EDITION 2026

— A PRACTITIONER'S GUIDE · GAFTA ARBITRATION

GAFTA *Arbitration* Rules 125

Arbitrating disputes in grain, feed, pulses and rice — when Rules 125 applies, how the three-arbitrator tribunal and Board of Appeal work, what it costs, and how to recover legal costs that GAFTA's default rule says are not recoverable at all.

Written for grain traders, sellers, buyers, brokers, surveyors, and the legal departments and counsel who live with GAFTA contracts.

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— AT-A-GLANCE REFERENCE

GAFTA *Arbitration* Rules 125

A one-page summary of Rule No. 125 — the GAFTA Arbitration Rules effective for contracts dated from 1 October 2025. All references are to that edition. Fees are set by GAFTA and updated periodically — always verify current figures on gafta.com/arbitration and the FAQ before relying on them.

EDITION

1 Oct 2025

Rules 125 effective for contracts dated 1 October 2025 onwards. Older contracts continue under the prior edition. Diary the contract date.

TRIBUNAL

Three by default

Each party appoints one; GAFTA appoints the chair on receipt of first submissions. A claimant may propose a sole arbitrator — sole stands unless the respondent both refuses and appoints its own within 9 days (Rule 3.1). Must be GAFTA Qualified Arbitrators.

SAMPLE-EXAMINED QUALITY

21 days

Where quality is to be determined by tribunal sample examination — within 21 consecutive days of completion of loading, delivery, discharge or unstuffing (Rule 2.1(b)). 10 days for Rye Terms (Rule 2.1(a)).

OTHER CLAIMS

1 year

All other disputes — within 1 year of expiry of shipment / delivery / contractual period (Rule 2.2).

RESPONDENT APPOINTS

9 days

Respondent must nominate its arbitrator within 9 consecutive days (Rule 3.1(b) / 3.2(b)). GAFTA appoints in default (Rule 3.3).

FIRST-TIER DEPOSIT

£8,000–£15,000

Sole arbitrator: £8,000 (members) – £11,400 (non-members). Three-arbitrator tribunal: £12,000–£15,000. Plus £1,250 issue fee. 60 days to pay or claim absolutely barred (Rule 4.1).

SERVICE

Email, English

All submissions and evidence by email since 1 Oct 2025 (Rule 4.4). English text or English translation. Hard copies only on GAFTA's request.

HEARINGS

Discretionary

First tier: documents-only is the default; oral hearing at tribunal's discretion (Rule 4.8). Appeal: oral hearing is the default (Rule 12.1).

SAMPLING

21 days to GAFTA

Samples sent to GAFTA per Sampling Rules No. 124 within 21 days of completion of discharge / unstuffing (Rule 5). Samples become GAFTA's absolute property (Rule 5.4).

AWARD

Reasoned, dated on issue

Tribunal of three: 5 members on Board of Appeal. Sole arbitrator: 3 on Board. Reasons by default (s.52(4) AA 1996). Date = date of issue by GAFTA after fees paid (Rule 9.3).

APPEAL

30 days / £20,000

Notice received by GAFTA at 12.00 London on day 30 (Rule 10.1(a)). Cleared appeal deposit £20,000 by the same deadline. New hearing on facts and law (Rule 12.5).

LEGAL COSTS

Express agreement only

Rule 17.4: each party bears its own legal and representation costs unless the parties have *expressly agreed in writing*. Critical structural difference from FOSFA. See §04.

§ 01

When Rules 125 applies

GAFTA arbitration applies wherever a GAFTA standard contract — or any other contract incorporating Rules 125 — refers a dispute to GAFTA. The edition is locked to the contract date. The current edition is effective for contracts dated from 1 October 2025.

Incorporation through standard contracts

The GAFTA proformas — 48, 49, 64, 78, 79, 80, 88, 100 and the rest — embed an arbitration clause that refers all disputes to GAFTA arbitration under Rules 125. The opening line of the Preamble is decisive: any dispute "*arising out of a contract/s or arbitration agreement/s, which incorporates or refers to these Rules, shall exclusively be referred to GAFTA arbitration*". GAFTA is the only authorised administrator — neither party can sidestep by appointing an institution elsewhere.

