



CIF PROCEDURES

PETROLODEX

Jurisdiction: Dubai, UAE

2026

Overview & Introduction

This document establishes the official PetroloDEX Cost, Insurance, and Freight Procedure, serving as the formal transactional framework governing all CIF fuel transactions facilitated through the PetroloDEX platform. It is intended as a comprehensive operational and contractual reference for Buyers, Sellers, and authorized intermediaries.

CIF Terms and Responsibility

Under CIF terms as defined by Incoterms 2020, the Seller is responsible for arranging and bearing the full cost of transportation, marine cargo insurance, and freight to the Buyer's named port of destination. Risk transfers to the Buyer at the point the product passes the ship's rail at the origin port of loading. From that point forward, all risks associated with the shipment become the sole responsibility of the Buyer.

Performance Based Framework

PetroloDEX CIF procedures are built on a performance-based model that requires demonstrated financial readiness and commitment from the Buyer prior to shipment. This commitment may be fulfilled through banking instruments including a Documentary Letter of Credit via MT700 or a Standby Letter of Credit via MT760, shared shipping cost contributions, or escrow account deposits.

Trial Lift Recommendation

PetroloDEX strongly recommends that all new trading relationships commence with a modest Spot Trial Lift before advancing to long term volume contracts. This approach establishes trust, confirms operational compatibility, and lays a solid foundation for a successful and enduring trading partnership.

CIF Procedure Types

PetroloDEX CIF Procedures are classified into three primary types, each differentiated by the Buyer's performance guarantee mechanism. The applicable procedure type for each transaction will be confirmed in the Full Corporate Offer (FCO) and the Sales and Purchase Agreement (SPA).

PDX-CIF-01

CIF WITH BANKING INSTRUMENT

DLC MT700 / SBLC
MT760

The Buyer provides a banking instrument — either a Documentary Letter of Credit (DLC via SWIFT MT700) or a Standby Letter of Credit (SBLC via SWIFT MT760) — as a performance guarantee prior to shipment. The instrument is Non-Operative, Irrevocable, Non-Transferable, and Confirmed, and becomes operative upon the Seller's issuance of a 2% Performance Bond. Applicable for both CIF Vessel-to-Tank (VTT) and Ship-to-Ship (STS) delivery modes.

PDX-CIF-02

CIF WITH SHARED SHIPPING FEES

BUYER Q88 /
SHARED FREIGHT

The Buyer nominates a shipping company and contributes 50% of the shipping cost prior to loading. The Seller covers the remaining 50%. This procedure is used where the Buyer holds a qualified vessel and provides a valid Q88, enabling a more efficient and cost-shared logistics arrangement without the requirement for a full banking instrument.

PDX-CIF-03

CIF WITH ESCROW ACCOUNT

MUTUALLY ACCEPTED ESCROW (USA / UK / EU)

Both Buyer and Seller deposit funds into a mutually agreed escrow account held by an independent law firm or escrow agent located in the USA, UK, or EU. The escrow agent holds and releases funds strictly in accordance with agreed performance milestones. This procedure provides maximum security for both parties and is recommended for first-time transactions between new counterparties.

Pre-Transaction Workflow (All CIF Procedures)

All three CIF procedure types share the same preliminary workflow. The following steps must be completed before any CIF-specific procedure commences:

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| 1. LOI / Expression of Interest | The Buyer issues a Letter of Intent (LOI) or Expression of Interest through their official corporate email to Petrolodex, specifying the product, volume, destination, and preferred delivery terms. |
| 2. Full Corporate Offer (FCO) | Petrolodex issues the Full Corporate Offer to the Buyer for review. The FCO specifies the applicable CIF procedure code, full product specifications, pricing basis, and documentary requirements. |
| 3. ICPO Issuance | Petrolodex issues the Full Corporate Offer for the Buyer's review and written acceptance. |
| 4. ICPO Issuance | The Buyer signs the FCO, completes the ICPO on company letterhead with all corporate and banking details, and submits both documents to Petrolodex along with required KYC documents: Company Profile, CIS, Passport copy of authorized signatory, and Certificate of Registration. |
| 5. Procedure Implementation | The transaction proceeds strictly in accordance with the CIF procedure code confirmed in the SPA — PDX-CIF-01, PDX-CIF-02, or PDX-CIF-03 — as detailed in the following sections. |

PROCEDURE CODE

PDX-CIF-01

CIF WITH BANKING INSTRUMENT — DLC MT700 / SBLC MT760

Applicable for CIF Vessel-to-Tank (VTT) and Ship-to-Ship (STS) delivery modes. Any world safe port (ASWP).

