint a mutually acceptable independent inspector, the costs of which are shared between the parties. (Section 2.2.1 crude terms; section 2.2.1 product terms)
	• Where such appointment is not agreed, either party may appoint a representative at the Loading Terminal at their own cost. (Section 2.2.2 crude terms; section 2.2.2 product terms)
	• If it is not customary practice to measure at the vessel's manifold immediately before loading at a particular Loading Terminal, Seller is obliged to provide the same quality and quantity of crude or product at the vessel's permanent hose connection, as set out in the issued certificates of quality and quantity. (Section 2.3 crude terms; section 2.3 product terms)
	
	CFR and CIF delivery terms
	• Measurement and independent inspector provision as above, save that there is an additional provision to note: where the cargo is sold on the water, or an inspector has already been appointed by Seller or any third party prior to any nomination of the shipment, then both parties are bound by the results of such measurement. (Sections 9.1.1–9.1.3 crude terms; sections 9.1.1–9.1.3 product terms.)
	
	DES delivery terms
	• Measurement and testing take place at the Discharge Port at the time of discharge and are carried out by a mutually agreed independent inspector, the costs of which are shared between the parties. It is Buyer's responsibility to ensure the inspector has access to the facilities at the Discharge Port.
	• Independent inspector to carry out or witness tests on a composite sample taken from the vessel's tanks. Sample to be taken or witnessed by independent inspector immediately before discharge. (Section 9.2.2 crude terms; section 9.2.2 product terms)
	
	• Deliveries into static shore tanks:
	  ○ gross quantity to be determined using shore tank meter readings taken or witnessed by the independent inspector; or
		quantity and quality issued in accordance with standard practices at the Loading Terminal will be final for invoicing purposes only.
		(Sections 8 and 9 FOB terms; sections 10–12 CIF/CFR terms)
		
		DAP delivery terms
		• Similarly, inspection is to be carried out by a mutually agreed independent inspector at the Discharge Port, the costs of which will be shared by the parties. As before, the inspector's report is conclusive and binding for invoicing purposes only.
		• However, the provision now explicitly provides that where an independent inspector cannot be agreed by the parties:
		  ○ Seller's invoice will be based on Seller's independent inspector's report; and
		  ○ the party appointing the inspector will pay the inspector's costs.
		• Shore tank language has also been updated to highlight that meters are to be proven prior to discharge or in the presence of the independent inspector in accordance with API MPMS Chapter 4.
		• Quantity of deliveries into static shore tanks and active shore tanks will be determined as per the 2010 GTCs.
		(Section 8)
		
		CFR and CIF Outturn and DAP delivery terms
		• For CFR Outturn, CIF Outturn and DAP deliveries (and similar to the 2010 GTCs), Seller can submit a claim to Buyer where there is a difference between quantity loaded and discharged and the likely cause of such difference is due to events or operations at, or the nature of, the Discharge Port.
		(Section 8 DAP terms; section 15.8 CIF/CFR terms)

Term	2010 GTCs	Key changes in 2023 GTCs
	○ if (i) metering facilities are not available; (ii) metering facilities are not proven prior to discharge; or (iii) the independent inspector believes the meters did not perform in accordance with API MPMS Chapter 5, gross quantity to be determined by reference to shore tank gauging undertaken or witnessed by the independent inspector. For deliveries into active shore tanks and where there are no correctly functioning or proven Discharge Port meters available, gross quantity to be determined by the independent inspector using vessel's figures adjusted by VEF. (Section 9.2.3 crude terms; section 9.2.3 product terms)	
Quantity and quality claims	**All delivery terms** • Crude oil: any claim in respect of deficiency of quality or quantity is to be submitted, with full documentation, within 60 days of the completion of discharge. • Products: a notification of a claim must be given within 60 days of completion of discharge, with a fully documented claim submitted within 90 days of completion of discharge. • If Buyer fails to give notice and provide documents in time, the claim is waived and liability extinguished. • De minimis clause: no claims for shortage permitted where difference between loaded and discharged quantity is ≤0.2% of the loaded quantity. • In respect of crude oil, where there is a claim for deficiency of quantity or variation of grade, Buyer is only entitled to recover costs, losses and damages arising out of such events if and to the extent that Seller recovers the same amount from its supplier or other third party (having used reasonable efforts to recover such amount). For CFR and CIF Outturn and DES deliveries, Seller may submit a claim to Buyer where there is a difference in quantity loaded and discharged if the most likely cause of this is events or operations at, or the nature of, the Discharge Terminal. (Section 28 crude terms; section 31 product terms)	**All delivery terms** • The time limit for notifying a quantity or quality claim, with full supporting documentation, has been reduced to 45 days (NB day 1 being the date of completion of discharge). • The permitted *de minimis* deficiency of quantity has been increased to 0.3% of the loaded quantity. Claims for deficiencies above this threshold are expressly for the full amount of the deficiency. • A separate provision has been included specifically in respect of excess base sediment and water (BS&W), allowing Buyer a mechanism whereby it can bring a claim for this, also subject to the 45-day time limit. • Buyer's liability for excess BS&W is limited to the difference between the net quantity of crude oil that Buyer paid for, and the net quantity after deducting the BS&W content. (Section 11 FOB terms; section 14 CIF/CFR terms; section 11 DAP terms)

Term	2010 GTCs	Key changes in 2023 GTCs
CFR and CIF Outturn deliveries; part cargo lots	**CFR and CIF Outturn delivery terms** • Quality is determined at the Loading Terminal, while quantity determination is carried out at the Discharge Port. • Where there is a delivery of an unsegregated part cargo lot, the quantity will be adjusted so that, following discharge, Buyer and third-party buyer are allocated a percentage of the total quantity equal to the total Outturn quantity. Costs of any independent inspection are shared equally between the parties. (Sections 9.3 and 9.4 crude terms; sections 9.3 and 9.4 product terms)	**CFR and CIF Outturn delivery terms** • Similarly, the quality of the goods delivered is determined at the Loading Terminal, while the quantity of goods delivered is determined at the Discharge Port by an independent inspector mutually agreed between the parties. • Parties share costs of such an inspector. If they cannot agree on one, quantity determination is based on the report of the Seller-appointed independent inspector. • Provisions on measurement of CFR and CIF Outturn quantities by static shore tanks and active shore tanks have also been added, and are largely in line with the above provisions for measurement of DAP deliveries. (Sections 15 and 16 CIF and CFR terms)
Certificates of quality and quantity	**FOB, CIF and CFR delivery terms** • Certificates of quality and quantity are conclusive and binding (save for manifest error or fraud) for invoicing purposes only, without prejudice to Buyer's rights to make any quality and quantity claims under Sections 28 and 31 of the crude terms and product terms, respectively. (Sections 2.1 and 9.1.1 crude terms; sections 2.1 and 9.1.1 product terms)	• No substantive changes. (Section 8 FOB terms; section 10 CIF and CFR terms; section 8.3 DAP terms)
Risk and title (FOB)	• Risk and title pass to Buyer on loading as crude or product passes the vessel's permanent hose connection at the Loading Terminal (notwithstanding Seller's right to retain payment documents). (Section 3.1 crude terms; section 3.1 product terms) • Any loss or damage during loading, or any claim made by Seller's supplier against Seller due to damage at the Loading Terminal facilities, in each case caused by the vessel is for Buyer's account. (Section 3.2 crude terms; section 3.2 product terms)	• No substantive changes. (Section 4 FOB terms)
Risk and title (CIF/CFR)	• As with FOB sales, risk and title in the goods pass to Buyer on loading as the crude or product passes the vessel's permanent hose connection at the Loading Terminal (notwithstanding Seller's right to retain documents until payment). (Section 10.1.1 crude terms; section 10.1.1 product terms)	• As addressed in the 2010 GTCs, subject to the new provisos below in respect of title and/or risk. • Where Buyer is obliged to provide payment security, title to the crude or product shall not pass to Buyer until such payment security has been provided, and such payment security must be provided by Buyer at least two days prior to the goods arriving at the Discharge Port. (Section 4.2.)

