

# MemberUpdate

UPDATE 30 of 17 • 19 December 2017

**TOPIC: No. 2 - Track Contract – Clarification of “Notice in a String” Advice to Members**

**DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.**

## 1. Purpose:

- a) The Purpose of this Member Update is to provide **clarification** to Members regarding amendments to the Notice Clause (cl 15) of the [GTA Contract No.2 – Track Contract](#), and the advice to industry issued on 04 October 2017 as part of [GTA Member Update 19 of 17](#).

## 2. Background

- a) On 04 October 2017 GTA released an amended No 2 Track Contract (amended Clause 15):

| Prior Clause   | Amended Clause (October 2017)   |
|--|---|
| <p><b>15. NOTICES:</b></p> <p>15.1. Notices given under this contract are to be dispatched by written letter delivered by hand on the day of writing, or by facsimile, or by email (return receipt acknowledging the message has been received is required) or by other method of rapid written communication. All notices shall be under reserve for errors in transmission. Any notices received after 1600 hours Sydney/Melbourne time on a business day shall be deemed to have been received at 0900 hours on the business day following. A notice to a party's Brokers or Agent shall be deemed a valid notice under this contract. In case of resale, all notices shall be passed on without delay by Buyers to their respective Sellers or vice versa.</p> <p>15.2. Where Sellers receive a notice of title transfer, Sellers may transfer title to all or part of the grain so transferred after 1600 hours on the last business day of the Delivery Period, so long as the Sellers' notice of title transfer shall be given as soon as is practical, but no later than 1600 hours Sydney/Melbourne time on the next business day following the last day of the Delivery Period. Upon request, the Sellers shall provide the Buyers with documentary evidence of Sellers' receipt of notice and any intermediate notices.</p> | <p><b>15 NOTICES:</b></p> <p>15.0. Notices given under this contract are to be dispatched by written letter delivered by hand on the day of writing, or by facsimile, or by email (return receipt acknowledging the message has been received is required) or by other method of rapid written communication. All notices shall be under reserve for errors in transmission. Any notices received after 1600 hours Sydney/Melbourne time on a business day shall be deemed to have been received at 0900 hours on the business day following. A notice to a party's Brokers or Agent shall be deemed a valid notice under this contract. In case of resale, all notices shall be passed on without delay by Buyers to their respective Sellers or vice versa.</p> <p>15.1. Notice of title transfer may only be given after 1600hrs on the last business day of the Delivery Period where;</p> <p><b>15.1.1.</b> Sellers are in a String and cannot transfer title prior to 1600hrs on the last business day; and</p> <p><b>15.1.2.</b> Sellers have provided Buyers with documentary evidence of said String prior to 1600 hours on the last business day of the Delivery Period.</p> <p>15.2. If Sellers do not provide satisfactory documentary evidence to the Buyers prior to 1600 hours on the last business day of the Delivery Period then the Buyer may call the Seller in Default. Subject to Sellers providing satisfactory notice of a String the Sellers' notice of title transfer shall be given as soon as is practical, but no later than 1600 hours Sydney/Melbourne time on the next business day following the last day of the Delivery Period. Upon request, the Sellers shall provide the Buyers with documentary evidence of Sellers' receipt of notice and any intermediate notices.</p> |

- b) GTA Trade Rules define a “String” as “*a series of contracts where subsequent Buyers and Sellers buy and sell the Same Goods*”.
- c) Member Update 19 of 17 stated as Point 3:
  - ***If a trader holds sufficient inventory to meet contractual commitments prior to 1600h hours then that inventory should be transferred, and that the seller could not claim extension due to being in a String.***
- d) It is noted the market may also trade “or better” grades (e.g. “APW1 or better” or “F1 Barley or better”).
- e) It is not the intention of the amended clause to capture “or better” grades and reference to “inventory” (which is not referenced in the actual contract) in our earlier Member Update 19 of 17 may have created some confusion and should be disregarded.

### 3. Further Details

The current version of the [GTA Contract No.2 – Track Contract](#) is published on the GTA website

Visit the GTA website for full details. <http://www.graintrade.org.au/>

END.