This procedure applies to CIF transactions where the Buyer provides a non-operative, irrevocable, non-transferable, revolving, and confirmed Documentary Letter of Credit (DLC via SWIFT MT700) or Standby Letter of Credit (SBLC via SWIFT MT760) as a performance guarantee. The banking instrument is issued after partial proof of product is received and becomes operative upon the Seller's issuance of a 2% Performance Bond.

STEP

01

Buyer Executes ICPO & Submits KYC Documents

The Buyer signs the FCO and completes the ICPO on company letterhead with all corporate and banking details, sign and stamp, and submits both documents to Petrolodex along with the following KYC package:

- › Company Profile — including year of establishment, founders, and history of major completed projects
- › Corporate Information Sheet (CIS) with Passport copy of the authorized signatory
- › Certificate of Company Registration (government-issued)

STEP

Seller Issues SPA — Buyer Reviews, Signs & Returns

02

The Seller issues the Sales and Purchase Agreement (SPA). The Buyer reviews and, if necessary, amends the draft SPA, then signs and returns it in PDF format to the Seller within Three (3) banking days for final counter-signature. The Seller concurrently executes the NCNDA/IMFPA with all intermediaries involved in the transaction.

**STEP
03**

Buyer's Bank Issues DLC MT700 or SBLC MT760

Within Five (5) working days of signing the SPA, in accordance with the Seller's acceptable verbiage, the Buyer's bank issues a Non-Operative, Irrevocable, Non-Transferable, Revolving, and Confirmed DLC/MT700 or SBLC/MT760 with the value of the first month's shipment, with full bank responsibility via SWIFT MT700 or MT760 to the Seller's nominated bank. The Seller is provided with a SWIFT copy of the instrument.

- › DLC/SBLC must be Non-Operative, Irrevocable, Non-Transferable, Revolving, and Confirmed
- › Value must cover the full first month shipment value
- › Issued via SWIFT MT700 (DLC) or MT760 (SBLC) to Seller's bank
- › Seller must receive SWIFT transmission copy upon issuance

**STEP
04**

Seller Issues 2% Performance Bond – DLC/SBLC Becomes Operative

Within Five (5) banking days of accepting the DLC or SBLC, the Seller's Bank issues a 2% Performance Bond to the Buyer's bank, automatically making the DLC or SBLC operative. This bond guarantees the Seller's commitment to perform under the SPA.

**STEP
05**

Seller Commences Loading & Issues Full POP / Shipping Documents

Within 5 to 15 working days of confirmation and acceptance of the Buyer's DLC or SBLC, the Seller commences loading of the product and issues the full Proof of Product (POP) and Shipping Documents package to the Buyer's company via bank-to-bank transmission, with copies via email. The Buyer must notify the Seller by official written notice upon their bank's receipt of the full POP and shipping documents.

- › Copy of Export License — issued by the Ministry of Petroleum and Energy
- › Copy of Approval to Export — issued by the Ministry of Justice
- › Certificate of Origin
- › Product Passport (Quality Analysis Report)
- › Commercial Invoice — fully certified
- › Copy of Charter Party Agreement
- › Copy of Customs Clearance Certificate
- › Copy of Tank Receipt — issued by the storage facility
- › Fresh SGS or Equivalent Report at Loading Port
- › Vessel Q88
- › Bill of Lading
- › Cargo Manifest
- › Notice of Readiness (NOR) / Estimated Time of Departure (ETD)

**STEP
06**

Shipment & SGS/CIQ Inspection at Discharge Port

Shipment commences as scheduled in the contract. Upon arrival of the cargo at the discharge port, within Two (2) working days of the vessel's arrival, the Buyer's inspection team conducts an SGS/CIQ or equivalent inspection to ascertain the quality and quantity of the product at the discharge port.