Disputes covered include all the usual heads: price, quantity, quality, default, repudiation, force majeure / Prevention of Shipment validity, payment under documentary credit and string-trade allocations. The Rules read with the Arbitration Act 1996 (Rule 1.1) cover any "questions of law arising in connection therewith".

Seat and law

The juridical seat is **England**, designated under section 3 of the Arbitration Act 1996 (Rule 1.2). Oral hearings are held at a place GAFTA designates in London, or elsewhere by written agreement (Rule 1.3). English law applies, modified only where Rules 125 expressly says so.

Time bars — and which clock applies

TYPE OF CLAIM	TIME LIMIT	TRIGGER
Rye Terms (Rule 2.1(a))	10 consecutive days	Completion of final discharge
Quality, sample-examined (Rule 2.1(b))	21 consecutive days	Completion of loading, delivery, discharge or unstuffing
Other disputes, including documentary-only quality (Rule 2.2)	1 year	Expiry of shipment / delivery period or other contractual end-point

The 21-day clock applies only where the dispute is to be resolved by tribunal examination of sealed samples sent under Rule 5 / Sampling Rules No. 124. A quality dispute argued purely on documents — survey reports, certificates, lab analyses already issued — falls under Rule 2.2 and the one-year window. The mistake to avoid is treating *every* quality complaint as a 21-day matter; the rule asks first whether sample examination by the tribunal is in play.

> — IN PRACTICE
>
> Two quality claims, two clocks. (i) A buyer who needs the tribunal to test sealed samples for moisture, protein or contamination has 21 days from completion of unstuffing to commence and dispatch the sample. (ii) A buyer relying on an independent surveyor's certificate already in hand — and not asking the tribunal to test anything — has the full year under Rule 2.2.

Sampling — Rule 5 with Sampling Rules No. 124

Where the case is to be determined by tribunal sample examination, the sample protocol is its own discipline. Rule 5.1 requires samples to be drawn, sealed and despatched to GAFTA in accordance with Sampling Rules No. 124, "*not later than 21 consecutive days*" after completion of discharge or unstuffing. Rule 5.2 — examined as soon as possible after receipt. **Rule 5.4 makes the samples sent to GAFTA the absolute property of GAFTA —** disposable on GAFTA's terms after the arbitration. A party that wants to retain a portion for later testing must arrange this with GAFTA up-front. October 2025 added a third-analysis route for malting barley where the first two analyses diverge by more than 0.50% (GAFTA 124 s. 9.5.2.4) and per-hold sampling rules for EU-destined consignments (GAFTA 131).

Rules 125 vs Rule 126

GAFTA also publishes **Rule No. 126** — an Expedited Procedure for smaller or urgent disputes. Rule 126 uses a sole arbitrator, a faster timetable, and a lower deposit (currently £700 issue fee, average total £7,013). There is no appeal under Rule 126. This briefing addresses Rules 125; for an expedited claim, opt into Rule 126 in the contract or by subsequent agreement.

What changed in the 1 October 2025 cycle

The 1 October 2025 reprint codified email-by-default service. Rule 4.4 now requires submissions and evidence to be served by email, with hard copies only on GAFTA's request. Companion Rule 126 had its deposit-payment window cut from 60 to 30 days; Rules 125 retains the 60-day window. Several GAFTA proformas were updated alongside — Notice of Appropriation deadlines harmonised across CIF/CFR forms, GAFTA 47 and 49 received quality clauses with "quality final at place of delivery", and GAFTA 124 (Sampling Rules) added a third-analysis route for malting barley where the first two analyses diverge by more than 0.50%.

§ 02

Appointing the tribunal — sole, three or Board

The default tribunal is three. The respondent has 9 days, not 30, to appoint its arbitrator. GAFTA appoints the chair on receipt of first submissions. The Board of Appeal is 5 members where the first tier was three arbitrators, 3 members where the first tier was a sole.

