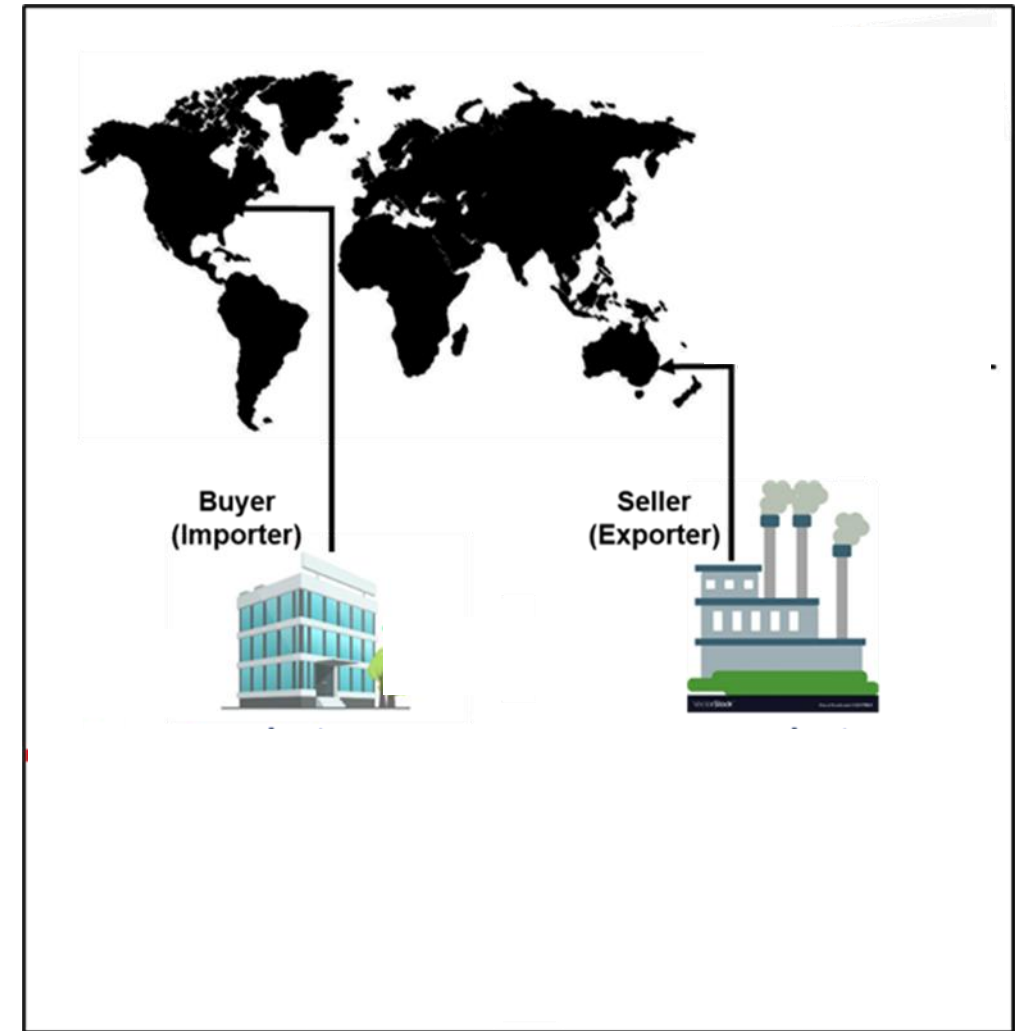




Elements of International Trade

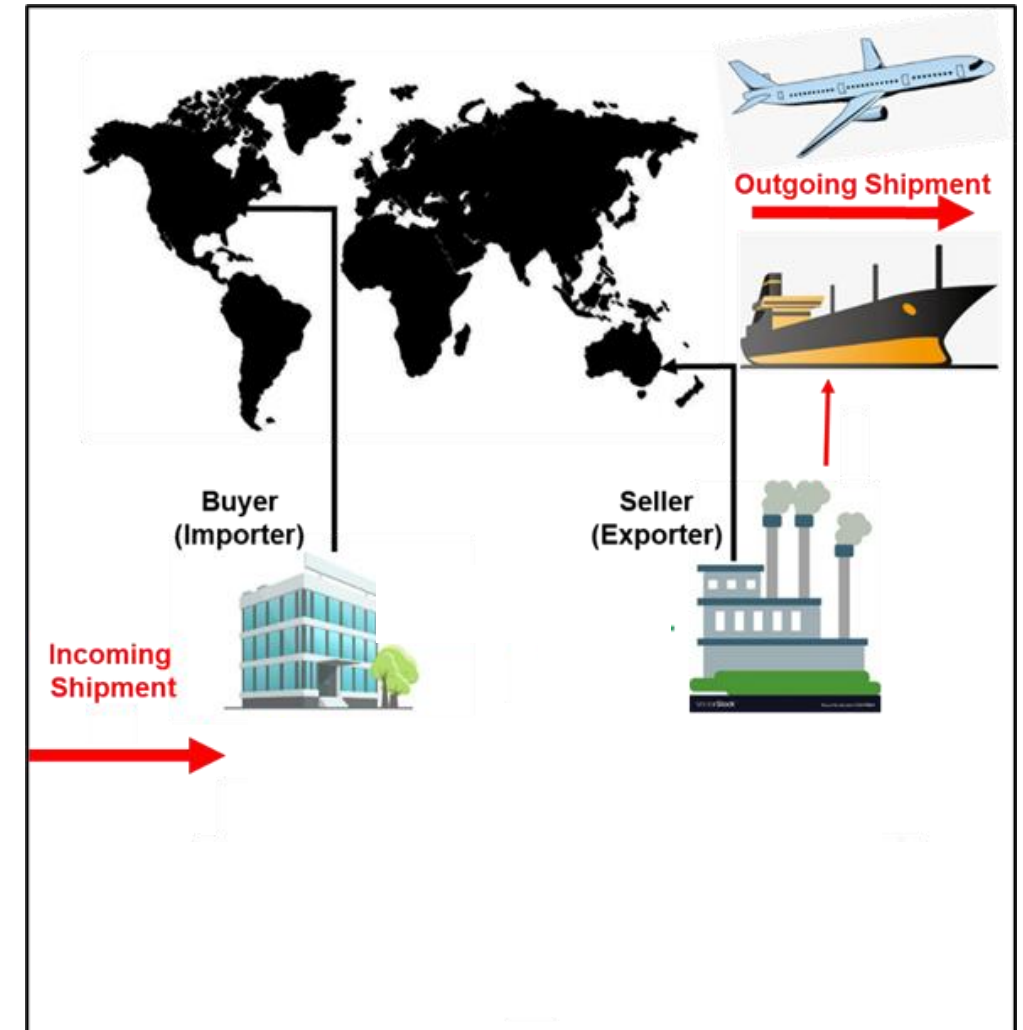
Overview

- Part 1: International Contracts of Sale
- Part 2: International Commercial Terms
- Part 3: International Carriage of Goods



International Contracts of Sale

- What is an international sale of goods?
- Significance of the Contract
- Key Elements in the Contract
- Methods of Payment
- Insurance