Term	2010 GTCs	Key changes in 2023 GTCs
	• Where there is a part cargo that is not separately identifiable or ascertainable on board the vessel, risk and title pass at the Loading Terminal (as per the above) and Buyer will be an owner in common of the bulk with the other receivers, in proportion to their bills of lading. (Section 10.1.2 crude terms; section 10.1.2 product terms) • Where a cargo is sold on the water (i.e., vessel has commenced or completed loading prior to being nominated to Buyer), risk is deemed to have passed to Buyer as the crude or product passes the vessel's permanent hose connection at the Loading Terminal, while title passes immediately upon receipt of Buyer's acceptance of the nomination. (Section 10.1 crude terms; section 10.1 product terms)	• If the Loading Terminal is in the United States or territories of the United States, risk and title will not pass until immediately after the vessel has left the U.S. exclusive economic zone or the territories of the United States. (Section 4.3)
Risk and title (DES and DAP)	**DES delivery terms** • Risk and title pass as the crude or product passes the vessel's permanent hose connection at the Discharge Port. (Section 10.2 crude terms; section 10.2 product terms)	**DAP delivery terms** • Risk and title pass as the crude or product passes the vessel's permanent hose connection at the Discharge Port, **prior to the point of importation of the goods**. (Section 4)
Vessel nominations (FOB, CIF and CFR, DES and DAP)	**FOB delivery terms** • Buyer's option to take the crude or product as a full or part cargo, subject to prior agreement of Loading Terminal operator. • Buyer's vessel nomination must include certain details (e.g., vessel size and date built, grade and quantity of product, ETA, destination, confirmation of compliance with Shell's vessel requirements at Schedule E of the GTCs, etc.) and full documentary instructions. • In respect of crude oil, Buyer's vessel nomination will not be effective unless received by Seller not later than eight days prior to the first day of the Laydays. If it is received after the eighth day (but no later than the second day) and accepted by Seller, Buyer is liable for loading delay costs. (Section 5.2.2 crude terms) • In respect of products, Buyer's vessel nomination will not be effective unless received by Seller not later than five days prior to the first day of the Laydays. If it is received after the fifth day (but no later than the second day) and	**FOB delivery terms** • Buyer's rights have been refined to note that Buyer has the option to (i) take the goods as a part cargo lot subject to prior agreement of the Loading Terminal Authority; and/or (ii) split the delivery of the goods across multiple vessels, subject to Seller's consent and Loading Terminal Authority's prior agreement. • In respect of both crude and products, the nomination provisions, particularly around late nomination, have changed. • For both crude and products, Buyer must provide its vessel nomination no later than five days prior to the first day of the Laydays, or, if the Agreement is entered into after the nomination deadline but before the first day of the Laydays, Buyer's vessel nomination must be provided to Seller before the first day of the Laydays.

Term	2010 GTCs	Key changes in 2023 GTCs
	accepted by Seller, Buyer is liable for loading delay costs. (Section 5.2.2 product terms) • Buyer has the right to substitute another vessel, on certain conditions. • Seller has the right to reject Buyer's nominated vessel within one Business Day of receiving such nomination, on any reasonable ground. • All restrictions at the Loading Terminal apply to Buyer's vessel. • Seller is not liable for the consequences of rejection or delay of the vessel due to the application of any regulations or requirements under the above provisions. • Buyer is liable for Seller's costs and damages (if any) arising out of rejection, delay or restriction of vessel. (Section 5 crude terms; section 5 product terms) **CFR, CIF and DES delivery terms** • Seller's option to make delivery as a full or part cargo. • Seller nominates a vessel either (i) when the Agreement is entered into; or (ii) at least eight days (for crude oil) or five days (for products) prior to the first day of the Laydays, whichever is later. • Seller's vessel nomination must include certain details (e.g., vessel size and date built, grade and quantity to be loaded, Loading Terminal Laydays, ETA at Discharge Port, and confirmation of compliance with Shell's vessel requirements at Schedule E of the GTCs, etc.) and full documentary instructions. • Within one Business Day after receipt of Seller's vessel nomination, Buyer must nominate the Discharge Port (if not already set out in the Agreement) by notice to Seller, to which Seller must respond within one Business Day. • Seller has the right to substitute the vessel on certain conditions. • Buyer has the right to reject Seller's vessel nomination within one Business Day, on reasonable grounds. • All restrictions at the Loading Terminal and the Discharge Port apply to Seller's vessel. • Following completion of loading, Seller must notify Buyer of the actual quantities loaded and latest ETA of vessel at the Discharge Port.	• If the vessel nomination is provided late, time counts in accordance with the 'Time Counting' section and the laytime available to Seller will be doubled. It will be much more difficult for Buyer to cancel if a vessel nomination is late. • Buyer may nominate a substitute vessel on certain conditions. One condition has changed such that Buyer cannot substitute later than 1700 hours London time on the London Business Day before the first day of the Laydays. • Seller is obliged to give notice of acceptance or rejection of any vessel nominated by 1700 hours London time, two London Business Days following receipt of nomination. **CFR and CIF delivery terms** • Similarly to the 2010 GTCs, shipment is to be made in full or part cargo, at Seller's option. • The timeframes for vessel nomination have been adjusted, such that Seller must nominate a vessel: ○ on or around the time of the Agreement; ○ no later than five days before the first day of the Laydays; or ○ where no Laydays are set out in the Agreement, no later than 10 days before the first day of the Arrival Date Range, whichever is later. • If Seller nominates a substitute vessel: ○ where the Agreement includes Laydays (at the Loading Terminal), the notice of nomination should be given no later than three clear days before the end of the Laydays; or ○ where the Agreement includes an Arrival Date Range (at the Discharge Port) but no Laydays (at the Loading Terminal), the notice of nomination should be given no later than three clear days before the first day of the Arrival Date Range. • Buyer is to accept or reject any Seller vessel nomination by 1700 hours London time on the next London Business Day following receipt of nomination. • As with the 2010 GTCs, if the Discharge Port is not specified in the Agreement, Seller must nominate the Discharge Port by 1700 hours London