Sole arbitrator — the default-by-inaction trap

Rule 3.1 has a quirk that catches respondents new to GAFTA. A claimant may propose a sole arbitrator in the notice of arbitration. The respondent then has **9 consecutive days** to do *both* things: refuse the sole and appoint its own arbitrator. Refusing the sole alone is not enough — and silence is not enough either. If the respondent does not appoint its own arbitrator within those 9 days, the proceedings continue before the sole arbitrator the claimant proposed, regardless of whether the respondent ever expressly agreed.

The cost saving from a sole tribunal is real (sole-arbitrator deposits are £8,000–£11,400 vs £12,000–£15,000 for three). But the procedural point matters more: a respondent that simply ignores a sole-arbitrator proposal walks into the claimant's chosen tribunal by default.

Three-arbitrator tribunal — the working default

Each party appoints one arbitrator and notifies the other (Rule 3.2(a)–(b)). The respondent must appoint within **9 consecutive days** (Rule 3.2(b)). On receipt of the first submissions, GAFTA appoints the third arbitrator, who chairs (Rule 3.2(d)).

Default appointment by GAFTA

Where a party fails to appoint within the 9 days, the other applies to GAFTA (Rule 3.3). GAFTA gives the defaulting party a fixed period to appoint, then appoints itself. The same fee applies — currently **£150** per appointment.

Eligibility

Rule 3.7 limits appointments to **GAFTA Qualified Arbitrators**: trade members and surveyors who have completed GAFTA's training programme. No financial interest in the transaction; no retainer with either party. Lawyers in private practice are not on the qualified-arbitrator panel — they are explicitly excluded from acting as advocates at the hearing under Rule 17, which carries through to the tribunal composition.

Substitute arbitrators

If an appointed arbitrator dies, refuses to act or becomes incapable, the appointing party has **5 consecutive days** to appoint a substitute (Rule 3.9(b)). Failing which, GAFTA may appoint the substitute in default. This is much tighter than FOSFA's substitution regime.

The Board of Appeal

The Board of Appeal is constituted only if the first-tier award is appealed. Composition depends on the first-tier tribunal: **5 members** where the first tier was three arbitrators; **3 members** where the first tier was a sole arbitrator (Rule 11.1). Members are drawn from GAFTA's Appeal Panel; no first-tier arbitrator may sit. The Board's mandate is set by Rule 12 — see §07.

> — DRAFTING TIP
>
> The 9-day window is the most-missed deadline in the GAFTA Rules. Diary the day of receipt of the claimant's notice plus nine days, and be ready with an arbitrator name. Defaulting into GAFTA's appointment is rarely the worse outcome — but it does cost the £150 fee and surrenders any influence over tribunal composition.

§ 03

Procedure: pleadings, deposits and the 60-day clock

GAFTA submissions go by email, in English, with paginated documents. The deposit clock is hard: pay within 60 days of GAFTA's call or the claim is absolutely barred. There is no formal disclosure. Lapse runs at one year, renewable up to six.

Email service is now codified

Rule 4.4: submissions and evidence are served by email. Hard copies only on GAFTA's request. All submissions and evidence — written or oral — must be in English or accompanied by certified English translations. This is the 1 October 2025 codification of what was already practice.

Pleadings

The claimant serves the full case — contract, supporting documents, and a clear statement of the heads of claim — under Rule 4.1. The defence and any counterclaim follow under Rule 4.2; the claimant's reply under Rule 4.3. Rule 4.6 lets the tribunal set the timetable; there are no fixed pleading-by-pleading day-counts in Rules 125 itself, but tribunals routinely impose 14- to 28-day windows once the deposit is paid.

There is no prescribed word limit. Tribunals reward concise pleading and are not impressed by volume.

