

The ISF Rules

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The International Seed Federation - ISF

ISF formed in 2002 following the merger of ASSINSEL and FIS, bringing together 2 areas of expertise: plant breeding and seed trading.

The FIS - *Federation Internationale des Semences* - was founded in 1924 when a congress of associations of seed producers and merchants was held in London.

The reason for that congress was to discuss and propose solutions to support international seed trade: the Rules for Trade were drafted, then adopted in 1929

ISF Today



233 members

74 countries

97% int'l trade

7500+ co.s

The Role of ISF

- To facilitate the free movement of seed within a framework of fair and science-based regulations
- To promote the establishment and protection of IP rights for seeds, plant varieties and associated technologies
- To represent the interests of the seed industry at a global level
- To keep its members informed of developments within the industry and in the international regulatory environment

Seed Trends

- Faster breeding and commercial processes
- More plant breeding & seed production by private sector
- Counter season breeding and production
- Cheaper, faster transportation
- Shorter variety life time
- Increased focus on abiotic tolerance
- More crops converted to hybrids

Movement of Seed



Value of Seed

Global seed market ~ US\$ 48.5 bn

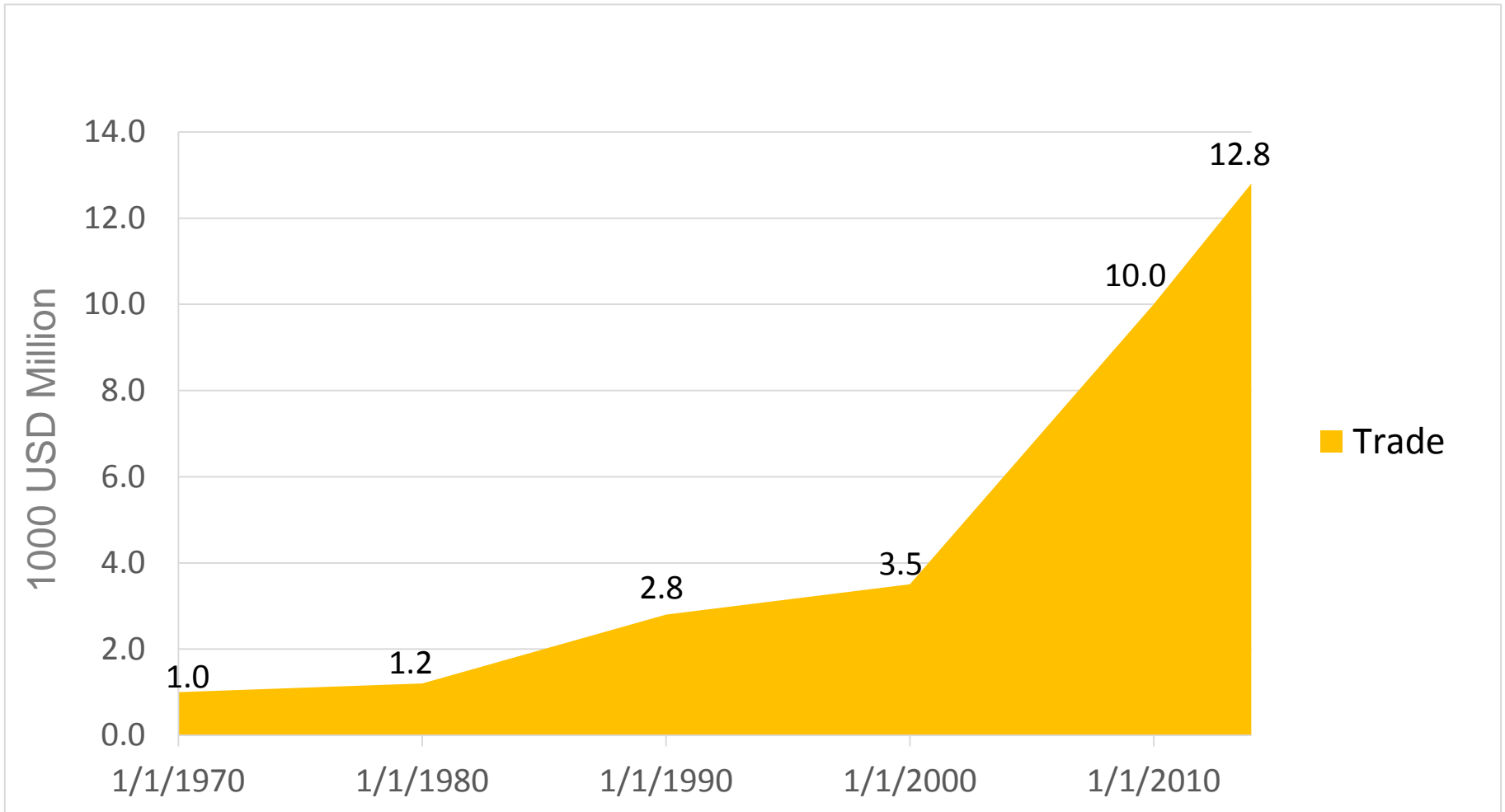
International trade ~ US\$ 12.8 bn

This has been greatly facilitated by the use, availability and adoption of international certificates for:

- varietal identification
- quality testing
- phytosanitary measures



International Trade of Seed



ISF Rules and International Trade of Seed

Every year thousands of contracts are signed between parties for the trade and production of seed.

ISF Rules are designed not only for international sale transactions, but also for contracts for the production of seed from the seed-stock of the breeder.

Company members of ISF should apply the ISF Rules in all commercial agreements as a way to work within a common and recognized structure.

Rules and Usages for the Trade in Seeds for Sowing Purposes

‘ISF Trade Rules’



Structure of the ISF Rules for Trade

- General Provisions
- Formation and Conclusion of a Contract
- Main Obligations of the Parties and General Conditions
- Special Conditions
- Execution
- Quality Checks and Analyses
- Disputes

Structure of the ISF Rules for Trade - details

- **General Provisions**

Scope of application and other general provisions

- **Formation & Conclusion of A Contract**

Offer and Firm Offer, Acceptance, Conclusion and Form of the contract

- **Main Obligations of the Parties and General Conditions**

Quantity, Quality, Packaging, Shipping, Documents, Insurance