Term	2010 GTCs	Key changes in 2023 GTCs
	(Section 14 crude terms; section 14 product terms)	time on the next London Business Day following receipt of Seller's vessel nomination. Seller must approve or reject the Discharge Port nomination by 1700 hours London time on the next London Business Day after receipt. • If Buyer exercises any Discharge Port options (in accordance with the Agreement) or the parties agree to change the nominated Discharge Port, the price will be adjusted by the freight differential (calculated in accordance with the applicable charterparty or, if the vessel is not voyage chartered, on the basis of a reasonable rate agreed by the parties). (Sections 17–24) **DAP delivery terms** • Similar to the 2010 GTCs, shipment is to be made in full or part cargo, at Seller's option. • Seller must nominate a vessel by the later of: (i) the time the Agreement is entered into; or (ii) the tenth day before the first day of the Arrival Date Range. • Seller has a right to nominate a substitute vessel with certain conditions, and similar to CIF or CFR deliveries, has a new obligation to nominate a substitute vessel if necessary to perform its obligations. • Buyer may accept or reject Seller's nominated vessel by 1700 hours London time on the next London Business Day. (Sections 12–17)
Laydays	**FOB delivery terms** • Laydays are the day or range of days within which the vessel must tender NOR at the Loading Terminal, and Seller must have a sufficient quantity of crude or product available at the Loading Terminal for loading to commence and continue on an uninterrupted basis. • Laydays are either: ○ set out in, or established in accordance with, the Special Provisions; or ○ where not set out in, or established in accordance with, the Special Provisions, as notified by Seller to Buyer either 12 days before the first day of the Laydays, or the twentieth day	**FOB delivery terms** • The definition of Laydays has been slightly amended such that they are determined as the day or range of days (in order of preference): ○ set out in the Special Provisions; or ○ where not set out in the Special Provisions, determined in accordance with standard practice at the Loading Terminal; or ○ where they cannot be determined in accordance with the above, as notified by Seller to Buyer no later than 12 days prior to the first day of the Laydays. • Buyer now 'warrants' that the vessel will tender NOR at the Loading Terminal by no later than 2400 hours (local time) on the last day of the Laydays.

Term	2010 GTCs	Key changes in 2023 GTCs
	of the month preceding the first month in which the Laydays fall, whichever is later. (Section 4 crude terms, Section 4 product terms) **CFR and CIF delivery terms** • Laydays are the day or range of days within which Seller's vessel must tender NOR at the Loading Terminal and within which loading must commence as soon as reasonably practicable (even where this means loading is completed outside of the Laydays). • Where the Laydays are set out in the Special Provisions **and** Seller provides Buyer (either expressly or implicitly) with a date or range of dates for the vessel to arrive at the Discharge Port, those Discharge Port arrival dates will be treated as **indicative only** and made by Seller as an honest assessment without guarantee. That means that Seller has no responsibility for the product arriving within the indicative Discharge Port arrival dates. • Where the Laydays are not set out in the Special Provisions, but Seller provides Buyer (expressly or implicitly) with a range of dates for the vessel to arrive at the Discharge Port, Seller's only obligation in relation to the Discharge Port arrival dates is to ensure that the loading and carriage of the cargo are on terms consistent with the vessel arriving at the Discharge Port within the Discharge Port arrival dates, safe navigation and weather permitting. (Section 11 crude terms; section 11 product terms)	(Sections 20 and 21) **CFR and CIF delivery terms** • Seller now 'warrants' that the vessel will tender NOR at the Loading Terminal by no later than 2400 hours (local time) on the last day of the Laydays. • In the new FOB, CFR and CIF terms, the new language whereby the FOB Buyer or the CIF or CFR Seller merely 'warrants' that NOR will be tendered on time may impact upon the right of the party that has not received a timely NOR to terminate the shipment, depending on the relevant facts. (Section 25) **DAP delivery terms** • In respect of DAP deliveries, Seller does not guarantee that the vessel will arrive at the Discharge Port within the Arrival Date Range set out in the Special Provisions. • However, at the time of nomination, Seller 'warrants' that the vessel can reasonably be expected to arrive at the Discharge Port within the Arrival Date Range, having regard to the time and place of loading, and the expected/ customary voyage time, safe navigation and weather permitting. (Section 20)
Vessel arrival and berthing	**FOB delivery terms** <u>Arrival of vessel</u> • Buyer to ensure the vessel reports its ETA to the Loading Terminal, with a copy to Seller, at least 72, 48 and 24 hours prior to its arrival, while also following the Loading Terminal's standard reporting procedure.	**FOB delivery terms** <u>Arrival of vessel</u> • In addition to the provisions of the 2010 GTCs, Seller is entitled to instruct Buyer to request the vessel to perform line flushing or line displacement operations, although Seller indemnifies Buyer in this respect in case of any loss or damage that Buyer sustains as a result.

Term	2010 GTCs	Key changes in 2023 GTCs
	• No later than 2400 hours on the last day of the Laydays, vessel must have tendered valid NOR at the Loading Terminal and be ready to commence loading. • Once NOR has been tendered within the Laydays, Buyer is obliged to receive delivery of crude or product. • No obligation for Seller to commence loading prior to 0600 hours on the first day of the Laydays, even if the vessel arrives early. • If the vessel tenders valid NOR within the Laydays, Seller is under an obligation to commence loading as soon as reasonably practicable. (Sections 6.1 and 6.2 crude terms; sections 6.1 and 6.2 product terms) <u>Berthing, shifting and lightering</u> • Seller must provide a berth that the vessel can safely reach, load, lie and leave from. • Seller must always provide or maintain, or cause to be provided and maintained, all flexible hoses, pipelines, connections, etc. • Seller does not warrant the safety of any channel or waterway used in approaching or departing from the berth. • Buyer’s vessel must vacate the berth as soon as loading hoses have been disconnected (provided there is no delay awaiting Loading Terminal documents). Where the delay in vacating the berth is due to the vessel or Buyer, Buyer will be liable for loss or damage suffered by Seller or its supplier, but limited always to any excess berth utilisation charge incurred by Seller and/or any demurrage suffered by the next vessel schedule due to load as a result of such delay, where such demurrage is incurred by Seller. • If the Loading Terminal documents can be delivered to the vessel at a suitable anchorage or an early departure procedure can be applied, Buyer’s vessel must vacate the berth promptly even if awaiting documents. • Seller has the right to shift the vessel from one berth to another, the costs of which are for Seller’s account if such shifting is for Seller’s purposes. • Seller has the option to load vessel from lighters (subject to Buyer’s vetting) and shall notify the place of lightering to the vessel when NOR is tendered. (Sections 6.3–6.6 crude terms; Sections 6.3–6.6 product terms)	(Sections 18–20 and 30) <u>Berthing</u> • Berthing obligations remain materially the same. • Shifting berths is now subject to the new berth being acceptable under Buyer’s Vetting Procedures. Similar to the 2010 GTCs, these costs are for Seller’s account. (Sections 22–27) **CFR, CIF and DAP delivery terms** • Berthing obligations remain materially the same as the 2010 GTCs, except that shifting berths is subject to the new berth being acceptable under Seller’s Vetting Procedures. (Sections 26–30 CIF/CFR terms; sections 22–25 DAP terms)

