



GENERAL PROVISIONS - DEFINITIONS

coface
FOR SAFER TRADE



DEFINITIONS

Adverse information

Any event you may become aware of which has led or may lead to a deterioration of your buyer's financial situation.

Associated company

Any company directly or indirectly controlled by you, or which controls you directly or indirectly or is controlled directly or indirectly by the same company as controls you.

Cash against documents sales

Sales where the applicable terms of payment provide that you will keep title to the goods until full payment has been made to the body responsible for handing the documents of title over to the buyer.

Debt

Amount of one or more invoices owed by the buyer under a **sales contract** and falling within the scope of this contract.

Delivery

The goods are considered delivered when they have been made available to the buyer or any person acting on his behalf, at the place and on the terms specified in the **sales contract**.

In the case of **cash against documents sales**, delivery occurs when the goods and documents of title arrive at the place of delivery.

Dispute

Any disagreement regarding the amount of a **debt** or the validity of your rights or **debts**, including any disagreement about setting off sums you may owe your buyer.

Due date

Date when the buyer must pay for the **debt** according to the **sales contract**.

Insolvency

Insolvency shall be deemed to occur in any of the following cases:

- i) the buyer has been declared bankrupt;
- ii) a resolution is passed to wind the buyer up;
- iii) an order for the winding up of the buyer has been made on the ground that he is insolvent;
- iv) an order for Administration of the buyer's affairs has been made by a court for the benefit of his creditors;
- v) in the course of execution of a judgment obtained against the buyer, the levy of execution has not satisfied the **debt** either in full or in part;
- vi) the buyer has made a valid assignment, or composition or other arrangement for the benefit of his creditors generally;
- vii) a Receiver is appointed on behalf of debenture holders or other creditors or the buyer;
- viii) such conditions exist as are, by any other system of law, substantially equivalent in effect to any of the foregoing conditions.

And references to the buyer being insolvent shall be construed accordingly.

Net debt

Corresponds to the balance of a loss account including:

on the debit side:

- the amount of the invoices, covered under this contract, issued for the goods sold or services performed, including, as appropriate:
 - i) the VAT, if this tax is covered under this contract,
 - ii) any interest payable up to the due date, but none that accrues thereafter,
 - iii) the packing, transport, insurance costs and any taxes owed by the buyer, with the exclusion of any interests for late payment and any penalties or damages;

on the credit side:

- the amount of any **recoveries** received by you or by us up to the date of drawing up of the loss account and the total amount of the expenses that you did not have to pay as a result of the loss.

Non-payment

Non-payment of the **debt** by the buyer on the date, in the currency and in the place specified in the **sales contract**.

Notice / Notification

The date you or we receive a written notice from us or you at your or our administrative address by mail, email, fax or by such electronic means as agreed upon by you and us in writing.

Notice to the *Insurer* is deemed to be valid notice to the *Service Provider* and notice to the *Service Provider* is deemed Notice to the *Insurer*.

Overdue account

When a **debt** to which the contract relates has not been paid on the date, in the currency and in the place specified in the **sales contract**.

Private individual

Refers to a person who buys goods or services for a purpose other than the purpose of his professional activity.

Recoveries

Any amounts received from the buyer or a third party, whether before or after the claim payment has been paid, including:

- any interest you or we receive on late payment,
- any **security** you or we realise,
- any credit note that you raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods you have, or could have, recovered or kept. Where goods have or could have been recovered or kept the value of the proceeds is the actual value you have obtained or 50% of the invoice value - unless other percentage specified - where that is greater.

Sales Contract

Any agreement in any form which is legally binding upon the buyer and the seller and which is for the sale of goods or services against payment of a price.

Sales made on approval and consignment sales are not considered as sales contracts.

Security

Any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a buyer.

Shipment

Goods are considered shipped when they are handed over to a third party - generally a carrier - to take them to the place of delivery specified in the **sales contract**.



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