



**ASSIGNMENT 2<sup>ND</sup> SEMESTER : INTERNATIONAL TRADE LAW I (ITL1)**

**STUDY UNITS COVERED : STUDY UNITS 6 AND 7**

**DUE DATE : 3.00 p.m. 17 AUGUST 2010**

**TOTAL MARKS : 100**

**INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS**

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IEX office, or the relevant Student Support Centre, or can be downloaded from the IEX website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

- 1) You are required to submit ONE assignment per subject.
- 2) The assignment will contribute 20% towards the final examination mark, and the other 80% will be made up from the examination. However, the examination papers will count out of 100%.
- 3) Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
- 4) Number all the pages of your assignment (e.g. page 1 of 4) and write your name and surname, student number and subject at the top of **each** page.
- 5) The IEX requires assignments to be presented in a typed format, and on plain A4 paper. This assignment must be completed within a limit of 1500 words, excluding the bibliography.
- 6) A separate assignment cover, which is provided by the IEX, must be attached to the front of each assignment.
- 7) Retain a copy of each assignment before submitting, in case the original does not reach the IEX.
- 8) The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 17 August 2010. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 17 August 2010 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
- 9) If you fail to follow these instructions carefully, the IEX cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IEX website: [www.iex.co.za](http://www.iex.co.za) on Friday, 8 October 2010.

**SPECIFIC INSTRUCTIONS:**

This is an exercise in exploring and thinking about international sales contracts, how they differ from local sales contracts, and the impact of international treaties on the South African trader who enters into international sales contracts. This assignment is not intended to be a 20-page essay. The areas listed below can comfortably be explained and argued in a concise 5 to 6 page report.

Remember to acknowledge all sources of information at the end of your report. A simple listing is all that is required.

**QUESTION 1****[90]**

The international sales contract is the principal and central legal arrangement underlying import and export transactions. All related contracts, such as contracts of insurance, carriage, agency and credit, play supporting roles to the sales contract. Whether or not the parties to the agreement choose to have separate international sales contract drawn up (as opposed to, say, the exporter has accepted relying on a faxed order which will depend on the circumstances). For example, where the order involves the supply of goods from several sources or in a series of shipments or the goods are subject to strict quality controls, it is advisable for a full contract of sale to be drawn up. [Study Unit 7 Pg 153]

Your company would like to start exporting to foreign markets. The Board of Directors has requested you to brief them on the importance of International Sales Contracts in dealing with international customers.

In a well structured report, that will form the basis of your brief, provide an overview of each of the following areas:

1. How an international sale differs from a local sale.
2. The passing of ownership and risk in international sales
3. A brief overview of the CISG rules and what bearing they have on SA traders who enter into international sales contracts.
4. The choice of forum for disputes and how disputes are normally settled in an international sales contract.

**Hint - Sources of Relevant Information**

- Study Unit 7: Pg 152 -178
- Course Textbook. Van Niekerk & Schulze. The South African Law of International Trade. Pg 71 - 73.
- [www.uncitral.org](http://www.uncitral.org)
- Department of Trade and Industry (DTI)

**PRESENTATION [10]**

**ASSIGNMENT TOTAL: 100**