



ASSIGNMENT MEMORANDUM

SUBJECT : EXPORT ADMINISTRATION II (EA2)

ASSIGNMENT : 1st SEMESTER 2010

QUESTION 1

[20]

STUDY UNIT 1, pp. 4-8

Within the context of the information given, the following points are relevant:

- Date of quotation, that is not later than 6 August 2009
- Full details of Tasty Extras and contact person
- Tasty Extras' quotation reference no.: JB/0123/09
- Full details of Gewürze Handel and contact person, that is, Hans Apfel
- Gewürze Handel's reference no.: discretion
- Polite introduction phrase: with reference to the enquiry received
- Product and quantity: 4 608 'Hot Basil' tapenade
- Packaging: 125ml round glass jar measuring L60xW60xH100mm, weight: 310g
- HS code: 2103.90; country of origin: South Africa
- Packing: 6 jars of tapenade per carton; 2 pallets @384 cartons shrink-wrapped on pallet
- Total mass: 1428,5 kg net, 1850 kg gross; dimensions: 2x (L800 x W800 x H1910mm) = 2,5m³
- Terms of delivery: CIP Rotterdam (Incoterms 2000)
- Currency and price, including unit price, mentioning freight and insurance separately:

4608 @ EUR1,54 FCA Cape Town	EUR	7 096.32
Ocean freight	EUR	157.83
Marine insurance	EUR	15.57
CIP Rotterdam	EUR	7 269.72
- Rates of exchange: EUR/ZAR 9,6340 and EUR/USD 1,3147 plus mention of validity
- Shipment: weekly groupage service Cape Town-Rotterdam; 2½ weeks average transit time
- Marine insurance: Clauses (A) and Strikes; insured value: CIP + 10%
- Delivery: ex-factory within 14 days from receipt of order
- Payment: documents against payment (D/P)

- Conditions of sale: discretion, for example, standard ICC *force majeure* clauses, applicable law, which arbitration court, ownership, and so forth
- Validity of quotation
- Polite ending phrase, signature, name and designation.

QUESTION 2 [40]

STUDY UNIT 3, pp. 45-46, STUDY UNIT 5, pp. 113-114, STUDY UNIT 7, pp. 156-157

See attached a model of the 4 completed documents.

QUESTION 3 [10]

3.1

- The fumigation certificate is usually required as proof that packing materials (wooden crates, wood wool, and the like), second-hand clothing or certain commodities have been fumigated or sterilised.
- Fumigation/sterilisation should be handled by specialists who, on completion of the task, provide a certificate containing the following details: the purpose of the treatment, the articles concerned, the temperature range used, the chemicals and concentration used, and other details required.
- In line with international trends, South Africa implemented the requirements of the International Standard on Phytosanitary Measures (ISPM 15), 'Guidelines for Regulating Wood Packaging Material in International Trade', which was approved by the International Plant Protection Convention.
- This means that all raw wood packaging/packing material either imported into or exported from South Africa must have been treated and marked in accordance with the requirements of ISPM 15.
- The regulations cover coniferous and non-coniferous wood packaging/packing material including pallets, dunnage, crating, drums and cases.
- Wood packaging/packing made wholly of wood-based products such as plywood and particle-board are not regulated as they are unlikely to be infested by raw wood pests.
- In South Africa, plant health inspectors of the Department of Agriculture are authorised to examine international cargo to ensure compliance with ISPM 15.
- Documentary evidence of compliance is not at this stage required to accompany the goods or to be produced at the time of customs clearance.

(5)

3.2

- The description of the goods is not in conformity with the credit.
- Ports of loading and discharge are not as shown on the credit.
- The number of insurance documents requested is not presented.
- The document is not issued and signed by an insurance company or underwriter or their agents.
- The risks to be covered as mentioned in the credit are not incorporated in the insurance document.

- The goods are under-insured.
- The required type of insurance document is not produced, for example, certificate or policy.
- The document is not endorsed in blank.
- The currency is not the same as that of the credit.
- The insurance document carries a date subsequent to shipment (in other words, insurance does not appear to cover the goods from the time of loading or of receipt by the carrier).