The 60-day deposit clock

Rule 4.1 is the most consequential clock in Rules 125. GAFTA calls on the claimant to deposit "*such sum as GAFTA considers appropriate*". If the deposit is not received by 12.00 noon London on the **60th consecutive day** after the call, "*the claim shall be deemed to be waived and absolutely barred*". This is a hard outer limit — there is no equivalent of court-style relief.

Compare GAFTA's sister Rule 126 (Expedited Procedure), where the 1 October 2025 reprint cut the deposit window from 60 to **30 days**. Rules 125's 60-day window is unchanged but worth re-confirming each cycle.

Document production — tribunal-led

There is no equivalent of court-style standard disclosure. Rule 18 lets the tribunal "*ascertain the facts and the law on their own initiative*", subject to the parties' opportunity to comment. Rule 4.5 gives the tribunal latitude to "*vary or depart from the above procedure in order to give each party a reasonable opportunity of putting his case*". Each party files what it relies on; the tribunal can request more.

Lapse

If neither party has filed any evidence or submissions for 1 year from notice, the claim is "*deemed to have lapsed*" (Rule 4.10). Renewable for further years up to a six-year ceiling. This is significantly more generous than FOSFA's one-renewal regime — but six-year-old GAFTA claims are extremely difficult to run as a practical matter.

> *If the deposit is not received by GAFTA by 12 noon on the 60th consecutive day of the date on which it was called for, the claim shall be deemed to be waived and absolutely barred.*

§ 04

Costs: fees, deposits and Rule 17 on legal costs

GAFTA publishes its fees on gafta.com. The structural distinction from FOSFA is Rule 17.4: each party bears its own legal and representation costs unless the parties have **expressly agreed in writing**. *The first commercial question under Rules 125 is therefore not "who will fight hardest" but "what representation will deliver value the recovery rule still leaves with me".*

Federation fees and deposits — sourced from gafta.com

ITEM	FIGURE (GBP)
First-tier issue fee	£1,250 (plus £350 standard printing fee, plus courier and room hire)
First-tier deposit — three-arbitrator, both members	£12,000
First-tier deposit — three-arbitrator, one non-member	£13,500
First-tier deposit — three-arbitrator, both non-members	£15,000
First-tier deposit — sole arbitrator, both members	£8,000
First-tier deposit — sole arbitrator, one non-member	£9,700

ITEM	FIGURE (GBP)
First-tier deposit — sole arbitrator, both non-members	£11,400
First-tier average total cost	£14,654.65
Appeal issue fee	£3,500 (plus £500 printing, plus courier and room hire)
Appeal deposit	£20,000
Appeal average total cost	£23,816.78
Oral hearing fee (physical and virtual)	£50 / hour
Non-member award issuance fee	£1,700 per award (each non-member party)
Sole-arbitrator appointment by GAFTA	£150
Catering admin fee (physical hearings)	£50 / day

All figures GBP. Figures pulled from gafta.com/arbitration and the Arbitration FAQ (currently published). Always re-verify before relying on them.

Rule 17 — the recovery rule that catches everyone

Rule 17.1 permits legal representation only "*where the parties have expressly agreed in writing*". Rule 17.4 sets the default: "*Each party shall bear all their own costs including their own legal and representation costs*". Rule 17.2 says the same for hearing-stage representation absent agreement.

The structural point shapes how a sensible client thinks about representation. A party that hires a major London firm without thought to Rule 17.4 — drafting submissions, attending the hearing, representing through to a successful award — may recover deposits, GAFTA fees and tribunal fees, but **not the legal bill**, even on a clean win. That makes the choice between a major firm, a smaller specialist counsel, a GAFTA-trained representative or in-house counsel a commercial calculation, not just a strategic one. Where outside counsel is the right choice, the cost-recovery agreement is locked at the outset — in the contract or in the opening procedural letter — and the fee structure aligned with what the rule will actually let you recover.