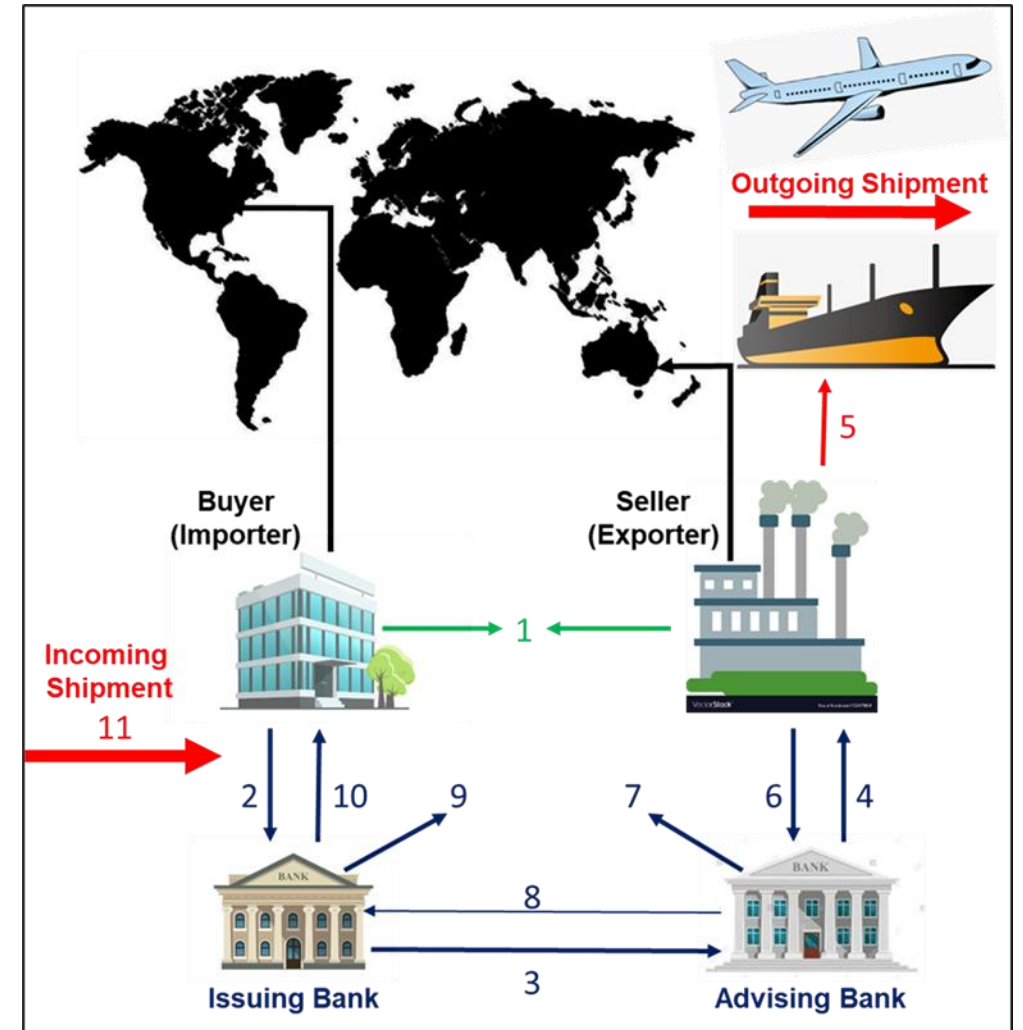


International Contracts of Sale

What is an international sale of goods?

- Movement of goods from one country to another
OR
- A sale of goods involving parties from different countries
 - Focus is on the 'place of business' of the parties

*A contract dealing with such a sale or transaction is
a contract for the international sale of goods*



International Contracts of Sale – Master Contract

- The '**master contract**' rules the international trade transaction
 - The most important document in an international sale
 - All other contractual arrangements that follow (transport, insurance and financing) should always accord with its provisions
 - It should record and reflect the intent of the parties; that is, everything that they have agreed
 - Evidence of the agreement that the seller has entered into with the buyer
- A record of what constitutes
 - the agreed goods,
 - the agreed time of delivery and the agreed point(s) of delivery,
 - the agreed payment method, amount and terms.
- Use of standard form contracts is common



International Contracts of Sale – Rule and Law

Contracting parties have **three options** when applying rules to their international sale of goods contracts

1. be governed by the domestic law of the place where the contract was concluded (which may be the law of either the buyer or the seller), or
2. be governed by the law of a third jurisdiction, or
3. be governed by the laws of the *UN Convention on Contracts for the International Sale of Goods (CISG)*



