

AARQ Association for the Administration of Rice Quotas, Inc.

Schedule of Open Tenders for 2024
EU-27

<u>Bid Date</u>	<u>Quantity Available</u> (Metric Tons, Milled Rice Equivalent)	<u>Tranche</u>
October 19, 2023	7,153	January 2024
January 25, 2024	11,466	April 2024
April 25, 2024	7,153	July 2024

**Total Annual Quota for 2024 =
25,772 Metric Tons, Milled Rice Equivalent (MT, MRE)**

<BANK LETTERHEAD>

AARQ Administrator
TRQ Services, LLC
2001 L Street, N.W., Suite 500, #50122
Washington, D.C. 20036

We hereby issue in your favor this Irrevocable Standby Letter of Credit in the amount of <FIFTY THOUSAND DOLLARS (USD \$50,000.--) OR the amount of the bid, if less than \$50,000>, which is available by payment against your written demand, addressed to < BANK X, ADDRESS>, bearing the clause "drawn under standby letter of credit Number _____ issued by <BANK X, ADDRESS>."

Any written demand for payment must be accompanied by your signed certificate stating that the AARQ Administrator has the right to make demand for payment in accordance with Bid Instructions issued by AARQ.

We shall then honor your demand by transferring **within one (1) business day** the face amount by wire transfer to the AARQ Trust at:

Bank:	The Bank of New York Mellon
ABA:	021-000-018
Account Number:	5721298400
Account Name:	AARQ TR Performance Security - P
Ref:	<Bidder's Name>
Attn:	Audrey Williams (212-815-5837)

without inquiring whether you have the right as between you and our Customer, <Bidder's name> to make such demand and without acknowledging any claim of our Customer.

This Letter of Credit will continue to <Date, (not less than thirty days from date)> and will expire on that date and you may call for payment of the full outstanding amount under this Letter of Credit at any time up to the close of business on that date.

Written demands for the full amount or any portion or portions thereof must be presented to us along with this original Credit Instrument.

This Letter of Credit is subject to the Uniform Customs and Practice of Documentary Credits (1993 Revision) International Chamber of Commerce, Publication Number 500 to the extent not inconsistent herewith.

AARQ Association for the Administration of Rice Quotas, Inc.

BID INSTRUCTIONS – EU-27

AARQ, through its independent Administrator and pursuant to regulations of the European Union (EU), is managing the allocation of rights to ship U.S.-origin milled rice to the EU under tariff-rate quotas (TRQs) permitting certain quantities of U.S. rice to enter the EU duty-free. Any person or entity incorporated or domiciled in the United States is eligible to bid. This tender is for the **April 2024 TRQ Tranche**, in which TRQ Certificates for the following quantity are being offered on open tender to the highest bidder(s):

	<u>Volume (metric tons)</u>	<u>EU Duty</u>
Semi-Milled or Milled Rice (HTS item 1006.30)	11,466	zero

- All information requested by the Bid Form must be completed for the bid to be valid.
- All information must be typed.
- Page 2 of the Bid Form may be copied for submission of multiple bids.
- A responsible official of the bidder must sign each copy of page 2 of the Bid Form.
- The minimum bid quantity is eighteen (18) metric tons.
- **The minimum bid price is \$15/MT.**
- A bidder may not bid for more than the total volume listed above, either in a single bid or in a combination of bids. Bids in excess of the total volume will be invalidated.
- Bidders must submit performance security prior to or with their bids. SEE PAGE 2.
- The AARQ Administrator will treat bids as confidential.
- **BIDS MUST BE SUBMITTED ON January 25, 2024 AND MUST BE RECEIVED BY 5:00 P.M. EASTERN STANDARD TIME. AARQ ENCOURAGES EARLY SUBMISSION OF BIDS ON THAT DATE TO ENSURE TIMELY RECEIPT. SUBMIT BIDS BY EMAIL TO:**

AARQ Administrator
c/o Crystal Kleitz
TRQ Services, LLC
2001 L Street, NW, Suite 500, #50122
Washington, D.C. 20036

Email: aarq@trqservices.com

REQUIREMENTS FOR PERFORMANCE SECURITY

- Prior to or with its bid, each bidder must provide performance security in the amount of \$50,000 or the total value of its bid(s), whichever is less.
- Performance security may be in any of the following forms:
 - Cashier's check payable to "AARQ Trust" delivered to the AARQ Administrator on or before **January 25, 2024**.
 - Wire transfer to AARQ Trust:

Bank:	The Bank of New York Mellon
ABA #:	021-000-018
Account #:	5721298400
Account Name:	AARQ TR Performance Security - P
Ref:	<Bidder's Name>
Attn:	Audrey Williams (212-815-5837)

It is the bidder's sole responsibility to ensure that the funds **are received by** The Bank of New York Mellon **no later than 3:00 p.m. Eastern Standard Time on January 25, 2024**.