Where Rules 125 expressly says "costs follow the event"

Rule 12.5(d) is the only place in Rules 125 where the principle is spelt out as a default: "*Such costs, fees and expenses will normally follow the event.*" At first tier, the tribunal's costs power under Rule 9.1 is exercised with discretion — but the working pattern is the same: the prevailing party recovers GAFTA-administered fees (deposits, issue fee, tribunal fees, hearing-room and catering charges) from the loser. The Rule 12.5(d) wording does not *expand* the recoverable scope on appeal; it confirms a default that applies, in practice, at both tiers.

The constant across both tiers is Rule 17.4. **Party-side legal costs are recoverable at first tier and on appeal only where the parties have expressly agreed in writing**; absent that agreement, neither a first-tier tribunal nor the Board of Appeal can award them.

> — COST PLANNING
>
> A typical Rules 125 first-tier arbitration runs in the £15,000–£30,000 cost band including the deposit, GAFTA issue fee, tribunal fees and party-side legal preparation. The prevailing party recovers the GAFTA-administered side (deposits, issue fee, hearing-room). Recovery of party-side legal fees turns on a single procedural step: securing the express written agreement on costs, ideally at contract stage and otherwise in the opening procedural correspondence. At appeal, the cost band roughly doubles, with the £20,000 appeal deposit on top.

> *Before retaining a major London firm for a Rules 125 matter, ask what the cost-recovery rule will actually let you keep. The answer, under Rule 17.4, is none of the legal bill — even on a clean win. The case for a specialist who knows the trade and the institution starts there.*

§ 05

Hearings — first tier and appeal

First-tier hearings are at the tribunal's discretion; documents-only is the default. Appeal hearings are oral by default. The same legal-representation restriction under Rule 17 applies at both tiers — solicitors and barristers in private practice are excluded unless the parties have expressly agreed in writing.

First-tier hearings — discretionary

Rule 4.8 makes oral hearings at the tribunal's discretion. The default is documents-only. Where a hearing is held, GAFTA arranges venue and timetable. Representation is by an employee of the party, by another GAFTA Qualified Arbitrator, or by another representative agreed by the tribunal. **Solicitors, barristers and legal advocates in private practice are excluded** unless legal representation has been "expressly agreed" between the parties (Rule 4.8 third sentence and Rule 17.1).

Appeal hearings — oral by default

Rule 12.1: "*Unless the parties agree otherwise or the Board so orders, there will be an oral hearing of the Appeal.*" Documents-only at appeal is the exception. Skeleton arguments and an agreed common bundle are exchanged on GAFTA's notified timetable (Rule 12.2). The same legal-representation restriction applies (Rule 12.2 with Rule 17.1).

Virtual hearings are permitted "in exceptional circumstances" — typically where the majority of the tribunal or Board cannot travel. Convenience alone will not get a virtual hearing past the Rule 4.8 / 12.1 threshold.

— REPRESENTATION NOTE

The Rule 17 line is firm. Solicitors and barristers in private practice cannot appear as advocates at a Rules 125 hearing — first-tier or appeal — unless the parties have expressly agreed in writing. In-house counsel, employees, and other GAFTA Qualified Arbitrators are the default permitted representatives.

§ 06

The first-tier award

The award is reasoned by default. It is dated when GAFTA issues it after fees are paid. Costs are at the tribunal's discretion at first tier — but party-side legal costs remain unrecoverable absent an express written agreement, even where the prevailing party otherwise carries the day.

Form and reasons

Rule 9.1 requires the award to be in writing and signed by the chairman. Section 52(4) of the Arbitration Act 1996 supplies a default requirement of reasons unless the parties agree otherwise — and reasoned awards are universal in GAFTA practice. The award is signed and lodged with GAFTA.

Date of the award

Rule 9.3: the award is "*deemed to have been made on the date of issue by GAFTA*". GAFTA issues the award after fees are paid. The legal date of the award — the date that triggers the 30-day appeal clock and the s. 70(3) Arbitration Act 1996 court-challenge clock — is therefore the GAFTA-issue date, not the date of signature or the date of receipt by the parties. The same trap that caught the seller in *Kazan Oil v Aves Trade* (a FOSFA case but the s. 70(3) point is identical) catches GAFTA practitioners equally.