(5)

QUESTION 4**[20]**

- When it discovers a loss, the assured party should take immediate action. In terms of the carriers and bailees clause included in all marine insurance policies, the assured party is bound to do everything within its means to minimise the loss and safeguard the insurer's rights of recovery against carriers and other bailees.
- The assured party should therefore
 - give notice at once to those concerned and lodge pro forma and priced claims against them;
 - apply immediately for a survey (whereby the damage will be inspected) to be carried out by the insurer's nominated survey agent as well as representatives of the carrier and/or other interested parties;
 - give notice of the loss to the broker or insurance company;
 - preserve the prescribed validity period in order to safeguard recovery rights and/or entitlement to sue;
 - comply with local requirements at the port of discharge as port regulations may affect its rights under the policy.
- The assured should then assist with the processing of the claim by assembling the necessary documentation, such as:
 - the original policy or certificate of insurance;
 - the original or copies of invoices as well as related documents such as the packing list and the weight certificate;
 - the original or signed negotiable copy of the bill of lading or other transport document;
 - survey reports;
 - examination vouchers or tallies issued by carriers and/or landing authorities;
 - copies of claims made against third parties and of relevant correspondence.
- The assured party then submits its claim, together with the relevant documentary details, to the broker (or insurance company representative) who proceeds to process the claim.
- When a broker receives a claim, he/she
 - records it, acknowledges its receipt, and, if required, requests further documentation or clarification and opens a claim file;
 - registers the claim in the claims' register and notes the account against which the claim is being made, the ship's name (where relevant), and the name and references of the surveyor if one is being used;
 - traces the policy relating to the claim – if the broker does not have it, he/she requests it from the assured (if it is not included with the documents) or from the underwriters if it has not yet been signed;
 - decides, in the light of the information received, on the exact amount to be paid in respect of the claim, that is, the broker 'adjusts' the claim.

- If, in the meantime, the assured recovers any amount from a carrier or other bailee prior to the underwriter subrogating to the assured's position, this amount must either be refunded to the underwriter or, if the claim is still unpaid, it will be reduced by the amount recovered.
- On settlement, the assured may be required to sign a letter of subrogation, which will be passed on to the recovery agent of the underwriter.

PRESENTATION [10]

Attachment 1

COMMERCIAL INVOICE				
Exporter TASTY EXTRAS CC 12 LOURENS STREET SOMERSET WEST 7130 REPUBLIC OF SOUTH AFRICA (1)		Invoice No. and Date 61352 19.09.2009 (1)	Exporter's Reference TE/001E/09 (1)	
		Buyer's Reference GH-4693/09/SA (1)		
Consignee GEWURZE HANDEL GmbH BRUCH 4 42279 WUPPERTAL GERMANY (1)				
Notify Party DEKA EXPEDITIE BV ALBERT PLESMANWEG 127 3008 AB ROTTERDAM THE NETHERLANDS (1)		Country of Origin SOUTH AFRICA (ZA) (1)	Country of Final Destination GERMAN (DE) (1)	
Vessel & Voyage No. (1) MSC TERESA 26R		Port of Loading CAPE TOWN (1)		
Port of Discharge ROTTERDAM (1)		Place of Delivery by On-Carrier DOCUMENTS AGAINST PAYMENT (D/P) (1)		
Terms of Delivery and Payment CIP ROTTERDAM (1)				
Marks, Nos. and Container No. No. and kind of Packages; Description of Goods GEWHAN WUPPERTAL VIA ROTTERDAM 1/2 UP (1)	2 PALLETS @ 384 CARTONS CONTAINING EACH 6 GLASS JARS "HOT BASIL" TAPENADE (2)	Quantity 4608 (1)	@ EUR (1)	Amount EUR (1)
FCA CAPE TOWN (1)		4608 (1)	1,54 (1)	7 096,32 (1)
FREIGHT (1)				157,83 (1)
MARINE INSURANCE (1)				15,57 (1)
NET MASS: 1428,5 KG (1) GROSS MASS: 1850 KG (1) CBM: 2,5 m³ (1) H/S: 2103.90 (1)				
CIP ROTTERDAM (1)				Total 7 269,72 (1)
SIGNATURE SALOME ABRAHAMS (1)				
33/100				