- **Special Conditions**

Contract subject to import/export authorization/seed certification/crop; Multiplication or growing contract from stock seed of the contracting buyer; Import regulations

Structure of the ISF Rules for Trade - details

- **Execution**

Notification of intent to ship and shipping instructions; Default of shipping instructions; Time frames for shipment; Notification of shipment; Default of shipment; Passing of risk; Expiration of a contract; Payment

- **Quality Checks & Analyses**

Quality control; Contract with an official seed testing report; Contract without official seed testing report; Seed testing; Control of trueness to variety

- **Disputes**

Failure to perform, Complaints, *Force Majeure*, Compensation, Dispute Resolution

The Five Ws in a Contract

Who

The Parties: Buyer & Seller

What

Seed: detailed description

Where

Places: of production, of delivery

When

Dates: of delivery, of payment

Why

Reason: sale/purchase, multiplication

How

The rules of the game: **ISF Rules**

Mentioning ISF Rules

'ISF Rules' evoke:

- **Clarity:** clear steps /procedures
- **Harmonization:** use of standard terms
- **Acceptance:** of practices and usages of seed industry and trade
- **Trust:** reference to well known and established international rules

They can act also as the arbitration clause

International Trade of Seed

Through the entities involved, ISF covers 97% of the international trade of seed.

ISF Rules allow the smooth execution of commercial transactions and help prevent mistakes, misunderstanding or interpretation

Rules and Usages for Trade of Seed are the reason why our organization exists

International Trade of Seed

ISF is one of the first industry associations to develop such a system and is one of the few international organizations with a “private commercial law” for members’ activity.

As a consequence, most contracts are not concluded under national commercial laws and are not enforced in court when disputes arise.

Procedure Rules for Dispute Settlement of the Trade in Seeds for Sowing Purposes

‘ISF Arbitration Rules’



3 steps of ISF Procedure Rules

1. Mediation

- A mediator acts as a facilitator and help parties reach an agreement

2. Conciliation

- A conciliator motivates the parties towards a final settlement and can be asked to give an opinion

3. Arbitration

- An arbitration tribunal made of 3 arbitrators organizes hearings and issues a binding and enforceable award

Why arbitration?

National laws are primarily for domestic trade; arbitration is for international trade.

Normal courts may have difficulties on very technical matters. They may have to ask opinion of experts. It is more efficient to see these experts directly.

Arbitration can be faster and less expensive and is confidential.