Tribunal's costs power

Rule 9.1 gives the tribunal "*the power to assess and award the costs of and connected with the reference and also the fees and/or expenses incurred by the tribunal*". The tribunal exercises this power with discretion at first tier. Subject always to Rule 17.4, the practical pattern is that the prevailing party recovers the deposit, GAFTA fees and tribunal fees from the loser, but each side bears its own legal-representation costs unless an express written agreement on costs recovery is in place.

No challenge for arbitrator-qualification defects after the fact

Rule 9.5: an objection to an arbitrator's qualification or appointment must be raised at the outset. A party that does not object at the time of appointment cannot use a qualification point to challenge the award later.

Time-extension to appeal — request before the award

Rule 9.2: any extension of the 30-day appeal deadline is best requested before the award is made and recorded in the award. Securing an extension after the award has been issued is exceptional and not something a party should rely on; the procedural design assumes the 30-day clock runs unmodified from the issue date. Plan the appeal calendar from receipt of the award and keep the request for any extension on the procedural agenda before the award is finalised.

§ 07

The Board of Appeal — a new hearing

The Board of Appeal rehears the dispute on facts and law — confirm, vary, amend or set aside. Notice is due within 30 days of the award by 12 noon London. The deposit is £20,000. Costs follow the event.

The 30-day clock

Rule 10.1(a): notice of appeal must be received by GAFTA by **12 noon London on the 30th consecutive day after the date of the award**. The notice is copied to the other party at the same time. This is a hard deadline — see *Kazan Oil v Aves Trade* on the equivalent clock under FOSFA's 28-day rule.

The cleared appeal deposit — currently £20,000 — must be received by GAFTA by the same 30-day deadline (Rule 10.1(a)(iii)). First-tier fees outstanding must also be paid before the appeal is heard (Rule 10.1(b)).

What can be appealed

Rule 10.1: any party to a Rules 125 award has the right of appeal, with narrow exceptions — jurisdiction findings where the tribunal has accepted jurisdiction (Rule 8.1(b)), provisional orders (Rule 8.2), Rye Terms awards (Rule 6.4), and awards barred by fees / notice non-compliance (Rules 19, 21).

Composition of the Board

Rule 11.1: **5 members** where the first tier was a three-arbitrator tribunal; **3 members** where the first tier was a sole arbitrator. Members are drawn from GAFTA's Appeal Panel; no first-tier arbitrator may sit on the Board.

De novo review — fresh evidence admissible

Rule 12.5: "*An appeal involves a new hearing of the dispute and the board of appeal may confirm, vary, amend or set-aside the award of the tribunal.*" Power to vary, correct errors, award interest and award costs. New evidence is admissible at the Board's discretion. Costs at appeal "*will normally follow the event*" — the only place in Rules 125 where costs-follow-the-event is express.

> *An appeal involves a new hearing of the dispute and the board of appeal may confirm, vary, amend or set-aside the award of the tribunal. Rule 12.5.*

Withdrawal

Rule 13: full withdrawal of the appeal is possible at any time before the award. If withdrawal is made within **10 consecutive days of lodging**, two-thirds of the appeal deposit is refunded. Beyond that 10-day window, the deposit is forfeit.

Skeleton arguments and bundle

Rule 12.2 requires exchange of skeleton arguments and an agreed common bundle on GAFTA's notified timetable. The bundle includes legal authorities. The same Rule 17 restriction on private-practice legal representation applies — bring counsel to the hearing only if there is an express written agreement.

§ 08

Court challenge after the appeal — ss. 67, 68, 69

After the Board of Appeal, the route to the English Commercial Court is under sections 67, 68 and 69 of the Arbitration Act 1996. The 28-day clock runs from the date of the appeal award. The threshold is high.

The three statutory routes

The Arbitration Act 1996 preserves three statutory routes the parties cannot fully contract out of:

- **Section 67** — substantive jurisdiction (mandatory under Schedule 1).
- **Section 68** — serious irregularity (mandatory under Schedule 1).
- **Section 69** — appeal on a point of English law (default available; can be excluded by express agreement, which the standard GAFTA proformas do not do).