Attachment 2

For	EUR 7 269,72 (1)	Date	19.09.2009 (1)
At	SIGHT (1)	pay this	FIRST(1) of Exchange
	SECOND OF EXCHANGE OF SAME TENOR AND DATE UNPAID (1)		to the Order of
	TASTY EXTRAS CC (1) THE SUM OF SEVEN THOUSAND TWO HUNDRED SIXTY NINE EUROS		
	AND SEVENTY TWO CENTS EUROPEAN CURRENCY (1)		for Value received
To	GEWURZE HANDEL GmbH (1)		
	BRUCH 4	SALOME ABRAHAMS	
	42279 WUPPERTAL	SIGNATURE (1)	
	GERMANY	FINANCIAL MANAGER (1)	

For	EUR 7 269,72	Date	19.09.2009
At	SIGHT	pay this	(1) SECOND of Exchange
	FIRST OF EXCHANGE OF SAME TENOR AND DATE UNPAID (1)		to the Order of
	TASTY EXTRAS CC THE SUM OF SEVEN THOUSAND TWO HUNDRED SIXTY NINE EUROS		
	AND SEVENTY TWO CENTS EUROPEAN CURRENCY		for Value received
To	GEWURZE HANDEL GmbH		
	BRUCH 4	SALOME ABRAHAMS	
	42279 WUPPERTAL	SIGNATURE	
	GERMANY	FINANCIAL MANAGER	

12/100

Attachment 4

BILL FOR COLLECTION SCHEDULE										
Drawee/Exporter (Name & Address) TASTY EXTRAS CC 12 LOURENS STREET SOMERSET WEST 7129 REPUBLIC OF SOUTH AFRICA (1)					Drawer's Ref. TE/001E/09 (1)					
Consignee (Name & Address) GEWURZE HANDEL GmbH BRUCH 4 42279 WUPPERTAL GERMANY (1)					Drawee (if not consignee)					
To (Bank - Name & Address) CAPE PEOPLE BANK LTD. SOMERSET WEST (1)										
Despatch	Bill of Exchange	Comm. Invoice	Certified Cons. Invoice	Certificate of Origin	Insurance policy / certificate	Negotiable Bill of Lading	Non-Neg Bill of Lading	Parcel Post Receipt	Air Waybill Dated	Other
1st Mail (4)	1x	1x			1x		1x			
2nd Mail (4)	1x	1x			1x		1x			
Per MSC TERESA (1) From CAPE TOWN (1) To ROTTERDAM (1)										
Release Documents Against		Acceptance		Payment		If unaccepted/ unpaid		Protest ?		Do Not Protest ? (1)
If Documents are not taken up on arrival of goods		Warehouse goods		Do Not Warehouse ? (1)		and advise us by		Telex/SWIFT		Airmail
		Insurance against fire ?		Do Not Insure ? (1)		Advise acceptance and due date by		Telex/SWIFT		Airmail
Collect all charges		Yes		No		Remit proceeds by		Telex/SWIFT		Airmail
If Charges Refused		Waive ?		Do Not Waive ? (1)				SWIFT (1)		
Special Instructions STRICTLY DOCUMENTS AGAINST PAYMENT (1)										
Payment Instructions BANK TO BANK INSTRUCIONS (1)										
Note - Please advise by - * and quote our full Reference Number and Branch Name * Insert SWIFT/Telex or Airmail										
In case of need refer to - JULIA KERKVLIT (1)					For Guidance X (1)		Accept their instructions			
Date of Bill of Exchange 19.09.2009 (1)			Tenor SIGHT (1)		Bill of Exchange Value EUR 7 269,72 (1) Amount of Collection EUR 7 294,72 (2)					
Please acknowledge receipt on the attached copy. Should any item be unpaid, unless otherwise instructed, please return unpaid items promptly by airmail stating reasons for dishonour.								Authorisation SIGNATURE OF SALOME ABRAHAMS (1)		
Please collect the above mentioned Bill and/or Documents subject to the Uniform Rules for the Collection of Commercial Paper, ICC Brochure No. 522 (1995 Revision).								35/100		