International Contracts of Sale - Key Elements

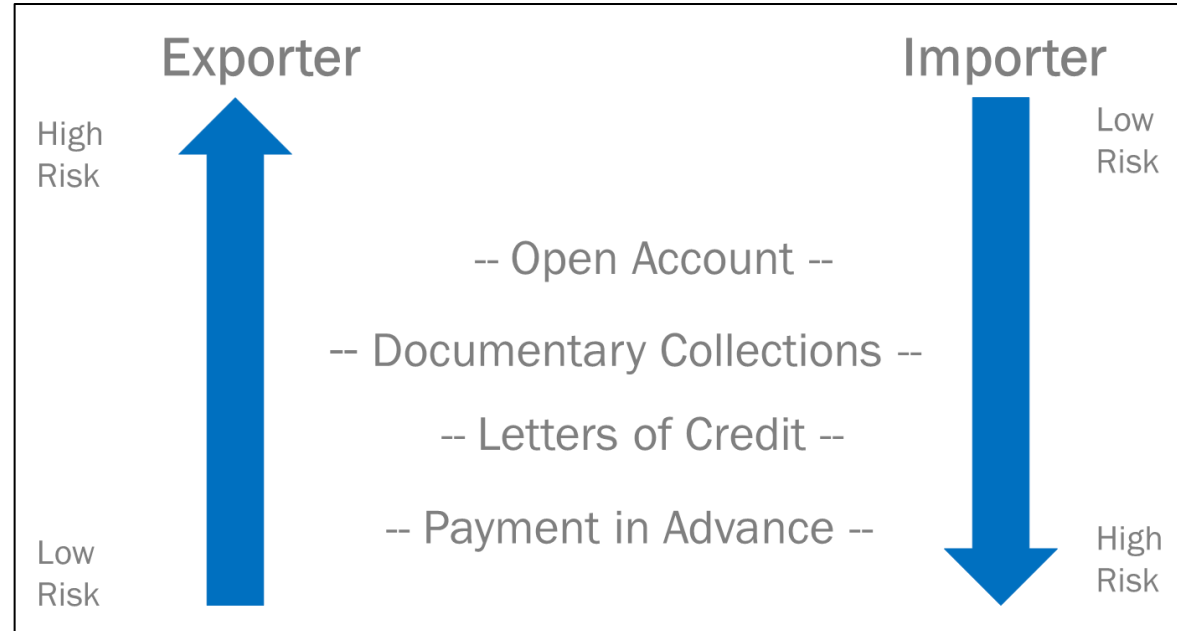
- Buyer, Seller, Manufacturer, End User
- Quantity, Type, Style, Price
- Terms of purchase
- Method of movement (eg. Air/Sea/Road or Rail)
- Required documentation
- References and dates
- Governing law
- Appointed forwarders or carrier(s)
- Methods of payment
- Insurance requirements
- Packing requirements
- Marks and numbers
- Dispute resolution



International Contracts of Sale - Methods of Payment

- The Contract of Sale should carry reference to the transaction method on which the buyer and seller have agreed

- Open account sales
- Documentary collection
- Documentary letters of credit
- Payment in advance



International Contracts of Sale - Letters of Credit

- Most widely-used mechanism for effecting payments
- Operate on the premise that certain **key documents are treated as representing the goods**
 - a bill of lading is accepted as representing possessory title to the goods
 - a bank pays the purchase price on behalf of the buyer against the tender of the transport and related documents endorsed in blank or to the bank as the consignee
- Have standard parties and a standard movement of information:

Seller

- *Sellers Local Bank advises on the credit (Advising Bank)*
- *International Bank through advising local bank (Confirming bank)*

Buyer

- *Buyers Local Bank issues the credit (Issuing Bank)*
- *International Bank through issuing local bank (Confirming bank)*

- Standard parties form a bridge of trust between buyer and seller
 - Both parties are dealing with their own local bank
 - Confirming banks are an added security in the process of a credit transaction
 - If litigation becomes necessary, the exporter can sue the local confirming bank



International Contracts of Sale : Insurance

- A Contract of Sale
 - Must always state which party (the buyer or the seller) is going to organise what type of insurance
 - Will reflect the value of the insurance required and the cover required (usually expressed as a specific clause)
 - List the necessary internationally recognised standards for insurance
 - C clauses - minimum insurance cover necessary
 - B clauses - C Clause cover plus volcanic activity or earthquakes
 - A clauses - (aka 'All Risks' cover) highest level of insurance cover
 - Clauses C and B plus 'wilful negligence'.
 - Air clauses – air freight

