

**International Contract Form
for
Purchase and Sale of Raw Cotton
On Line**

Andrew Macdonald
Chairman, ITMF Spinners Committee
Director, Santista Têxtil S.A., Sao Paulo, Brazil

International Specimen Contract Form for Raw Cotton

Based on the
Guidelines for Purchasing Raw Cotton
published by the ITMF Spinners Committee

- **Quick and Easy**
- **No Misunderstandings**
- **Eliminate Arbitrations**
- **Improve Commercial Relationships**
- **Version Upgrades via Internet**

INTRODUCTION

The importance of cost and performance of the basic raw material for the cotton spinning industry cannot be overemphasised for the grower, merchant and consumer. Negotiation of the correct quantity of raw cotton, at the appropriate time, within the established specifications, and at the agreed price is essential. Therefore, there must be a clear, comprehensive written agreement between the buyer and the seller.

The starting point is that the agreement should be drawn up under the basic contract conditions of an internationally recognised Cotton Association. Recognised Cotton Associations represent the legislative body under which disputes may be settled by arbitration. However, a simple standard contract form of a recognised Association, incorrectly drawn up may not be sufficient to protect the interests of both parties in certain circumstances, or under specific requirements. In the advent of an eventual dispute, an arbitrator will have to take into consideration what is actually written in the contract, rather than what the contracting parties might have intended.

The commercial details of any contract are a matter for agreement between buyer and seller, and **flexibility in contracting is important**. Therefore, if the buyer and the seller wish to set aside or vary any of the trading Rules laid down by an Association, they are entirely free to do so. **This freedom to specify the exact requirements carries with it an obligation not only to negotiate, but also to record what has been agreed in the contract. Anything that is set aside, varied, or added must be defined clearly in the contract.**

THE SOFTWARE

This **software** is designed to lead both **buyers** and **sellers** through the process of writing a contract for the purchase and sale of cotton.

Initially, it will take a few minutes to complete the 9 steps, thereafter, the specific requirements or conditions can be used as a model for all future business.

The exciting advantages are:

- 1) A tool for both seller and buyer of cotton, anywhere in the world, to **eliminate misunderstandings, avoid future disputes, and reduce the number of arbitrations and defaults.**
- 2) User friendly program. Install the software from a CD.
- 3) Divided into 9 EASY STEPS,
Buyers, Sellers, Agent – Growth, Crop year – Quality – Price, Commission, Terms – Payment – Shipment Period – Quantity, Vessel, Freight Terms – Import Licence and Duties, Insurance – General.
Click on the **Step** to open the page.
- 4) VIEW ** see your work at any time, displayed as it will appear in final contract.

- 5) SAVE ** each STEP, (after a SAVE the user may correct the document and SAVE** again).
- 6) It is NOT necessary to complete everything suggested on the Specimen Contract. Items that the user has not included, or are uncompleted, will not appear in the contract, therefore no blank lines, or empty spaces will appear. For example if uniformity has not been agreed and it is left in blank, no mention will appear in final contract.
- 7) VIEW CONTRACT FORM* to see the entire contract once it is finished.
- 8) SAVE CONTRACT* using, for example, a Contact Number and Client Name
- 9) PRINT CONTRACT FORM* for hard copy
- 10) LOAD SAVED CONTACT* **stored for instant recall as model for future contracts.**
- 11) NEW CONTRACT for a new blank contract.
- 12) The User can FAX or E-MAIL the contract to the client instantaneously. **Don't wait for your seller or buyer to send you their contract, send yours the day the business is closed.**
- 13) SOFTWARE includes the full GUIDELINES* to Contracting Raw Cotton as published by the ITMF, International Textile Manufacturers Federation.
- 14) Click on NEW VERSION* to check you are running latest version. For downloading latest version please follow instructions annexed.

'*' click on title found on left-hand part of screen

'**' found on bottom of Step Pages

Remember the principal advantage: Once completed the first contract, the user is able to write new contracts based on similar conditions. Just by clicking on "Load Saved Contract"* altering number, price, etc. and "Save Contract"* with new number and title and any other alterations.

The CD is for your exclusive use it is prohibited to lend, or copy this Software to third parties. Unless you have the original CD you will not be able to download the new versions which will be created.