All three are subject to a 28-day time limit running from the date of the appeal award (s. 70(3)).

Trans Trade v State Food and Grain Corp of Ukraine — the leading recent case

Trans Trade RK SA v State Food and Grain Corporation of Ukraine [2025] EWHC 1803 (Comm), Andrew Baker J, 17 July 2025. Three GAFTA Board of Appeal awards on FOB cash-against-documents contracts were set aside on a section 69 appeal. The court held that under FOB cash-against-documents terms, the seller cannot sue for the price under section 49(2) of the Sale of Goods Act 1979 — payment is conditional on the buyer obtaining the documents, not "irrespective of delivery". Awards aggregating in excess of US$22 million were set aside.

The case is significant for two reasons. First, it confirms that section 69 remains a live route in GAFTA cases — contrary to the orthodox reading that English courts almost never disturb commodity awards. Second, it shows that FOB cash-against-documents tribunal reasoning needs to be tested against SOGA s. 49 carefully; an award assuming s. 49(2) applies is vulnerable.

Section 68 — extreme cases only

The threshold for serious irregularity is reserved, in the words of the DAC Report, for "extreme" cases where substantial injustice has been caused. Of the 30–40 section 68 applications heard by the Commercial Court each year, the success rate has been close to zero across recent years. A party who disagrees with the tribunal's commercial conclusions will not get past section 68 by recasting the disagreement as an irregularity.

Section 67 — jurisdiction, not merits

Black Sea Commodities Ltd v Lemarc Agromond Pte Ltd [2021] EWHC 287 (Comm) is the clearest illustration of a successful s. 67 challenge in a GAFTA case. The tribunal had no jurisdiction because no binding arbitration agreement was concluded between the broker-mediated parties — the "draft conditions" including the GAFTA arbitration clause never crystallised. The award was set aside for want of jurisdiction.

> — BOTTOM LINE
>
> The English court remains a real backstop for GAFTA awards on a point of law, but only after the Board of Appeal has had its say. *Trans Trade* shows section 69 still bites; *Black Sea Commodities* shows section 67 still bites. Section 68 almost never bites. Plan the court route as a separate exercise, with the 28-day s. 70(3) clock locked into the diary from the date of the appeal award.

§ 09

Practical tips for parties and counsel

GAFTA arbitration rewards methodical preparation. The traps are different from FOSFA — tighter time bars on quality, the 60-day deposit clock, the legal-costs recovery rule under Rule 17, and the 30-day appeal window with no relief from above.

Before commencement

- **Choose representation with Rule 17.4 in mind.** The default is no legal-cost recovery — even on a clean win. Run the commercial calculation before retaining: a major London firm, a smaller specialist, a GAFTA-trained advocate or in-house counsel each carry different cost, expertise and recovery profiles. Where outside counsel is the right call, lock the cost-recovery agreement at the outset.
- **Diary the time bar to the day.** 10 days for Rye Terms; 21 days for sample-examined quality; 1 year for everything else (Rule 2). Rule 21.3 — the trigger date does not count.
- **Identify the contract date and the operative edition.** The 1 October 2025 reprint applies to contracts dated from then; older contracts continue under the prior edition.

Pleadings and deposits

- **Front-load the contract and supporting documents with the claim submission.** The tribunal sets the timetable on receipt of the deposit (Rule 4.6); a thin opening reads as weak.
- **The 60-day deposit clock is hard.** Rule 4.1. Late = absolutely barred. No extensions.

Hearings, evidence and sampling

- **Decide samples strategy at notice stage.** Rule 5 + Sampling Rules No. 124 — 21 days post-discharge. Late samples are inadmissible in practice; samples become GAFTA's property under Rule 5.4.
- **Choose your hearing representative deliberately.** Rules 125 permits an employee, in-house counsel, another GAFTA Qualified Arbitrator (one not on the tribunal — a feature unique to GAFTA), or — by express written agreement — outside legal counsel. Each route carries different cost, recovery and advocacy implications. Decide before the hearing door, not at it.

