

Course Introduction to International Business Law

Lecture 6

Step up to Saxion.



Topics

- Revision lecture 5
 - Questions
- Subjects of today:
 - Introduction to The Convention on the Contract for the International Carriage of Goods by Road (CMR)
 - Introduction to Incoterms 2000/2010
 - Introduction to international payments
 - Homework

Introduction to The CMR

- CONVENTION RELATIVE AU CONTRAT DE TRANSPORT INTERNATIONAL DE MARCHANDISES PAR ROUTE (CMR)
- Nearly all European countries and a number of countries in the Middle East, Africa and Asia are contracting States of the CMR (55)
- Compulsory law: art.1 par.1 CMR

Introduction to The CMR 2

- Art.2: in case of change of transport means without unloading the goods from the vehicle, the CMR shall nevertheless apply to the *whole* of the carriage
- Art.4: consignment note is to be considered as a confirmation of the contract of carriage. So it isn't a document of title.
- Art.5: three copies of the consignment note
- Art.6: content of the consignment note

Introduction to The CMR 3

- Art.17: liability of the carrier
 - In case of total or partial loss of the goods & damage for the period of time between acceptance and delivery of the goods and also for delay in delivery
 - Carrier is relieved of liability if the above mentioned situations were caused
 - by tort or neglect of the sender or the consignee
 - by the instructions of one of them given otherwise than as a result of tort or neglect on the part of the carrier
 - by inherent defect in the goods
 - In case of ‘force majeure’



Introduction to The CMR 4

- art.23: fixation of the value of the goods in case of compensation to be paid by the carrier
- Art.31: Which court has jurisdiction?
 - Court of law designated in the contract
 - Court of law where the defendant has his place of residence
 - Court of law at the place the goods were taken over by the carrier
 - Court of law of the place where the goods were delivered.

Introduction to Incoterms 2000/2010

- **International commercial terms** designed by the International Chamber of Commerce in Paris
- General terms of delivery of international sales contracts with worldwide acceptance
- Version 2000: 13 terms
- Version 2010: 11 terms
- Four groups: E/F/C/D
- E-group: seller has less obligations
- F-group: main carriage not paid by seller
- C-group: main carriage paid by seller
- D-group: most obligations for seller



Introduction to International Payments

- Letter of credit (L/C) most reliable ?
- Applicant: buyer/importer
- Issuing bank: buyers/importers bank or opening bank
- Advising bank: sellers/exporters bank or notifying bank
- Beneficiary: seller/exporter



Homework

- Exercise Chapter 8 as PDF in your Information System