- Verifiable irrevocable Letter of Credit for the benefit of AARQ, in the attached form, issued by an FDIC-insured U.S. bank. The original L/C must be received by the AARQ Administrator on or before **January 25, 2024**.
- A high bidder whose full payment for its winning bid(s) is not received within three business days of its being notified of its high bid will forfeit its performance security.
- Performance security in the form of a wire transfer, cashier's check, or Letter of Credit may be applied to a high bidder's bid payment IF the bidder has so indicated on the Bid Form. In view of the short deadlines involved, **AARQ strongly discourages the application of a Letter of Credit to a bid payment. If the full price of a high bid is not received by the due date, including by reason of late transfer of funds due pursuant to a Letter of Credit, the performance security will be forfeited and the award will be offered to the next highest bidder.**
- Performance securities will be promptly returned to the bidder unless, pursuant to bidder instructions on the Bid Form, the performance security is applied to the bid price of a successful bid or is retained as security for a subsequent Open Tender Process. Please provide an address or wire instructions for the return of performance securities.

OPERATION OF THE TENDER PROCESS AND THE TRQ SYSTEM

The procedures governing the Open Tender Process provide that the high bidder(s) whose bids conform fully to bid requirements will be notified by **January 29, 2024** that they are high bidders for designated quantities. Each high bidder must pay the full amount of its winning bid(s) by certified check or wire transfer, which must be received within three business days of the notification or the performance security will be forfeited. If the quantity awarded for an individual bid does not match the quantity requested, the bidder has the option to reject all or part of the quantity awarded for that bid without penalty. Please notify the AARQ Administrator via email (aarq@trqservices.com) within one business day if you choose not to accept all or part of an award. If the full price of one or more high bids is not received by the due date, or if a high bidder rejects a partial award, the quantities will be offered to the next highest bidder(s). Performance securities will be retained until all of the TRQ Certificates have been issued.

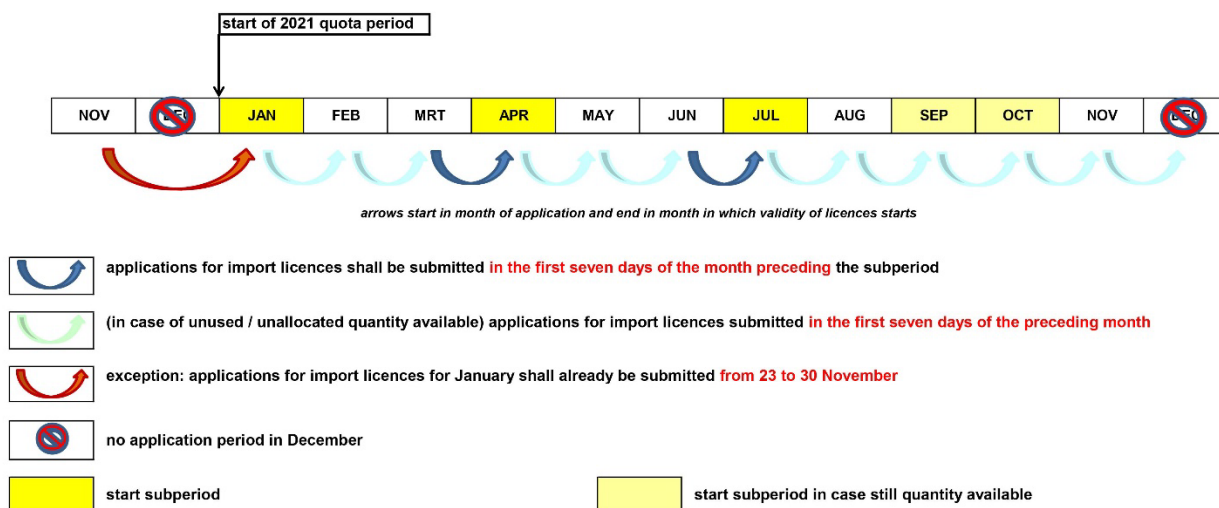
TRQ Certificates designating the quantity and form of rice covered will be transmitted to each successful bidder via overnight delivery after receipt of the full amount of a successful bid and within two business days of receiving emailed instructions from the successful bidder concerning the denomination in which TRQ Certificates awarded to it should be issued.

Under EU regulations, the AARQ TRQ Certificates can be used to enter U.S. rice into the EU under TRQs only in tandem with import licenses issued to EU importers by the EU. The EU issues import licenses for designated quantities in TRQ Tranches opening in January, April, and July (and September if EU import licenses were not issued for the total quantities designated for January, April and July). TRQ quantities not covered by import licenses issued for one Tranche (e.g., April 2024) are carried over to the following Tranche (e.g., July 2024).