Appeal

- **30 calendar days, 12 noon London — no relief.** Rule 10.1(a). Notice + copy to the other side + cleared £20,000 deposit must all land by 12 noon on day 30. The most-missed deadline in Rules 125.
- **Plan the appeal economics around Rule 17.4.** The same default applies on appeal: party-side legal costs are unrecoverable absent express written agreement. Where the case turns on legal arguments that genuinely need outside counsel, the cost-recovery clause is the procedural pre-condition — not an afterthought.

> *Different gates, different clocks. At FOSFA, 90 days for quality (with sample) and 28 to appeal. At GAFTA, 21 days for sample-examined quality and 30 to appeal — and a Rule 17.4 default that turns representation choice into a commercial calculation.*

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Danil Hristich is an English solicitor (England & Wales) with over ten years' experience in international trade, shipping and maritime arbitration. He acts for shipowners, charterers, commodity traders and their insurers in **GAFTA**, FOSFA, LMAA and LCIA arbitrations, and in the Commercial Court in London.

His shipping practice covers charterparty disputes (demurrage, detention, freight, deadfreight, off-hire), bills of lading and carriage disputes, and sale-of-goods claims at the intersection of shipping and commodity trade. He has experience obtaining freezing orders (WFO) in the English High Court and is admitted to the bar in Ukraine. Regularly recognised by *The Legal 500*, he was the primary speaker at the GAFTA Professional Development training in Cape Town (November 2024) and delivered the first GAFTA legal webinar on partial shipments (2021).

Selected experience

Black Sea Commodities Ltd v Lemarc Agromond PTE Ltd [2021] EWHC 287 (Comm) — advised Black Sea Commodities in a successful jurisdictional challenge to a GAFTA award; the Commercial Court set the award aside for want of jurisdiction.

Trans-Oil International SA v Savoy Trading LP, Ivan Melnykov [2020] EWHC 57 (Comm) — advised Mr Melnykov in worldwide freezing order proceedings; the court declined to freeze his assets.

FOSFA appeal against a multinational — established force majeure arising from the war in Ukraine in a US$1.2m dispute; damages reduced from US$1.2m to US$350,000 on appeal.

Acted for a Ukrainian sunflower oil seller in FOSFA arbitration and subsequent English court proceedings against an Estonian counterparty controlled by a Ukrainian national resident in London. Default judgment in the High Court — secured on the strength of a recorded repudiation and proven family ties between the principals — produced a voluntary payment of US$1.3m.

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Important notice

This guide is a practitioner's overview of GAFTA Rules No. 125 (Arbitration Rules) effective for contracts dated from 1 October 2025, together with related provisions in Rule 124 (Sampling Rules) and Rule 17 (legal costs). It is provided for general information only and does not constitute legal advice. No lawyer–client relationship arises from reading or relying on it. Specific facts and contractual provisions materially affect the analysis of any dispute, and readers should obtain independent advice before taking or refraining from any action.

References to GAFTA fees, deposits, average award costs and other figures set by GAFTA reflect the position at the time of publication, drawn from gafta.com and the Arbitration FAQ as currently published. Those figures are updated periodically by GAFTA Council and should be verified on **gafta.com** before relying on them. References to Rules 125, Rule 124 and Rule 126 are to the current editions of those rules published by the Grain and Feed Trade Association. English statutory material is cited with hyperlinks to legislation.gov.uk where available; case citations use the neutral citation format of the English courts.

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— THE ONE-LINE THESIS

Rules 125 were written by traders for traders. Used well, they give you what no court can: a tribunal that already speaks the language of basis quality, port options and rolling stock — and a finality the Commercial Court will rarely disturb.

GAFTA. FOSFA. LMAA. English Commercial Court. Ship arrest. Sanctions. Ten years of commodity and maritime disputes — from Black Sea grain cargoes to London arbitration appeals.

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