

Member Update

No. 3 of 2021 • 1st March 2021

TOPIC: Contract Assignment Clause added to the GTA Trade Rules

DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.

1. Purpose

The purpose of this Member Update is to advise members of the addition of a **Contract Assignment Clause** to the GTA Trade Rules. The new clause requires mutual consent of the contract counterparties for a contract to be “Assigned”.

2. Background

GTA released [Member Update 30 of 20](#) on 19 November 2020 to consult members and seek feedback on a proposal to consider the inclusion of an “Assignment” clause into the GTA Trade Rules .

“Assignment” of a contract occurs where a contract party transfers (i.e., assigns) the rights, benefits, and obligations under a contract from one party to another.

3. Agreed Amendment to the GTA Trade Rules

The GTA Commerce Committee reviewed the issue of contract assignment including that GTA Contracts and Trade Rules have previously been “silent” on this issue. The Committee endorsed the inclusion of an Assignment Clause in the GTA Trade Rules to the GTA Board. This was approved by the Board at its February 2021 meeting.

The new Assignment Clause is:

Trade Rule 25:

Neither party may assign its rights or obligations under a contract without the written consent of the other party, which consent will not be unreasonably withheld. All other terms and conditions pertaining to the said contract shall remain unchanged.

Members are referred to [Member Update 5 of 19](#) providing guidance on the order of precedence between GTA Contracts and GTA Trade Rules.

4. GTA Trade Rules Updated

The GTA Trade Rules have been updated and are available on the GTA website [here](#). This version of the GTA Trade Rules will apply to contracts referencing the GTA Trade Rules from the 1st March 2021.

Further information contact GTA via admin@graintrade.org.au

END.