

PRODUCT (LPG) - COUNTRY OF ORIGIN

1.	Question	What shall be the Country of Origin of the Product/ LPG?
	Answer	<p>Normally, the Country of Origin of the Product (LPG) shall most likely be SAUDI ARABIA, OMAN, UAE, QATAR, KUWAIT, IRAQ or TURKIYA i.e. mainly any of the Arabian Gulf Countries with loading Ports in the Arabian Gulf and the Arabian Sea.</p> <p>We also continue to explore the possibility of LPG supply from Central Asian Republics and other non-sanctioned countries.</p>

2.	Question	What Documentary evidence is the basis for determining the Country of Origin?
	Answer	<p>We BZ GROUP as the Exporter or Intermediaries insist on the Country of Origin Certificate issued by the relevant Chamber of Commerce for the City and Country; this is the international best practice in international trade for determining the Country of Origin of any product including LPG.</p> <p>To our customers, we supply the Country of Origin Certificate that we have been supplied by our suppliers.</p>

ORDER QUANTITY

5.	Question	What shall be the size of the consignment on a single Gas Carrier/ Gas Tanker Ship?
	Answer	<ol style="list-style-type: none"> 1. 10,000 MT is the maximum size of the LPG Cargo given the allowed maximum limitations on draught for the ship to ten (10) metres. 2. Historically LPG cargos have ranged between around 2,000 MT to 9,500 MT.
6.	Question	What is the minimum quantity we can order under a single Bill of Lading?
	Answer	The two discharge terminals at Port Qasim normally based on past practice require a minimum size of consignments under a single Bill of Lading of 1,000 MT.
7.	Question	Can orders for LPG below 1000 MT be accommodated?
	Answer	Yes, we try our best to facilitate, up to a maximum of around five (5), for a single bill of lading, totalling up to or above 1,000 MT of LPG. The multiple importers shall have to nominate one from among them as an "Authorised Representative" for the purpose of coordination and contracts via a JV/ consortium agreement among themselves or a Specific Purpose Power of Attorney allows one (1) from among the five (5) to the signed agreement with BZ Group for Import of LPG. More details are available in the Template for " Agreement on General & Standard Terms & Conditions of Conduction Business ".

SALE & DELIVERY TERMS

8.	Question	What does the delivery/translation / Pricing term CFR or C&F Mean?
		<p>The Term CFR or C&F is an abbreviation for "Cost & Freight". This is a standardised shipping terminology, an INCOTERM that means:</p> <p>Buyer's Responsibilities</p> <p>Cost - Payments borne by the buyer include:</p> <ul style="list-style-type: none"> • Insurance charges, since the whole coverage factor, rests with him, and the risk of goods will be carried by him' • Import customs proceedings, including payment for all duties and taxes, discharge terminal jetty ship handling and LPG storage charges \ at the designated port, • Inland transit charges, for transportation from the designated port to the ultimate destination. <p>Freight The buyer has few activities involved in this process. He has to unload the goods at the dock once delivered by the seller and load them for inland transit till the ultimate place of destination.</p> <p>Risk Transfer The risk of goods is moved to the buyer as soon as the goods are loaded onboard by the seller at the first port. Also, the insurance risk stays with the buyer from the initial stage of the trade process. If the buyer fails to guide the seller in reference to the delivery port, the loss will be the buyer's responsibility.</p> <p>Insurance As discussed above, the buyer pays for insurance in CFR. He'll be liable for the goods right from the place of origin. He could perhaps take the seller's assistance in the analysis process, but if the trade doesn't go as planned, the seller will not be held responsible for any damage coverage.</p> <p>Duty and customs clearance CFR includes import customs duty, which is borne by the buyer. Once the goods are dropped by the seller at the designated port, the unloading of goods rests with the buyer. He'll be accountable for all the import duties and taxes at the dock port. Likewise, all the local charges and depot charges will be borne by him.</p>

9.	Question	Which Incoterms are ideal for importers in Pakistan for Sea freight/ LPG gas tanker ships?
	Answer	Out of the 11 Incoterms, 5 are applicable for trade via sea routes i.e. EXW, FOB, CFR, CIF, & DDP. The EXW and FOB sales terms are not preferred by importers in Pakistan as they prefer the cargo is available in Pakistan at the discharge port at the time of payment for the Cargo. The CIF and DDP sales terms are not allowed under Pakistan Law, as Pakistan requires mandatory Insurance for the cargo to be undertaken by a Pakistan-based Insurance Company. Thus CFR “Cost and freight” is the only viable option.