- › Inspection must be conducted within 2 working days of vessel arrival at discharge port
- › SGS, CIQ, or approved equivalent inspection agency required
- › Buyer is responsible for all inspection costs at the discharge port
- › Inspection results are binding on both parties unless contested within 24 hours of issuance

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| STEP 07 | <p>Buyer Releases Payment – MT103/TT – Title Ownership Transfer</p> <p>Upon successful SGS/CIQ inspection at the discharge port, the Buyer's bank releases payment for the total shipment value via SWIFT fund transfer MT103/TT within Two (2) banking days of issuing the SGS report. The product is then discharged to the Buyer's designated storage facility, and title of product ownership is formally transferred to the Buyer.</p> |
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| STEP 08 | <p>Commission Distribution Within 72 Hours</p> <p>The Seller distributes all intermediary commissions to all parties involved in the transaction, strictly in accordance with the executed NCNDA/IMFPA, within Seventy-Two (72) hours of confirmed receipt of the Buyer's MT103/TT payment.</p> |
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| STEP 09 | <p>Monthly Shipment Continuation</p> <p>All subsequent monthly shipments continue as per the signed SPA and agreed delivery schedule. Product payment for each subsequent lift is made against successful SGS/CIQ or equivalent inspection at the destination port via TT/MT103, in accordance with the SPA payment terms.</p> |
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| PROCEDURE CODE PDX-CIF-02 | <p>CIF WITH SHARED SHIPPING FEES / BUYER Q88</p> <p>Applicable where Buyer nominates a qualified vessel and shares 50% of freight cost. Any world safe port (ASWP).</p> |
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This procedure is used where the Buyer holds a qualified, nominated vessel and provides a valid Q88. The Buyer and Seller share the shipping cost equally – 50% each – prior to loading. This arrangement enables a more efficient, cost-shared logistics transaction without the full banking instrument requirement of PDX-CIF-01.

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| STEP 01 | <p>Buyer Issues LOI & Submits ICPO with Vessel Q88</p> <p>The Buyer issues a Letter of Intent and submits a fully completed ICPO on company letterhead, including all corporate and banking details, along with a valid Q88 for their nominated vessel. The Q88 must confirm the vessel's full technical specifications, capacity, age, flag state, and current location.</p> <ul style="list-style-type: none"> › ICPO must reference the Seller's confirmed working procedures and product specifications › Q88 must be for a qualified, non-blacklisted vessel owned or chartered by the Buyer › Vessel age, flag, and classification society must meet Seller's and port authority requirements |
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| STEP 02 | <p>Seller Reviews Q88 & Issues Full Corporate Offer / SPA</p> <p>The Seller reviews the Buyer's submitted Q88 for vessel suitability. Upon acceptance, the Seller issues the Full Corporate Offer and, following Buyer acceptance, the Sales and Purchase Agreement. The SPA confirms the shared freight cost arrangement, product details, pricing, and payment terms. All parties execute the NCNDA/IMFPA.</p> |
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| STEP 03 | <p>Seller Issues Partial Proof of Product (PPOP)</p> <p>Upon execution of the SPA, the Seller issues the Partial Proof of Product (PPOP) package to the Buyer, confirming product readiness, quality, and the Seller's authority to supply. The PPOP package for CIF procedures includes:</p> <ul style="list-style-type: none"> › Product Certificate of Origin › Commitment Letter to Supply at confirmed volumes › Statement of Product Availability in Storage › Legalized copy of the Commercial Invoice for the trial or first month lift quantity › Product Quality Passport (Analysis Test Report) |
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STEP
04

Buyer Deposits 50% Freight Cost – Seller Deposits 50%

Within the timeframe confirmed in the SPA, the Buyer deposits their 50% share of the total freight cost to the Seller's designated account or to a mutually agreed escrow account. The Seller concurrently deposits their 50% share. Freight cost calculation is based on the confirmed vessel charter and voyage terms.