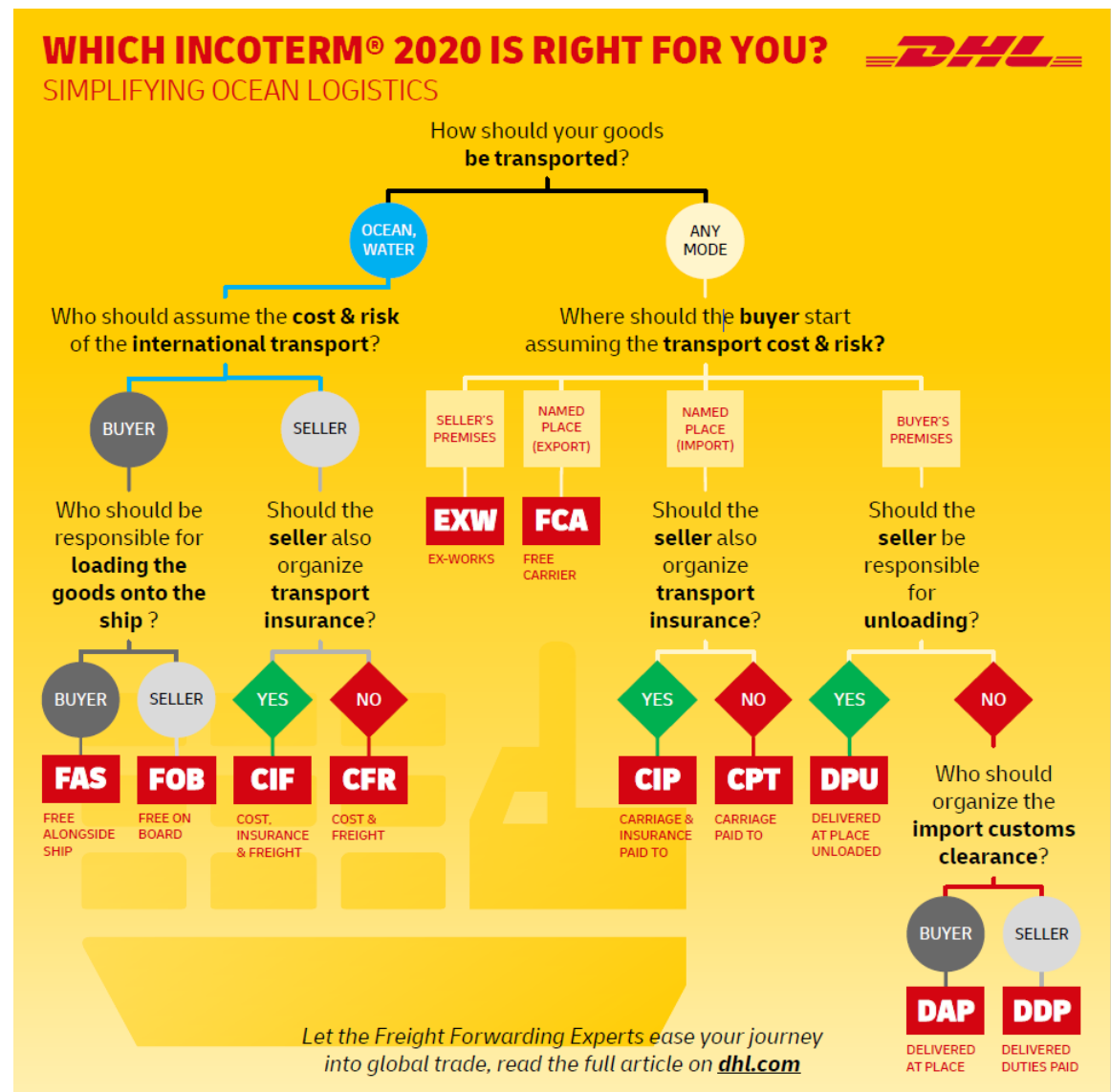
*For the insurance to protect both the buyer and the seller it has to operate on a door-to-door basis
&*

A single policy must cover the period from the point of manufacture to the point of final disposition