Term	2010 GTCs	Key changes in 2023 GTCs
	CFR, CIF and DES delivery terms • Seller to ensure the vessel reports its ETA to Discharge Port, with a copy to Buyer at least 72, 48 and 24 hours prior to arrival, and in accordance with standard reporting procedure applicable at the Discharge Port. • Buyer must provide a berth at the Discharge Port that the vessel can, when fully laden, safely reach and leave, and where it can lie and discharge always safely afloat. • Buyer must maintain all necessary hoses, connections, pipelines and tankage facilities. • Buyer does not warrant the safety of any channel or waterway. • Buyer has the right to shift the vessel from one berth to another, at Buyer's cost. • Vessels are not compelled to lighter at the Discharge Port. However, if any lighterage takes place at Buyer's request, Buyer must bear the risk and the cost, and indemnify Seller for any losses arising from the lighterage. All time lost in lighterage at Buyer's request will count for the purpose of demurrage. • Seller warrants that the vessel will discharge the full cargo within 24 hours (or pro rata for part cargoes), or will maintain 100 PSI at the ship's rail, provided the shore facilities permit such rate/pressure. Time lost as a result of the vessel being unable to discharge accordingly will not count. • Where Seller has approved Buyer's Discharge Port nomination, or the Discharge Port nomination is set out in the Special Provisions, Seller also represents and warrants that Buyer can berth and discharge that contractual quantity at the Discharge Port regardless of whether the quantities are in full or part cargo, and irrespective of the port scheduling of the vessel. (Sections 14.7 and 15 crude terms; sections 14.7 and 15 product terms)	
Loading and discharging	**FOB delivery terms** • Time allowed to Seller for loading is, in the case of crude, 36 running hours and, in the case of products, 24 running hours for vessels under 15,000 tons, and otherwise 36 running hours. • Time starts to run on the earlier of (i) NOR + 6 hours; or (ii) if vessel moves directly to the berth, when vessel is securely moored at the berth.	**FOB delivery terms** • Time allowed is the same as under the 2010 GTCs, save that the regime applicable where the Buyer's vessel tenders NOR late has changed. • Laytime commences on the earlier of (i) NOR + 6 hours; or (ii) the commencement of loading (previously when vessel securely moored at berth). • If a Buyer tenders NOR late, i.e., after the end of the Laydays:

Term	2010 GTCs	Key changes in 2023 GTCs
	• If NOR is given prior to the first day of the Laydays, time starts to run at 0600 hours on the first day of the Laydays. • If NOR is tendered late, i.e., after the last day of the Laydays, but the vessel is accepted for loading by Seller, running hours commence on loading. • Time ceases upon final disconnection of the loading hoses, but if vessel has not departed within two hours, time recommences. • Exceptions to laytime and time on demurrage include awaiting tide, tugs, pilot, etc.; awaiting customs, inward passage, handling/shifting of ballast, bilges, slops or other substances, bunkering (unless concurrent with cargo operations), restrictions imposed by the owner, charterer or master, breakdown of vessel's equipment, cleaning/inspection of vessel's tanks, compliance with Loading Port requirements, onboard strike/lockout/stoppage/restraint of labour, or any other delay attributable to the vessel or Buyer. (Section 7 crude terms; section 7 product terms) **CIF, CFR and DES delivery terms** • Time allowed to Buyer to discharge a full cargo of crude oil is 36 running hours or, for part cargoes, the appropriate proportion of the 36 hours plus 5%. (Section 16.1 crude terms) • Time allowed to Buyer to discharge a full cargo of product is 24 hours for vessels under 15,000 tons, otherwise 36 hours or, for part cargoes, the appropriate proportion of the 24 or 36 hours plus 5%. (Section 16.1 product terms) • Time starts to run on the earlier of (i) NOR + 6 hours or (ii) if the vessel moves directly to the berth, when the vessel is securely moored at the berth. (Section 16.2.1 crude terms; section 16.2.1 product terms) • Time ceases upon final disconnection of the loading hoses, but if the vessel has not departed within two hours, time recommences. • Exceptions to laytime and demurrage are the same as under the FOB terms, save that cleaning and inspection of the vessel's cargo tanks are not an	○ laytime commences when loading commences; ○ Seller remains under an obligation to load at the earliest opportunity following receipt of NOR; and ○ if Seller fails to load at the earliest opportunity after receipt of NOR, laytime will commence six hours after that point in time. • The list of exceptions to laytime and time on demurrage is largely unchanged save that, previously, delay due to force majeure was not a *full* exception to laytime and/or time on demurrage, albeit that in the event of delay directly attributable to certain, force majeure-type causes (i.e., fire or explosion, the breakdown or failure of equipment, plant or machinery at the Loading Terminal, act of war, civil commotion, or arrest or restraint of princes, rulers or peoples) the rate of demurrage was reduced by *one half*. • In the 2023 GTCs, force majeure is referred to explicitly in the demurrage clause, which is a simplifying change. Following a declaration of force majeure time will not count as laytime or time on demurrage at all, for so as long as the force majeure continues. • The effect of this provision, read together with the force majeure clause, is that where there is a force majeure event affecting Seller, Seller can declare force majeure (and so stop the clock for laytime and demurrage) but this is counterbalanced by Buyer's ability to terminate under the force majeure clause at the end of the Laydays. The result is: ○ Seller may choose not to declare force majeure, therefore avoiding cancellation of the contract by Buyer, which renders Seller on-risk for demurrage; or ○ where Seller declares force majeure, Buyer may choose to keep the contract alive and bear demurrage costs. (Sections 32–34) **CIF, CFR and DAP delivery terms** • Time allowed is the same as under the 2010 GTCs.

Term	2010 GTCs	Key changes in 2023 GTCs
	exception to CIF or CFR terms. (Section 16.2.2 crude terms; section 16.2.2 product terms)	• Laytime commences on the earlier of (i) NOR + 6 hours; or (ii) the commencement of discharge (previously when vessel securely moored at berth). • The list of exceptions to laytime and time on demurrage is largely unchanged, save that: (i) in the case of CIF or CFR delivery, laytime or time on demurrage does not count during any period of force majeure; and (ii) in the case of DAP delivery, laytime or time on demurrage does not count during any period of force majeure declared by Seller (but does continue to count if force majeure is declared by Buyer). The section on offshore loaded crude oil, which deals with crude oil that originates from offshore fields in the UK and/or the Norwegian Continental Shelf (Section 17 in the 2010 GTCs), has been updated (Section 38 2023 CIF GTCs; section 34 2023 DAP GTCs). (Sections 33, 34 and 38 CIF/CFR terms; sections 29, 30 and 34 DAP terms) **FOB, CIF, CFR and DAP delivery terms** • A new section on alternative mode of loading or discharge (as applicable) has been included to cover vessel loading or discharging from lighters, floating storage facilities and ship-to-ship transfer. • This is more prescriptive than the 2010 GTCs and details the notification and approval procedures for such alternative loading or discharge. (Sections 36–43 FOB terms; sections 46–53 CIF/CFR terms; sections 35–42 DAP terms)
Taxes and imposts on vessel	**FOB delivery terms** • Taxes, duties, imposts, fees, charges and dues in respect of the vessel incurred at the Loading Port will be for Buyer’s account. **CIF and CFR delivery terms** • Seller must pay all taxes, duties, imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the vessel incurred at the Loading Port, except for those specified in Worldscale as being for the owners’ account.	**FOB delivery terms** • Taxes, duties, imposts, fees, charges and dues imposed on the transportation of the goods will be for Buyer’s cost once risk passes to Buyer (i.e., where such costs arise after loading). **CIF and CFR delivery terms** • The Worldscale carve out no longer applies.