- › Buyer's 50% freight deposit must be received and confirmed before loading commences
- › Failure to make the freight deposit within the agreed timeframe constitutes a material breach of the SPA
- › Freight deposits are non-refundable once loading has commenced

STEP
05

Seller Commences Loading & Issues Full Shipping Documents

Upon confirmation of both parties' freight deposits, the Seller commences loading of the product and issues the full shipping document package to the Buyer, confirming the goods are loaded aboard the vessel:

- › Bill of Lading – consigned to Buyer
- › Fresh SGS Quality and Quantity (Q&Q) Report at Loading Port
- › Cargo Manifest
- › Certificate of Origin
- › Charter Party Agreement
- › Ullage Report
- › Notice of Readiness (NOR) / Estimated Time of Arrival (ETA)
- › Vessel Q88 confirmation

STEP
06

Delivery, Inspection & Payment

Upon arrival of the vessel at the Buyer's discharge port, the Buyer conducts an SGS or equivalent Q&Q inspection. Within Two (2) banking days of successful inspection confirmation, the Buyer releases full payment for the product via MT103/TT to the Seller's bank. Title ownership transfers upon confirmed payment receipt.

STEP
07

Commission Distribution & Contract Extension

The Seller distributes all intermediary commissions within 72 hours of confirmed payment receipt. Both parties may extend to a full commercial contract with regular monthly deliveries, with payment via direct bank transfer MT103/TT for each subsequent lift.

PROCEDURE CODE

PDX-CIF-03

CIF WITH ESCROW ACCOUNT – MUTUALLY ACCEPTED

Applicable for all destinations (ASWP). Escrow held by mutually accepted law firm in USA, UK, or EU.

This procedure provides maximum security and transparency for both parties. An independent law firm or escrow agent – located in the USA, UK, or EU and mutually accepted by the Buyer and Seller – holds all deposits and releases funds strictly in accordance with confirmed performance milestones. This procedure is strongly recommended for first-time CIF transactions between new counterparties and for high-value transactions requiring additional financial security.

STEP
01

Buyer Accepts Soft Offer & Issues ICPO

The Buyer reviews and accepts the Seller's Soft Offer and Petrodrex's confirmed procedure, and issues an official, fully completed ICPO addressed to the End Seller.

STEP
02

Seller Issues Draft SPA – Buyer Signs – All Parties Execute NCNDA/IMFPA

Upon successful KYC review of the Buyer's ICPO, the Seller issues the Draft SPA/Contract. The Buyer signs and returns the SPA, and all parties – Buyer, Seller, and all intermediaries – execute the NCNDA/IMFPA,

formally protecting all commission fee obligations for every authorized intermediary involved in the transaction.

STEP
03

Escrow Agent Appointed — Escrow Agreement Signed

The Seller appoints an escrow law firm or escrow agent that is mutually accepted by the Buyer, located in Europe, the UK, or the USA. Both Buyer and Seller execute an Escrow Agreement with the law firm. The Seller then:

- › Makes a 50% freight cost deposit to the escrow law firm's designated account
- › Submits the PPOP documents to the escrow law firm as confirmation of product readiness
- › The Buyer then makes a matching 50% freight cost deposit to the same escrow account

STEP
04

Escrow Firm Releases PPOP Documents to Buyer

Upon confirmation of the Buyer's 50% freight cost deposit, the Escrow Law Firm releases the following Partial Proof of Product (PPOP) documents to the Buyer:

- › Commercial Invoice — duly certified and attested, showing full price calculation, quantities, API gravity, full payment amount, and shipment value date
- › Commitment Guarantee Letter to Supply
- › Quality & Quantity (Q&Q) Product Passport
- › Tank Storage Receipt (TSR)
- › Product Allocation Letter — formally issued
- › Guarantee Statement of Product Availability
- › Shipping Contract to Transport the Product (Charter Party Agreement issued by Seller)

STEP
05

Escrow Fund Release Conditions

The Escrow Law Firm or Attorney shall operate strictly under the following release conditions, providing absolute protection for both parties:

- › SELLER DEFAULT: If the Seller fails to effect full performance compliance with the SPA/Contract, the Escrow Law Firm releases 100% of the total escrow deposit to the Buyer
- › BUYER DEFAULT: If the Buyer fails to pay for the product after full performance compliance by the Seller — including the Buyer's confirmed receipt of a successful certified quality and quantity report by SGS or equivalent at the designated port — the Escrow Law Firm releases the escrowed funds to the Seller

