

ARTICLE 5

Commercial purchases and special transactions

1. A commercial purchase for the purposes of this convention is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph 2 of this Article.

2. A special transaction for the purposes of this Convention is one which includes features introduced by the Government of a member concerned which do not conform to usual commercial practices. Special transactions include the following:

- (a) Sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform to the commercial rates, periods or terms prevailing in the world market;
- (b) Sales in which the funds for the purchase of grain are obtained under a loan from the Government of the exporting member tied to the purchase of grain;
- (c) Sales for currency of the importing member which is not transferable or convertible into currency or goods for use in the exporting member;
- (d) Sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting member and the importing member concerned agree that the sale shall be regarded as commercial;
- (e) Barter transactions;
 - (i) which result from the intervention of Governments where grain is exchanged at other than prevailing world prices, or
 - (ii) which involve sponsorship under a government purchase programme, except where the purchase of grain results from a barter transaction in which the country of final destination was not named in the original barter contract;
- (f) A gift of grain or a purchase of grain out of a monetary grant by the exporting member made for that specific purpose;
- (g) Any other categories of transactions, as the Council may prescribe, that include features introduced by the Government of a member concerned which do not conform to usual commercial practices.