Term	2010 GTCs	Key changes in 2023 GTCs
	• Buyer must pay all taxes, duties, imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the vessel incurred at the Discharge Port, except for those specified in Worldscale as being for the owners' account. **DES delivery terms** • Seller must pay all taxes, duties, imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the vessel incurred at the Discharge Port. (Section 31.2 crude terms; section 34.2 product terms)	• Buyer must pay all imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues), as well as taxes and duties, in respect of the vessel incurred at the Discharge Port. **DAP delivery terms** • Buyer must pay all imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the vessel incurred at the Discharge Port. This is the opposite of the position in relation to DES sales under the 2010 GTCs. (Section 53.1 FOB terms; sections 23.8 and 63.2 CIF/CFR terms; section 18.8 DAP terms)
Charterparty conditions in bills of lading (CIF and CFR deliveries)	• Subject to the provisions for payment and payment documents, Seller may arrange shipment under bills of lading that incorporate charterparty conditions in use for vessels. • Such charterparty conditions are deemed to include (i) that crude or product will be pumped out of the vessel at the vessel's expense; and (ii) if after loading, but before discharge, the import of goods becomes prohibited at the intended Discharge Port under the laws of the country in which the crude or product was produced, or the country in which the Discharge Port is located becomes a Restricted Jurisdiction, the crude or product will be discharged at an alternative Discharge Port acceptable to Seller (with any extra expense for Buyer's account). (Section 13 crude terms; section 12 product terms)	• The charterparty conditions in bills of lading provisions are very similar to those under the 2010 GTCs. However, the situation where the country in which the Discharge Port is located becomes a Restricted Jurisdiction is no longer covered under this section of the GTCs as this scenario is dealt with in the updated sanctions clause. (Section 43)

Discharge and cargo operations indemnities (CIF and CFR)	**Discharge indemnity**
	• Where Buyer 'by written instruction specifically requests' that Seller discharges a quantity of crude or product in any of the following scenarios:
	  ○ without bills of lading being available for presentation at the Discharge Port;
	  ○ at a Discharge Port other than that named in the bill of lading; or
	  ○ the quantity to be discharged is different from the bill of lading quantity,
		• The provisions dealing with discharge indemnities are very similar to those in the 2010 GTCs.
		• The provisions dealing with cargo operations indemnities are also very similar except that performing line flushing or line displacement operations has been added to the list of activities for which Buyer indemnifies Seller where Seller undertakes such an activity at Buyer's request.
		• The GTCs also now highlight that Seller has discretion to choose whether to comply with Buyer's requests.

Term	2010 GTCs	Key changes in 2023 GTCs
	and Seller discharges the crude or product in accordance with those instructions, Buyer automatically indemnifies Seller against liability, loss or damage (including legal costs) suffered by Seller as a result of delivering the crude or product following Buyer's instructions. **Cargo operations indemnity** • Buyer also indemnifies Seller where Buyer by written instruction requests the vessel to commingle different grades of Buyer's cargo, otherwise breach the vessel's natural segregation, dope the cargo, add dye to the cargo after loading, perform onboard blending of the cargo, carry additives or dye in drums on deck, or carry out any other cargo operation required by Buyer. The indemnity by Buyer in these circumstances must be no less in scope than the indemnity required by vessel owner to comply with Buyer's request. • Seller undertakes in all circumstances to settle freight and demurrage due to shipowners. (Section 13 crude terms; section 12 product terms)	• The indemnities for discharge and cargo operations are now limited to 200% of the CIF value of the goods. • Claims under the discharge or cargo operations indemnities must be notified by Seller to Buyer within two years from the date the operation was completed; otherwise the claim will be time barred. (Section 44)
Insurance (CIF and CFR; DES and DAP)	**CFR delivery terms** • Buyer is responsible for arranging insurance. (Section 12.1 crude terms; section 12.1 product terms) **CIF delivery terms** • Seller must take out and pay for a marine cargo insurance policy subject to Institute Cargo Clauses (A) for the full value of the cargo + 10%. Seller shall also take out insurance against war, strikes, riots and civil commotions subject to Institute War Clauses (Cargo) and Institute Strikes Clauses (Cargo). The cost of these insurances are recoverable from Buyer in addition to the purchase price. • On request, Seller shall provide Buyer with the original certificate of insurance or insurance company's cover note. **DES delivery terms** • Seller is responsible for arranging insurance. (Section 12.3 crude terms; section 12.3 product terms)	**CIF and CFR delivery terms** • No substantive change to key insurance obligations. There is, however, additional language which states that the benefit of the CIF marine insurance will pass to Buyer with the passing of risk in the crude or product. (Sections 39–42) **DAP delivery terms** • No requirement for either party to arrange insurance.

Term	2010 GTCs	Key changes in 2023 GTCs
	CIF, CFR and DES delivery terms • Seller reserves its rights to refuse to direct the vessel to transit waters (i) in breach of Institute Warranties (i.e., International Navigating Limits); (ii) where there is risk of loss resulting from ice damage; (iii) where there is war or threat of war; (iv) where there may (in Seller's reasonably held opinion) be abnormal delay; or (v) to undertake any activity that could place the vessel, cargo or crew at risk. If Seller nevertheless agrees to any of the above, Buyer is to reimburse Seller for the additional costs and expense. • Additional vessel insurance incurred by Seller under the charterparty in order to perform the contract must be paid for by Buyer, in addition to the purchase price under the Agreement. (Sections 12.1, 12.2 and 12.4 crude terms; sections 12.1, 12.2 and 12.4 product terms)	
Demurrage claims	**FOB delivery terms** • Buyer's demurrage claim to be received by Seller within 45 days of the date of disconnection of loading hoses, with full supporting documents. • Supporting documents not then available to be received within 180 days of the disconnection of loading hoses. (Section 7.4.3 crude terms; section 7.4.3 product terms) • Buyer's demurrage claim is limited to the amount that Seller is able to recover and does recover from Seller's supplier, as long as (i) the terms by which Seller purchases the crude or product from its supplier allow the recovery of demurrage on terms no worse than the Loading Terminal's usual terms; and (ii) Seller exercises reasonable endeavours to recover the demurrage from its supplier. (Section 7.4.4 crude terms; section 7.4.4 product terms) **CIF and CFR delivery terms** • Seller's demurrage claim to be notified to Buyer within 90 days of the disconnection of discharging hoses, with full supporting documents. • Supporting documents not then available to be provided to Buyer within 180 days of disconnection of discharging hoses. (Section 16.3.3 crude terms; section 16.3.3 product terms)	**FOB delivery terms** • Demurrage claims are to be notified, together with full supporting documents, within 45 days of the date of disconnection of the loading hoses **but that date counts as day 1**. Where the supporting documentation is unavailable, it is to be provided by Buyer to Seller within 90 days of final disconnection of loading hoses (previously 180 days). (Section 35.3) • The limitation on Buyer's ability to claim demurrage has changed slightly. Now, (i) where the Loading Terminal is operated by Seller and the Loading Terminal has laytime and demurrage provisions that are usually applied there, demurrage is to be calculated in accordance with those provisions; and (ii) where Seller does not operate the Loading Terminal, but the Loading Terminal has laytime and demurrage provisions that are usually applied there, demurrage is to be calculated in accordance with those provisions and will be **capped** at the amount Seller recovers from the Loading Terminal or its supplier (using reasonable efforts). (Section 35.6) **CIF and CFR delivery terms**