STEP
06

Seller Commences Loading & Issues Hard Copy Shipping Documents

Upon 100% freight cost deposit confirmation by the Escrow Law Firm, the Seller commences loading and sends hard copy shipping documents to the Buyer, confirming the goods are loaded aboard the vessel:

- › Bill of Lading — consigned to Buyer
- › SGS Quality & Quantity Analysis Report at Loading Port
- › Cargo Manifest
- › Ullage Report
- › Certificate of Origin
- › Vessel Q88
- › Notice of Readiness (NOR) / Estimated Time of Arrival (ETA)
- › Vessel Calling Instructions

STEP
07

Vessel Tracking & Pre-Discharge Inspection

The Buyer and the Escrow Law Firm track the vessel from loading through to arrival at the destination port. The Buyer arranges to be present or represented for pre-discharge operations and ensures the vessel and/or

cargo is inspected by SGS or an equivalent approved inspection entity for full compliance with Q&Q standards prior to discharge.

STEP
08

Product Receipt – Buyer Releases Full Payment – Escrow Fund Release

Upon the Buyer's confirmed receipt of the goods and successful Q&Q inspection at the destination port, the Buyer releases full product face value payment within Ten (10) days of the Bill of Lading date via MT103/TT. The Buyer and Seller jointly execute a Release Clause Agreement with the Escrow Attorney, authorizing the release of any remaining freight deposit funds to the appropriate parties.

STEP
09

Commission Distribution & Contract Extension to Long-Term SPA

The Seller distributes all intermediary commissions within 72 hours of confirmed payment receipt. Both parties may extend to a full commercial recourse contract for 12 months, governed by the laws of the applicable ICC jurisdiction, with regular monthly deliveries via direct bank transfer MT103/TT until the contract volume is exhausted.

Complete CIF Documentation Package

All CIF transactions require a complete documentation package. The following documents are required across all three CIF procedure types, with procedure-specific additions noted:

| CORPORATE & KYC DOCUMENTS (ALL PROCEDURES) | PARTIAL PROOF OF PRODUCT – PPOP (ALL PROCEDURES) | FULL SHIPPING DOCUMENTS (ISSUED BY SELLER PRE-SHIPMENT) | FINANCIAL INSTRUMENT (PROCEDURE-SPECIFIC) |
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| Letter of Intent (LOI) – Via official corporate email | Product Certificate of Origin – confirming non-sanctioned origin | Export License – issued by Ministry of Petroleum and Energy | DLC MT700 – Documentary Letter of Credit (PDX-CIF-01) |
| Executed ICPO on company letterhead with full banking details | Commitment Letter to Supply – at confirmed volumes and specifications | Approval to Export – issued by Ministry of Justice | SBLC MT760 – Standby Letter of Credit (PDX-CIF-01) |
| Company Profile – including year of establishment, founders, and major projects | Statement of Product Availability in Storage | Charter Party Agreement (CPA) – confirmed vessel booking | 50% Freight Cost Deposit – Buyer's share (PDX-CIF-01 and PDX-CIF-03) |
| Corporate Information Sheet (CIS) with Authorized Signatory Passport | Commercial Invoice – duly certified (trial / first month lift quantify) | Bill of Lading – consigned to Buyer | Signed Escrow Agreement with mutually accepted law firm (PDX-CIF-03) |
| Certificate of Company Registration – government-issued | Product Quality Passport / Analysis Test Report | Fresh SGS or CIQ Q&Q Report at Loading Port | Seller's 2% Performance Bond – issued by Seller's bank (PDX-CIF-01) |
| Executed NCNDA / IMFPA – signed by all parties by all parties and intermediaries | | Cargo Manifest & Ullage Report | MT103/TT SWIFT Payment – upon confirmed delivery and inspection |
| | | Notice of Readiness (NOR) Estimated of Departure (ETD) | |
| | | Customs Clearance Certificate | |



PETROLODEX

[+971-4-558-1599](tel:+97145581599)

info@petrodrex.com

petrodrex.com

Headquarters: Office 1904, Damac XL Tower; Business Bay; Dubai, United Arab Emirates