10.	Question	What are Incoterms® rules?																																																
	Answer	<p>The Incoterms® rules are the world’s essential terms of trade for the sale of goods. Whether you are filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of origin at a port, the Incoterms® rules are there to guide you. The Incoterms® rules provide specific guidance to individuals participating in the import and export of global trade on a daily basis. There are 11 INCOTERMS one of which is CFR. The Incoterms mainly clarify three main issues in an international trade transaction: (1) the Seller’s Obligations, (2) the Buyer’s Obligations, and (3) The Point of “Transfer of Risk” in respect of the cargo.</p> <div style="text-align: center;"> <p>INCOTERMS 2020 Point of Delivery and Transfer of Risk</p> <p style="text-align: right;">ADNAVEM</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Incoterm</th> <th>Description</th> <th>Point of Delivery / Transfer of Risk</th> <th>Place of Destination</th> </tr> </thead> <tbody> <tr> <td>EXW</td> <td>EX WORKS</td> <td>AGREED PLACE</td> <td></td> </tr> <tr> <td>FCA</td> <td>FREE CARRIER</td> <td>AGREED PLACE</td> <td></td> </tr> <tr> <td>FAS</td> <td>FREE ALONGSIDE SHIP</td> <td>PORT OF LANDING</td> <td></td> </tr> <tr> <td>FOB</td> <td>FREE ON BOARD</td> <td>PORT OF LOADING</td> <td></td> </tr> <tr> <td>CFR</td> <td>COST & FREIGHT</td> <td>PORT OF DESTINATION</td> <td></td> </tr> <tr> <td>CIF</td> <td>COST INSURANCE & FREIGHT</td> <td>PORT OF DESTINATION</td> <td></td> </tr> <tr> <td>CPT</td> <td>COST TO BE PAID</td> <td></td> <td>PLACE OF DESTINATION</td> </tr> <tr> <td>CIP</td> <td>CARRIER & INSURANCE TO BE PAID TO</td> <td></td> <td>PLACE OF DESTINATION</td> </tr> <tr> <td>DDU</td> <td>DELIVERED AT PLACE UNLOADED</td> <td></td> <td>PLACE OF DESTINATION</td> </tr> <tr> <td>DAP</td> <td>DELIVERED AT PLACE</td> <td></td> <td>DESTINATION</td> </tr> <tr> <td>DDP</td> <td>DELIVERED DUTY PAID</td> <td></td> <td>DESTINATION</td> </tr> </tbody> </table> <p style="text-align: center;"> SELLER'S OBLIGATION BUYER'S OBLIGATION TRANSFER OF RISK </p> </div>	Incoterm	Description	Point of Delivery / Transfer of Risk	Place of Destination	EXW	EX WORKS	AGREED PLACE		FCA	FREE CARRIER	AGREED PLACE		FAS	FREE ALONGSIDE SHIP	PORT OF LANDING		FOB	FREE ON BOARD	PORT OF LOADING		CFR	COST & FREIGHT	PORT OF DESTINATION		CIF	COST INSURANCE & FREIGHT	PORT OF DESTINATION		CPT	COST TO BE PAID		PLACE OF DESTINATION	CIP	CARRIER & INSURANCE TO BE PAID TO		PLACE OF DESTINATION	DDU	DELIVERED AT PLACE UNLOADED		PLACE OF DESTINATION	DAP	DELIVERED AT PLACE		DESTINATION	DDP	DELIVERED DUTY PAID		DESTINATION
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DISCHARGE PORT & TERMINAL

11	Question	At which "Port" & at Which "Terminal of the Port" the LPG shall be discharged by the LPG Tanker?
	Answer	(1) Port: MUHAMMAD BIN QASIM; (2) Terminal at the Port: (EVTL) Engro Vopak Terminal Limited or/and SSGC LPG (Private) Limited LPG Terminal.
12	Question	Can BZ Group facilitate the transportation of LPG?
	Answer	We recommended prior and early arrangements for inland transportation of LPG be made. Any delay in taking delivery at the port is the Buyer's responsibility. Yes, we can introduce the Buyer to LPG Transportation companies because of our prior relationships in the LPG sector in Pakistan; however, you as a Buyer are not obligated to use our transportation option.
13	Question	Can BZ Group facilitate the inland transportation of LPG within Pakistan?
	Answer	We recommended prior and early arrangements for inland transportation of LPG be made. Any delay in taking delivery at the port is the Buyer's responsibility. Yes, we can introduce the Buyer to LPG Transportation companies because of our prior relationships in the LPG sector in Pakistan; however, you as a Buyer are not obligated to use our transportation option.
14	Question	The maximum time extended for the lifting of LPG from the Gas Terminal by the participant/Buyers?
	Answer	Depending on the busy or slack season, both Terminal(s) at Port Qasim, based on past practice, allow a maximum period of 7 to 14 days for lifting the Consignment. If the cargo is not lifted within the "allowed free period" the additional charges may apply if required under the terminal services agreement between the Terminal & Buyer. The arrangement and contract for terminal services at the discharge port is the responsibility of the Buyer and not the Seller in a CFR Sale. However, we can fully assist in negotiating and finalising a Terminal Services Agreement.