Term	2010 GTCs	Key changes in 2023 GTCs
		• Seller's demurrage claim to be notified to Buyer with full supporting documents within 90 days of the final disconnection of discharging hoses, **but date of disconnection is now day 1**. • The additional period of 180 days in which Seller may provide any supporting documentation that is not then available has been removed. (Section 36.4) **DAP delivery terms** • Seller's demurrage claim to be notified to Buyer with full supporting documents within 90 days of the disconnection of discharging hoses, **but date of disconnection is now day 1**. • No provision for following up with the supporting documentation where it is unavailable at the time the claim is notified. (Section 32.4)
Warranty of title	• Seller warrants that it has unencumbered title to the goods and the right to sell the goods to Buyer. (Section 42.12 crude terms; section 45.12 product terms)	• No changes.
Health, safety and environment	• Seller provides Buyer with the current material safety data sheet for the crude or product, which Buyer must share with its employees, agents, contractors, customers and other persons receiving the goods. • EU REACH applies to products. • In the case of **products** (not crude), where the Loading Terminal or Discharge Port is in the EEA, there are provisions detailing required compliance with EU REACH and requirements for substance identifiers. (Section 29 crude terms; section 32 product terms)	• Post-Brexit, UK REACH is covered distinctly from EU REACH. • Seller must provide substance identifiers for crude and products to Buyer, seemingly whether or not the Loading Terminal or Discharge Port is in the EEA. • However, there is new language which explicitly states that where Seller is not an EEA or UK manufacturer and is not subject to obligations under REACH, it provides no warranty as to the accuracy of substance identifiers and accepts no liability for losses suffered by Buyer in relying on the substance identifiers. (Sections 75–70 FOB terms; sections 85–89 CIF/CFR terms; sections 74–78 DAP terms)
Payment	• The default payment method (in the absence of agreement to the contrary under the Special Provisions) is for wire transfer of USD by the due date.	• The default payment method and due date are unchanged. • The payment documents have been simplified to: ○ Seller's invoice; and

Term	2010 GTCs	Key changes in 2023 GTCs

	Where the due date is not specified in the Special Provisions, the default due date is three NY banking days after title passes.
	• Payment is to be made by Buyer against presentation of:
	  ○ Seller's invoice; and
	    ▪ original bills of lading issued and endorsed to Buyer (for FOB, CIF, CFR, and CIF and CFR Outturn deliveries); or
	    ▪ the independent inspector's certificates of quality and quantity determination at the Discharge Port (for DES and CIF and CFR Outturn deliveries).
	• Where the shipping documents are not available, Buyer will pay upon presentation of Seller's invoice, plus Seller's letter of indemnity in the form at Schedule A, which will, if requested by Buyer, be countersigned by a first-class international bank acceptable to Buyer.
	• Seller may issue a provisional invoice based on information available to Seller at the time it issues that invoice. The balance must be paid within five NY banking days of Seller's final invoice.
	• Netting of sums due on the same date is permitted, as long as the invoice amounts and balance due after netting are confirmed by the parties in writing prior to the due date.
	• Default interest is one month USD LIBOR +3%.
	• Certain terms apply to opening letters of credit and paying by means of cash in advance. The letter of credit is to be opened or confirmed by a first-class international bank acceptable to Buyer, for the shipment value +15% and a further sum to cover escalation in duties including VAT. The form of documentary or standby letter of credit must be substantially in the form scheduled to the GTCs.
	(Section 32 crude terms; section 35 product terms)
		○ original bills of lading, now to be issued or endorsed either to Buyer or Buyer's bank (for FOB, CIF and CFR deliveries); or
		○ certificates of quality and quantity from the Discharge Port (for DAP deliveries).
		• There is a new requirement for payment documents to be presented no later than three NY banking days prior to the due date. If the documents are late, Buyer must pay three NY banking days after they are available.
		• Where payment documents are not available, Seller can present an LOI. The circumstances in which Buyer can demand countersignature of the LOI by a bank have been limited to where Buyer can show reasonable grounds that the financial condition of Seller has deteriorated materially between the date of the Agreement and the LOI.
		• There is no longer any provision permitting netting of sums due on the same date.
		• Default interest is now 3% above the SOFR 30-day average.
		• A provision has been introduced which notes that if Seller asks for payment to be made to a different bank account fewer than 10 business days before the due date, Buyer can delay payment without incurring interest where such a delay is necessary for KYC purposes.
		• With respect to the letter of credit provisions:
		  ○ There is no longer any required form of documentary or standby letter of credit scheduled to the GTCs (although the letter of credit must nevertheless be in a form acceptable to Buyer).
		  ○ If Seller is not satisfied with the bank, Seller is entitled to demand the reissue of the letter of credit, at Buyer's cost.
		• A new provision has been added such that if Buyer pays in advance but delivery is not made, Seller must repay the advance payment within three NY banking days of Buyer's demand.
		(Sections 44–50 FOB terms; sections 54–60 CIF/CFR terms; sections 43–49 DAP terms)

Payment security	• Where payment security has not been provided for in the Special Provisions, Seller may demand, on giving Buyer not less than two days' notice, payment	• The payment security provision has been narrowed such that Seller may only request additional payment security where Seller has reasonable grounds to

Term	2010 GTCs	Key changes in 2023 GTCs
	be made by (i) an irrevocable documentary letter of credit; (ii) the method prescribed by the Special Provision, plus a standby letter of credit; or (iii) cash in advance. (Section 32.10 crude terms; section 35.10 product terms)	believe that the financial condition of Buyer has deteriorated, or anticipates Buyer may be adversely affected by sanctions or geopolitical events. In such a case, Seller may demand payment pursuant to a letter of credit or cash in advance (at Buyer's option). (Section 50.13 FOB terms; section 60.13 CIF/CFR terms; section 49.13 DAP terms)
Negative pricing	• No negative pricing clause.	• A new 'negative price event' provision has been introduced. Where the crude or product would otherwise have a negative price (due to market volatility) based on the pricing clause in the Agreement, there will be an automatic price floor of zero. (Section 45 FOB terms; section 55 CIF/CFR terms; section 44 DAP terms)
Force majeure	• Neither party is liable for failure of performance insofar that the failure was due to an impediment beyond its control. • A non-exhaustive list of force majeure events is provided, including war, riots, natural disasters, boycotts, strikes and curtailment of suppliers from Seller's or Seller's suppliers' sources of supply. Force majeure **does not** include any delay to or prevention of a party's obligation to make any payment under the Agreement. • Notice of force majeure to be given as soon as possible after the impediment (and a failure to do so may expose the replying party to damages). • Relief from force majeure is: ○ if the force majeure event renders the relying party's performance impossible, automatic immediate termination of the affected delivery obligations; or ○ if the force majeure event delays performance, postponement of the affected delivery obligations, until midnight local time on the last of the Laydays, following which the affected delivery obligation will automatically be terminated. • Force majeure relief applies to delivery obligations only, and if claimed by Seller it is not obliged to purchase replacement quantities. (Section 34 crude terms; section 37 product terms)	• Force Majeure has been newly defined, with a narrower list of example force majeure events but arguably there has not been a material change in the definition. • Notice of a force majeure event is to be given "promptly" as a condition to the right to rely on force majeure. • The affected party must use "reasonable endeavours" to mitigate and overcome the force majeure event, while providing updates (if possible) to the other party of the extent and expected duration of the force majeure event. • The termination of affected delivery obligations is no longer automatic and in order for termination to occur, notice of termination must be given by the party entitled to terminate, as follows: ○ Either party may terminate the "affected delivery obligations" where it becomes "impossible to perform obligations for the foreseeable future". ○ Where the force majeure event causes a delay in performance, the affected obligation is suspended, but the non-affected party may terminate if force majeure is ongoing after midnight local time on the last day of the Laydays, and either party may terminate if force majeure is still ongoing seven days after the Laydays.