The ISF Procedure Rules for Arbitration

Basic elements:

- Arbitration Chamber and Arbitrators
- Arbitration clause
- Application
- Procedure
- Award
- Appeal



Current ISF Arbitration Chambers

Argentina

Australia

Belgium

Canada

Chile

Czech Rep.

Denmark

France

- Finland ⁽¹⁾

- Germany

- Italy

- Japan

- Netherlands

- New Zealand

- Poland

- Serbia

South Africa

Sweden

Switzerland

Turkey

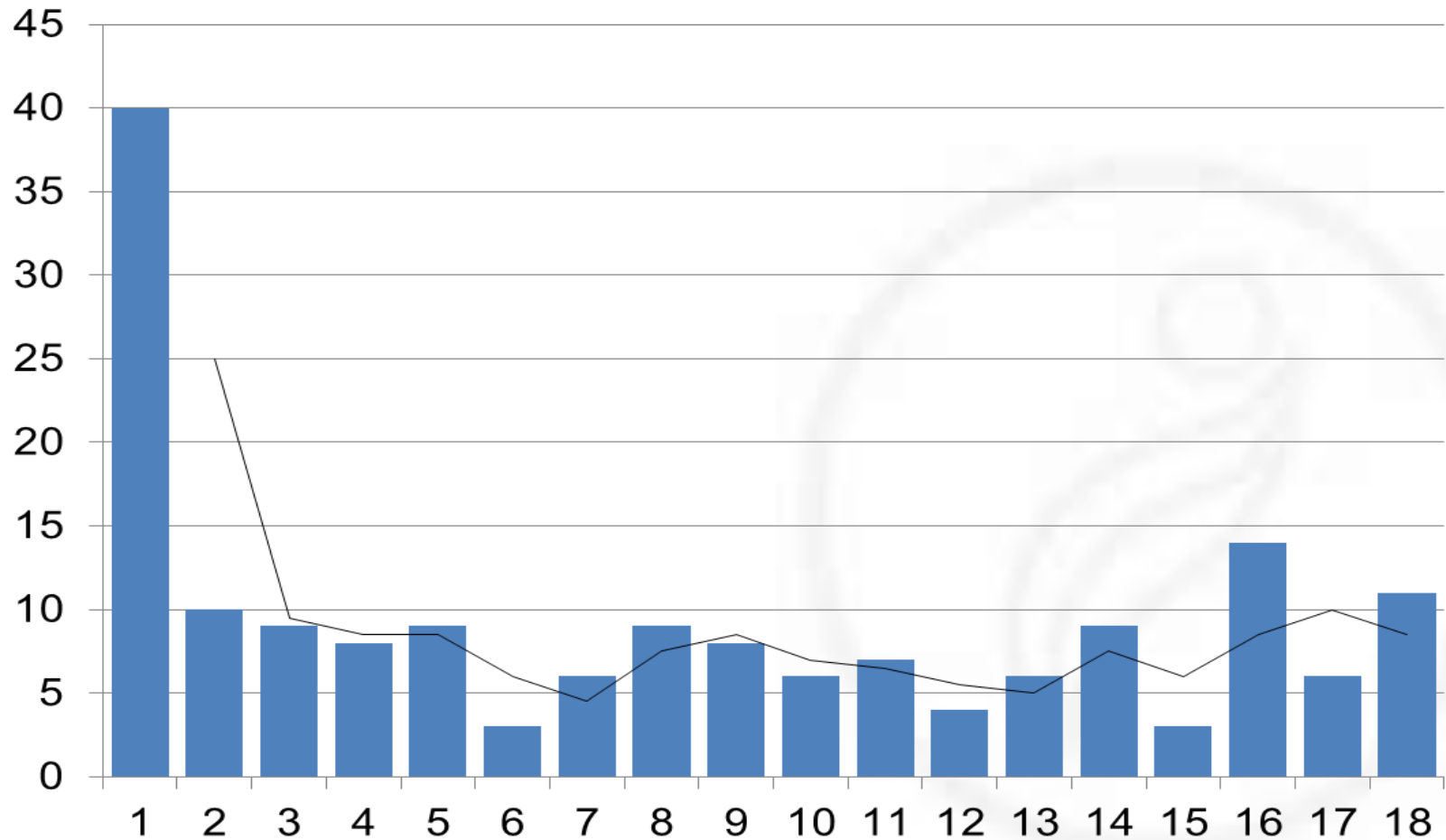
United Kingdom ⁽²⁾

United States

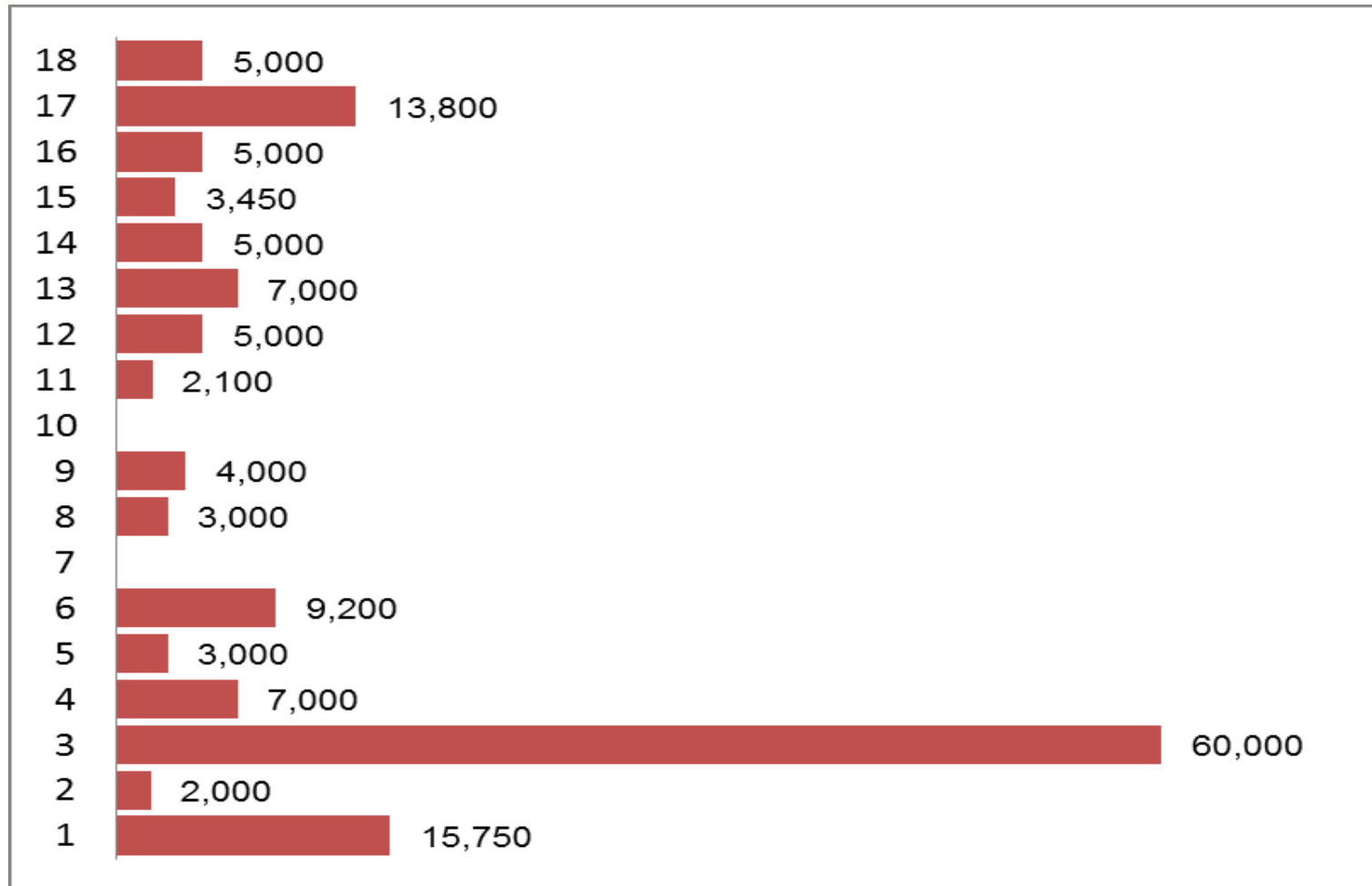
Uruguay

Agreement made 1 with France; 2 with Netherlands

Duration of ISF Arbitration (months)



Cost of ISF Arbitration (transf. in US dollars)



Rules for International Trade of Seed

Seed is one of the most regulated products traded worldwide by a large number of dedicated laws at national level.

The 'ISF Rules and Usages for the Trade in Seeds' and the 'Procedure Rules for Dispute Resolution' – they are our *raison d'être*

ISF is proud to be a pioneer in the establishment of such a system.



Seed is Life