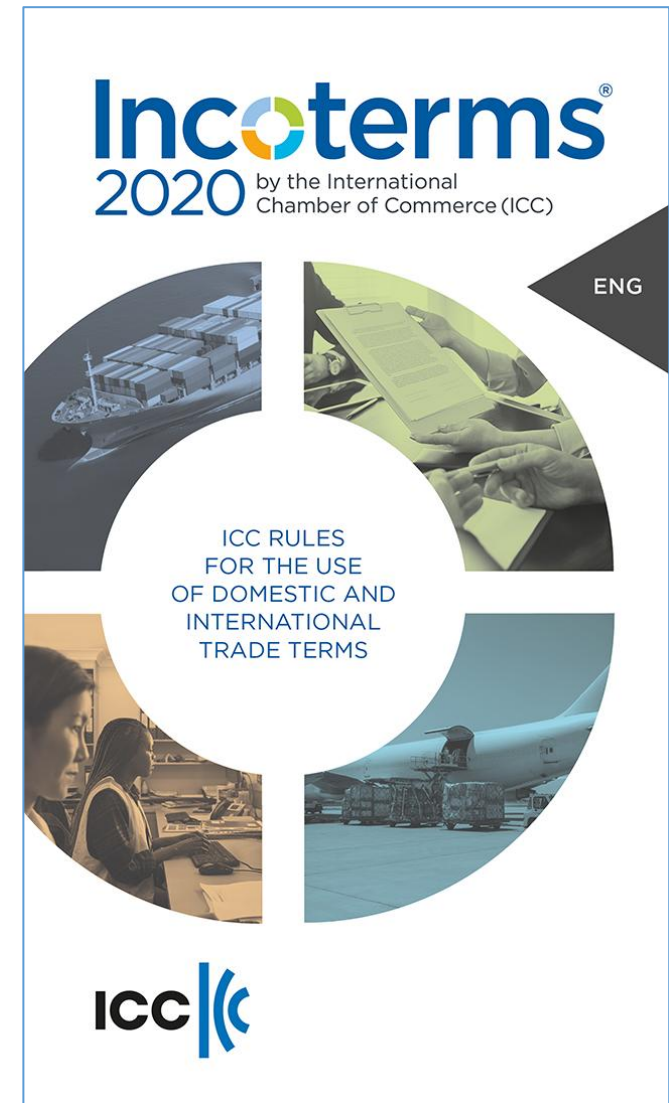
Incoterms®

- Purpose, Role and Function of Incoterms®
- Transport mode and Incoterms® 2020
- General and Maritime Terms
- Incoterms® Descriptions



Incoterms®

- 'Incoterms®' = International Commercial Terms
- Internationally recognised set of terms codified for use in international trade
- The first version of Incoterms® was introduced in 1936
- Incoterms® 2020 (current version) came into effect on 1 January 2020
 - 11 Incoterms®
 - Four Groups
 - Two Categories