Term	2010 GTCs	Key changes in 2023 GTCs
		• Force majeure is an exception to the running of laytime and time on demurrage under FOB sales, but not under CIF and CFR sales, and under DAP sales only where force majeure has been declared by Seller. (Sections 54–60 FOB terms; sections 64–70 CIF/CFR terms; sections 53–59 DAP terms)
New and changed regulations	• If at any time during the term of the Agreement any laws, regulations or rules are changed, or new laws, regulations or rules are introduced, and such changes will have a material adverse economic effect on Seller, Seller can at its option request renegotiation of the price or other pertinent terms. If the parties cannot agree a new price or new terms within 15 days from Seller's notice, either party can terminate the Agreement. This, in effect, allows Seller the ability to escape from the Agreement if laws, regulations or rules are introduced that make it more economically difficult for it to perform. (Section 33 crude terms; section 36 product terms)	• The controversial "new and changed regulations" provision no longer appears in the 2023 GTCs.
Limitation of liabilities	• No liability in contract, tort or otherwise for consequential, indirect or special losses. • For quality and quantity claims, Seller's liability is limited to no more than the difference between the market price and the contract price for the crude oil or product deliverable under the Agreement. (Section 35 crude terms; section 28 product terms)	• The list of events for which liability is excluded is no longer non-exhaustive, and additional events have been included such as losses resulting from business interruption, and exemplary, moral or punitive damages. (Section 62 FOB terms; section 72 CIF/CFR terms; section 61 DAP terms)
Cap on liability	• For quality and quantity claims, Seller's liability is limited to no more than the difference between the market price and the contract price for the crude oil or product deliverable under the Agreement. (Section 35 crude terms; section 28 product terms)	• In the case of crude, Buyer's quality and quantity claims are limited to any sums that Seller recovers from its supplier or third party (Seller is only required to use reasonable endeavours to recover any amounts claimed by Buyer from its supplier or third party). • There is no longer any limitation by reference to the difference between the market price and contract price. (Section 11.8 FOB terms; section 14.8 CIF/CFR terms; section 11.8 DAP terms)
Time bar	• Proceedings should be commenced one year from the date on which the crude oil or product was delivered or, in the case of a total loss, should have been delivered.	• Similarly, a time bar of one year from the date when the goods were or should have been delivered applies for the commencement of proceedings (in the relevant forum). Certain indemnity claims are carved out of the time bar. (Section 64 FOB terms; section 74 CIF/CFR terms; section 63 DAP terms)

Term	2010 GTCs	Key changes in 2023 GTCs
	• There are separate time limits for notifying demurrage, quality and quantity claims. (Section 35.4 crude terms; section 38.4 product terms)	
Events of default and termination	• Express rights of termination or suspension upon counterparty's insolvency. (Section 36 crude terms; section 39 product terms)	• No substantial change. (Section 61 FOB terms; section 71 CIF/CFR terms; section 60 DAP terms)
Assignment	• No assignment without consent of counterparty, such consent not to be unreasonably withheld or delayed. Assignor remains responsible for performance. • However, Seller may assign any right to receive payment in connection with any finance, securitisation or bank funding arrangements. (Section 37 crude terms; section 40 product terms)	• No substantial change, except that qualifications have been added to the ability to assign receivables, which is now only possible if the assignee satisfies Buyer's KYC checks and as long as the assignment does not contravene applicable laws. (Section 87 FOB terms; section 97 CIF/CFR terms; section 86 DAP terms)
Destination restrictions, sanctions and boycotts	• Nothing in the Agreement is to be construed as requiring a party to act inconsistently with laws of the United States or UK or such other government rules or requirements as are applicable to the party, as far as they relate to trade controls, export controls, embargoes or international boycotts of any type. • A separate destination restriction clause provides that crude or product must not be imported by Buyer to any destination that is prohibited under the laws of the country of production. Buyer also undertakes that the crude or product must not be exported to a Restricted Jurisdiction or a person based in a Restricted Jurisdiction or for the purpose of any commercial activity to be carried out in a Restricted Jurisdiction. • Buyer has to provide Seller with documents to verify the final destination of any delivery within 30 days of the date of discharge. (Sections 30 and 39 crude terms; sections 33 and 42 product terms)	• This provision has been updated. • Both parties warrant that they will comply with applicable Trade Control Laws (i.e., sanctions, embargoes, trade controls, anti-boycott legislation or similar laws, rules, regulations and restrictions, including those of the EU, UK, United States and any laws applicable to a party). • The destination restriction clause in the 2010 GTCs has been replaced by a requirement that the parties must not directly or indirectly export, re-export, transfer, divert, trade, ship, import, transport, store, sell, deliver or redeliver any goods to, or for end-use by, a Restricted Jurisdiction (including Cuba, Crimea, Iran, North Korea, Syria and the non-government controlled areas of Ukraine) or a Restricted Party (i.e., resident, established or registered in a Restricted Jurisdiction, on U.S. sanctions lists or otherwise subject to blocking sanctions under Trade Control Laws, directly or indirectly owned or controlled by any such party, or a director, officer or employee of such a person), unless agreed by the parties in writing. Buyer will use reasonable endeavours to impose or require the imposition of these restrictions on any of its direct or indirect resale customers. • Seller also agrees not to directly or indirectly source or purchase any of the goods to be delivered to Buyer from a Restricted Party or a Restricted Jurisdiction.

