EUDR Trade Contract Clauses & Incoterms Framework

Operational Legal Guidance, Risk Allocation & Dispute Protocols for Coffee Importers

1. INCOTERMS 2020 VS. EUDR RESPONSIBILITY REALIGNMENT

TRADE RISK

Incoterm	Legal EUDR Role	Primary Geolocation & DDS Obligation	Operational Risk
FCA / FOB (Origin)	EU Buyer = **Upstream Operator**	Buyer acts as Importer of Record and assumes full legal liability for submitting the DDS in the EU System prior to customs clearance.	HIGH BUYER RISK
CFR / CIF (Destination)	EU Buyer = **Upstream Operator**	Seller manages freight/insurance, but EU Buyer remains Importer of Record responsible for EUDR compliance and DDS filing.	HIGH BUYER RISK
DAP (EU Warehouse)	EU Buyer = **Upstream Operator**	Delivery occurs inside EU, but customs import clearance remains Buyer's legal duty. Buyer requires DDS before taking delivery.	SHARED RISK
DDP (EU Destination)	Non-EU Seller = **Upstream Operator**	Seller acts as Importer of Record within EU, assuming full legal liability for DDS filing, local customs clearance, and EUDR compliance.	HIGH SELLER RISK

2. MODEL EUDR CONTRACT CLAUSES (PLUG & PLAY)

LEGAL TEMPLATES

Clause 2.1: Mandatory Geolocation Data & GeoJSON Delivery

CORE REQUIREMENT

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"Seller expressly warrants and undertakes to provide Buyer with accurate, complete, and validated WGS84 GeoJSON data
(Point/Polygon as mandated by EUDR Article 9) for all plots of land where the coffee beans supplied under this
Contract were produced.

Said data must be delivered to Buyer no later than [15 / 30] calendar days prior to the estimated bill of lading
(B/L) issue date. Seller guarantees that no portion of the coffee supplied originates from land deforested or
degraded after December 31, 2020."
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Clause 2.2: Indemnity & Customs Detention Liability

FINANCIAL PROTECTION

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"If any shipment under this Contract is detained, rejected, confiscated, or subjected to administrative penalties by
EU Competent Authorities due to defective GeoJSON data, false declarations, or non-compliance with local origin laws
attributable to Seller:

(a) Seller shall fully indemnify and hold Buyer harmless against all direct financial losses, storage fees,
demurrage, and legal expenses incurred.
(b) Buyer reserves the right to immediately terminate the affected order and recover all prepaid sums plus a
liquidated penalty equal to [X]% of the contract value."
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Clause 2.3: Right to Audit & Third-Party Verification

AUDIT RIGHTS

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"Buyer or its authorized representative shall have the right to conduct independent remote (satellite analysis) or on-site audits of Seller's supply chain records and origin farm coordinates. Seller agrees to cooperate fully and provide requested documentation within five (5) business days of written notice."
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3. PROTOCOL FOR BLOCKED CARGO & COMPETENT AUTHORITY ACTION

DISPUTE MANAGEMENT

Step-by-step procedure when EU Customs or Competent Authorities raise a **Substantiated Concern** or issue a **Detention Notice** under EUDR:

1. **Immediate Notice & Suspension of Payment**
   Upon receipt of an official EU Customs hold, Buyer issues formal written notice to Seller within 48 hours. Any pending balance payments for the affected container lot are legally frozen.

2. **Data Remediation Period (7-Day Window)**
   Seller is granted seven (7) business days to provide rectified GeoJSON data, updated farm certificates, or secondary proof of legality to satisfy the Competent Authority's query.

3. **Re-Exportation or Disposal Execution**
   If the EU authority issues a final rejection or confiscation order, Seller bears full financial responsibility for re-exporting the cargo out of the EU territory or covering official destruction costs.

4. **Dispute Arbitration Clause**
   Unresolved contract disputes regarding EUDR compliance damages shall be settled via expedited arbitration under [GAFTA / European Coffee Federation (ECF)] rules in [London / Hamburg], applying English law.

📌 **Legal Counsel Disclaimer:**

These model clauses are designed for general reference in international coffee trade contracts. Always consult with qualified maritime and trade legal counsel to adapt these clauses to specific bilateral contracts, regional jurisdiction requirements, and your chosen Incoterms edition.