NEW EU IMPORT LICENSE SCHEME FOR 2021 AND BEYOND

EU importers must apply to Member State authorities for licenses to import a specified quantity and form of U.S.-origin TRQ rice. They must submit a TRQ Certificate for that quantity with the import license application. U.S. holders of TRQ Certificates therefore must transmit the TRQ Certificates to EU importers to permit the importers to comply with the timetable shown below provided by the Directorate-General for Agriculture and Rural Development, European Commission:

Tariff Rated Quotas management review : 2021 calendar for import quota with order number 09.4127



- Under the new scheme, valid for all TRQ periods starting as of the January 1, 2021 subperiod:
 - **The first applications for import licenses valid as of January 1, 2024 need to be lodged November 23 – 30, 2023.**
 - **Subsequent applications for import licenses must be lodged (a) in the first seven calendar days of the month preceding the beginning of the subperiod, or (b) within the first seven calendar days of each month during the subperiod.**
 - For more information please refer to Commission Delegated Regulation (EU) 2020/760 and Commission Implementing Regulation (EU) 2020/761.
- AARQ TRQ certificates issued for the April 2024 tranche can be used to apply for an import license during the first seven days of March 2024 or the first seven calendar days of any month April – August 2024.
- Validity date of EU import licenses:
 - Licenses issued for a sub-period (i.e., January, April or July) are valid from their date of issue until the last calendar day of the month following the end of the sub-period.

- For example, an EU import license application submitted between November 23 – 30, 2023 for the January 1 – March 31, 2024 sub-period will receive an EU import license valid from January 1, 2024 until April 30, 2024.
- As another example, an EU import license application submitted during the first seven calendar days of February 2024 (i.e., during the January 1 – March 31, 2024 sub-period) will also be valid until April 30, 2024.
- Licenses issued in the last sub-period (i.e., September 1 – 30, 2024) will be valid until December 31, 2024.

DEADLINE TO USE TRQ CERTIFICATES

TRQ certificates issued in this Open Tender Process that are not presented with an import license application by an EU importer during the first seven days of March 2024 will remain valid to be used during (a) the **April 2024 sub-period** during the first seven calendar days of April or May 2024, or (b) for the **July and September 2024 subperiods** (i.e., during the first seven calendar days of June – August 2024).

The holder (including a transferee) of a TRQ Certificate must transmit the certificate to an EU importer who will apply for an import license the first seven days of March 2024 or during the first seven calendar days of each month during the April sub-period or any subsequent sub-period (i.e., July or September).

PLEASE ADDRESS ANY QUESTIONS TO THE OFFICE OF THE AARQ ADMINISTRATOR AT 202-987-2972.

AARQ Association for the Administration of Rice Quotas, Inc.

BID FORM

CONFIDENTIAL

BIDDER INFORMATION

Company Name:

Primary Contact Name:

Address for Fedex deliveries (i.e. for delivery of TRQ Certificates) :

Telephone:

E-mail:

Additional E-mail:

Number of pages to follow:

PERFORMANCE SECURITY INFORMATION

Amount:

Date:

Type of Security:

Number (L/C number; or federal reference number if wire transfer):

Expiration Date (L/C):

Method of Delivery:

- | | |
|-------------------------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Enclosed | <input type="checkbox"/> Hand delivered to Administrator |
| <input type="checkbox"/> Wired to AARQ Trust account at The Bank of New York Mellon | <input type="checkbox"/> Other (specify) |

Disposition of performance security:

Successful Bidder

- Return to Bidder
- Apply performance security to successful bid price
- Retain the performance security for a subsequent Open Tender Process

Unsuccessful Bidder

- Return to Bidder
- Retain the performance security for a subsequent Open Tender Process

Address for return of performance security (if wire transfer, include Bank name; ABA #; account #; account name):

AARQ Association for the Administration of Rice Quotas, Inc.

NOTICE OF OPEN TENDER - EU-27

Independent bids are invited for rights to ship U.S.-origin milled rice to the European Union under a tariff-rate quota (TRQ) granted by the EU to the United States.

Bids must be submitted on **January 25, 2024** for the **April 2024 TRQ Tranche**, in which the following quantity is available for the EU-27:

	<u>Volume (metric tons)</u>	<u>EU Duty</u>
Semi-Milled or Milled Rice (HTS item 1006.30)	11,466	zero

TRQ Certificates will be awarded to the highest bidder(s). Any person or entity incorporated or domiciled in the United States is eligible to bid. The minimum bid quantity is 18 metric tons and the minimum bid price is \$15/MT. Performance security (the lesser of \$50,000 or the total value of the bid) must be submitted with each bid. Potential bidders may obtain the required bid forms and bid instructions from:

AARQ Administrator
TRQ Services, LLC
2001 L Street, NW, Suite 500, #50122
Washington, D.C. 20036
Tel: (202) 987-2972
E-Mail: aarq@trqservices.com
Website: <https://aarq.net>

Note: Potential bidders should consult regulations in the Official Journal of the European Union to determine the applicable tariff rate on semi-milled/milled rice. AARQ disclaims any responsibility for advising potential bidders on applicable tariff rates. Potential bidders should also consult EC regulations relating to testing for unauthorized GMOs.