Term	2010 GTCs	Key changes in 2023 GTCs
		• Both parties agree that neither party will be obliged to perform if that would be in violation of or place that party at risk of punitive measures under any Trade Control Laws. • Similarly, Seller must not directly or indirectly source the crude or product from a Restricted Party or a Restricted Jurisdiction. • If there is a breach of the sanctions clause, the party that would be in violation of sanctions or, where a party becomes a Restricted Party, the other party (the Affected Party) is entitled to suspend performance and, where the inability to perform continues to the end of the contractual time for performance, be released from its obligations (except that the obligation to pay for goods delivered will be suspended until such time as payment can lawfully be made). • The Affected Party will not be liable provided that, at the time the Agreement was entered into, it would not have been reasonably apparent to the Affected Party that performance would violate sanctions. (Section 81 FOB terms; section 91 CIF/CFR terms; section 80 DAP terms)
Facilitation payments and anti-corruption	• Obligation to comply with applicable anti-corruption and anti-money laundering laws in the UK and United States. A list of categories of people (e.g., government officials) it is prohibited to make payment or promise of payment to, whether directly or indirectly, is also provided. • Seller also warrants and represents that it will not engage in any acts or transactions that violate the anti-bribery or anti-money laundering legislation of the United States, the UK or any other government. • Seller also warrants that it has not given anything of value to officials, etc. of the government of the country of origin of the crude or product. • Either party can terminate the Agreement at any time if, in its reasonable opinion, supported by evidence, the other party is in breach. (Section 40 crude terms; section 43 product terms)	• A definition of anti-corruption laws has been introduced that encompasses all applicable laws and regulations in relation to tax evasion, money laundering and bribery or facilitation payments (in addition to UK and U.S. laws). • The list of parties it is prohibited to make any payments to has been expanded to include actual or prospective counterparties or any other person in violation of the relevant anti-corruption laws. • Substantially the same termination rights, except they now apply where a party's subcontractor or agent (as well as the party itself) is in breach. (Section 80 FOB terms; section 90 CIF/CFR terms; section 79 DAP terms)
Dispute resolution	• Default is for disputes to be referred to the High Court in London. • However, both parties have the right to elect for LCIA arbitration. • Any claims under US$100,000 are referred to the LMAA Small Claims Procedure. • All demurrage claims are referred to the LMAA.	• The dispute resolution provisions have been amended such that all disputes are to be referred to arbitration under one of the following arbitration rules: ○ Claims under US$100,000: LMAA Small Claims Procedure (sole arbitrator)

Term	2010 GTCs	Key changes in 2023 GTCs
	(Sections 41.2–41.4 crude terms; sections 44.2–44.4 product terms) • Procedures in relation to appointment of referee to determine certain matters. (Section 41.1 crude terms; section 44.1 product terms)	○ Claims between US$100,000 and US$1 million: LMAA arbitration rules (three arbitrators) ○ Claims above US$1 million: LCIA arbitration rules (three arbitrators) • The procedures to appoint the arbitrators, as well as other procedural considerations, have been refined in this new section. (Section 69 FOB terms; section 79 CIF/CFR terms; section 68 DAP terms) • Reference to proceedings under the High Court of London has been removed.
Notices and miscellaneous	• Notices are to be given by first-class post (airmail, postage paid), fax or courier. • Notices may be given by email, save for notice of legal proceedings, assignment and termination. Notice by instant messaging is explicitly excluded. (Section 38 crude terms; section 41 product terms)	• Notices are to be given by a nationally recognised, next-day courier service, first-class registered post or first-class certified mail (postage paid), or email. • Provisions on email notice have slightly changed, as notices of assignment, termination, or legal or arbitration proceedings may be sent by email first, but must then be followed immediately with a hard copy sent by courier, first-class registered post or certified mail. (Section 83 FOB terms; section 93 CIF/CFR terms; section 82 DAP terms)
Confidentiality and data protection	• Where the Special Provisions specify that an Agreement is strictly confidential, the details of it shall not be disclosed except in certain situations where (i) disclosure is required by law or by any regulatory or governmental body; (ii) the information is already in the public domain; or (iii) disclosure is to an affiliate or in connection with any legal proceedings, dispute or arbitration. (Section 42.10 crude terms; section 45.10 product terms)	• Confidentiality provisions remain substantially the same, albeit the confidentiality requirements now apply automatically to all details of the Agreement (as opposed to only when stipulated to be strictly confidential in the Special Provisions). • A new data privacy claim has been added. • A new requirement has been added that telephone call records must be available for up to seven years. (Sections 82 and 89–91 FOB terms; sections 92 and 99–101 CIF/CFR terms; sections 81 and 88–90 DAP terms)
Change in corporate circumstances	• No change in corporate circumstances clause.	• A new clause has been added dealing with a change in corporate circumstances. That is, each party must give the other party at least 14 days' notice of any name change, and 60 days' notice of any merger, acquisition or reorganisation, and provide all documents reasonably requested by the other party to complete its KYC process. The other party will not be liable for any reasonable delays in paying an invoice if the changed party does not fulfil those notice requirements.

Term	2010 GTCs	Key changes in 2023 GTCs
		(Section 99 FOB terms; section 98 CIF/CFR terms; section 87 DAP terms)
Applicable law	• English law is the governing law. UN Convention does not apply. • Sovereign immunity is waived. (Section 43 crude terms; section 43 product terms)	• English law remains the governing law. • The sovereign immunity language has been broadened to include a non-exhaustive list of the rights that are waived. (Sections 65–68 FOB terms; sections 75–78 CIF/CFR terms; sections 64–67 DAP terms)
Schedules	• Standard form seller indemnity included. • Standard form letter of credit (i.e., documentary credit) provided. • Standard form standby letter of credit provided. • Additional provisions in respect of deliveries via Druzhba and connected pipelines. • Requirements for vessels at the Loading Terminal or Discharge Port. • Shell casualty procedure. • Supplement for FOB sales of Oman Export Blend crude oil. (Crude GTCs) • Product GTCs also have a supplement for EU documentation and a supplement for CFR and CIF deliveries with Shell Group companies where the Loading Terminal is located in the United States or U.S. territories. • Product GTCs do not have the schedules in respect of the Druzhba pipeline, nor for Oman export blend crude oil. (Product GTCs)	Schedules have been amended and now include, as applicable: • A new Schedule A on sustainability, which has very detailed requirements that Seller must comply with where the goods are from a renewable origin, in particular for feedstock originating from agricultural or energy crops, waste and residue, and forestry. Seller must exercise reasonable endeavours to ensure its suppliers comply with the same requirements. • Schedule B on Vessel Requirements is similar to the vessel compliance requirements set out at Schedule E of the 2010 GTCs but drafted in a simpler way. Some compliance-related requirements have also been added (see B15). • Schedule C, which sets out Seller's form of letter of indemnity for use when payment documents are unavailable. The only significant difference between the usual form of such an LOI and the form of LOI at Schedule C is that the LOI at Schedule C is limited to 200% of the shipment value and it expires 24 months after the date of discharge (if no claim is notified within that period). • There is no longer a standard form documentary or standby letter of credit scheduled to the GTCs. • Shell's casualty procedure is no longer scheduled to the GTCs. • There is no longer a schedule of detailed supplementary requirements for EU documents. • There is no longer a schedule for FOB sales of Oman export blend crude.

Reed Smith
November 2023

Authors:

Paul Skeet
Partner, London
+44 (0)20 3116 3583
pskeet@reedsmith.com

Elizabeth Farrell
Partner, London
+44 (0)20 3116 2921
efarrell@reedsmith.com

Mira Dandan
Associate, London
+44 (0)20 3116 3911
mdandan@reedsmith.com