Incoterms®

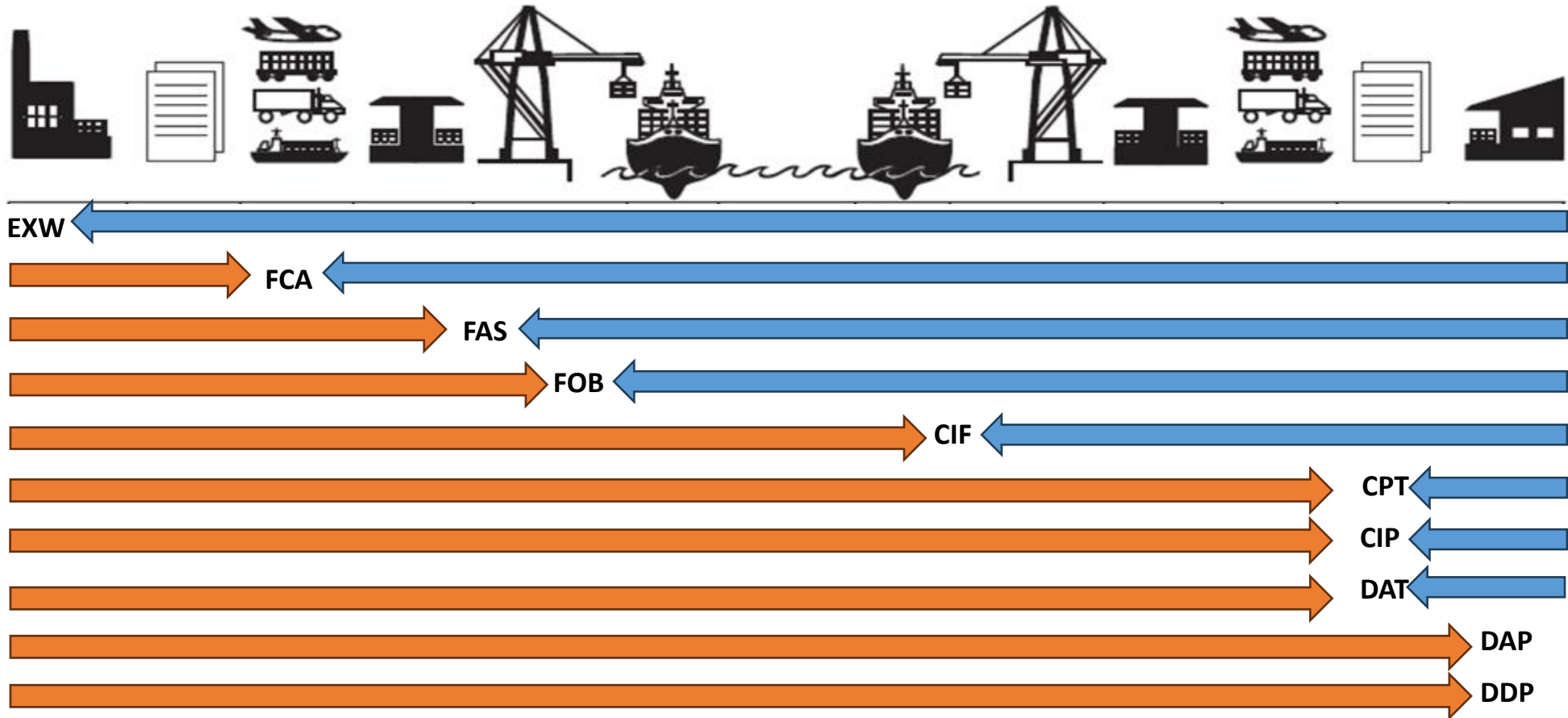
11 Incoterms®

- Four groups
- Two categories
 - Any mode or means of transport
 - Sea and inland waterway transport

Group	Term	Description	Mode of Transport
E	EXW	Ex Works – named place of delivery (e.g. factory or warehouse)	Any
F	FCA	Free Carrier At – named place of delivery (e.g. seller's premises or 'other place')	Any
	FAS	Free Alongside Ship – named seaport of loading	Sea or Inland Waterway
	FOB	Free On Board – naming the seaport of loading and vessel	Sea or Inland Waterway
C	CFR	Cost and Freight – naming the seaport of discharge/destination	Sea or Inland Waterway
	CIF	Cost, Insurance and Freight – naming the seaport of discharge/destination	Sea or Inland Waterway
	CPT	Carriage Paid To – naming the place of handover at destination/destination	Any
	CIP	Carriage & Insurance Paid to – naming the place as in CPT	Any
D	DAP	Delivered At Place – naming the place of destination	Any
	DPU	Delivered at Place Unloaded – naming the place of destination	Any
	DDP	Delivered Duty Paid - naming a place of handover at destination	Any



Incoterms® and the Supply Chain



Incoterms® Impact

Use of term impacts

- Seller's obligations ('A Rules')
- Buyer's obligations ('B Rules')

INCOTERMS	Articles	Incoterm Rule
EXW	A1/B1	General Obligations
FCA	A2/B2	Delivery/Taking Delivery
FAS	A3/B3	Transfer of Risk
FOB	A4/B4	Carriage
CFR	A5/B5	Insurance
CIF	A6/B6	Delivery/Transport Document
CPT	A7/B7	Export/Import Clearance
CIP	A8/B8	Checking/packing/marking
DAP	A9/B9	Allocation of costs
DPU	A10/B10	Notices
DDP		



Incoterms® Rule 5: Insurance

Definitions

- the buyer is always responsible to make insurance arrangements
 - except under the two terms CIF and CIP when the seller is automatically responsible
- the cover must be at internationally recognised standard (C Clause minimum)
 - C clauses - minimum insurance cover necessary
 - B clauses - C Clause cover plus volcanic activity or earthquakes
 - A clauses - (aka 'All Risks' cover) highest level of insurance cover
 - Clauses C and B plus 'wilful negligence'.
 - Air clauses – air freight
- The buyer may take care of that responsibility by asking the seller to organise the cover
- The buyer is not compelled to take out the policy themselves but only to make sure that a policy is taken out



Incoterms® Relationship with the Law

- Incoterms® do not have the force of law
- In order to be enforceable and legally binding, they must be made part of the contract of sale
- Traders therefore have the freedom to engage in trade without using these expressions



Incoterms® as Contractual Terms

- The most important clause of a contract of sale
- Describes the terms of trade chosen between the buyer and the seller
- The **obligations** of both parties and their services providers;
- The division of **risks** between buyer and seller; and
- The division of **costs** between buyer and seller.
- Incoterms® are concerned with possession, not ownership/title or property of the goods sold



Incoterms® : Proper/Improper Use

To incorporate Incoterms® 2020 rules into a contract, a clear statement must be made

- [Incoterm rule] - [Named port, place or point, year]
 - **CIF Shanghai Incoterms 2020** ✓
 - **FOB Milan Incoterms 2026** ✗

Incoterms are not/do not cover the following:

- when the title of goods passed from seller to buyer
- used in contracts for the carriage of goods
- a substitute for a Contract of Sale
- the specifications of the goods sold
- the mode of transport
- the time, place, method or currency of payment
- the effects of sanctions
- the imposition of tariffs
- export or import prohibitions;
- force majeure or hardship;
- intellectual property rights; or;
- the remedies which can be sought for breach of the contract, or
- the method, venue, or law of dispute resolution in case of such breach



Incoterms[®] and Modes of Transport

Any mode or modes of transport:

- EXW - Ex Works
- FCA - Free Carrier
- CPT - Carriage Paid To
- CIP - Carriage and Insurance Paid To
- DAP - Delivered At Place
- DPU - Delivered At Place Unloaded (replaced DAT)
- DDP - Delivered Duty Paid



Incoterms® 2020 - EXW

EXW
Ex Works (. . . named place of delivery)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE →	→	→	→	→	→	→	→	→	→	→	→	→
RISKS →	→	→	→	→	→	→	→	→	→	→	→	→
COSTS →	→	→	→	→	→	→	→	→	→	→	→	→

Incoterms® 2020 - FCA

FCA
Free Carrier (. . . named place of delivery)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE		→	→	→	→	→	→	→	→	→	→	→
RISKS		→	→	→	→	→	→	→	→	→	→	→
COSTS		→	→	→	→	→	→	→	→	→	→	→

Incoterms® 2020 - CPT

CPT
Carriage Paid To (. . . named place of destination)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE										→	---	→
RISKS			→	---	---	---	---	---	---	---	---	→
COSTS			→	---	---	---	---	---	---	→	---	→
										→	---	→

Incoterms® 2020 - CIP

CIP

Carriage and Insurance Paid To (. . . named place of destination)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE										→	---	→
RISKS			→	---	---	---	---	---	---	---	---	→
COSTS			→	---	---	---	---	---	---	→	---	→
										→	---	→

Incoterms® 2020 - DAP

DAP
Delivered At Place (. . . named place of destination)

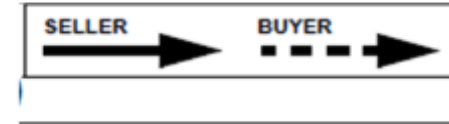


Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE										→	---	→
RISKS										→	---	→
COSTS										→	---	→
										→	---	→

Incoterms® 2020 - DPU

DPU

Delivered at Place Unloaded (.....named place of delivery)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE									→	---	---	→
RISKS									→	---	---	→
COSTS									→	---	---	→
									→	---	---	→

Incoterms® 2020 - DDP

DDP
Delivered Duty Paid (. . . named place of destination)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Air, Rail, Road, Water, or Multimodal	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE											→	→
RISKS											→	→
COSTS											→	→
											→	→

Incoterms® and Modes of Transport

Sea and Inland Waterways Transport:

- FAS - Free Alongside Ship
- FOB - Free On Board
- CFR - Cost and Freight
- CIF - Cost, Insurance and Freight



Incoterms® 2020 - FAS

FAS

Free Alongside Ship (. . . named port of shipment)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Sea or Inland Waterway Only	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE												
RISKS												
COSTS												

Incoterms® 2020 - FOB

FOB
Free On Board (. . . named port of shipment)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Sea or Inland Waterway Only	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE												
RISKS												
COSTS												

Incoterms® 2020 - CFR

CFR
Cost and Freight (. . . named port of destination)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Sea or Inland Waterway Only	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE												
RISKS												
COSTS												

Incoterms® 2020 - CIF

CIF
Cost, Insurance, and Freight (. . . named port of destination)



Seller/ Exporter Named Place	Export Documents, Formalities, and Fees	Pre-Carriage to Named Place, Not Unloaded	Delivery at Named Place/Port, Unloaded	Loading at Named Place/Port of Shipment	Loaded On Board Ship or Vessel	Transport by Sea or Inland Waterway Only	On Board Ship or Vessel, Not Unloaded	Discharging (unloading) at Named Place/Port of Destination	Delivery at Named Place/ Terminal	Onward Carriage to Named Place, Not Unloaded	Import Documents, Formalities, and Duties	Buyer/ Importer Named Place, Unloaded
CARRIAGE												
RISKS												
COSTS												

International Carriage of Goods

- Contract of Carriage
- International Legal Framework – Sea Freight
 - Terminology
 - Laws and Conventions
 - Hamburg Rules
 - Rotterdam Rules
- International Legal Framework – Air Freight
 - Chicago System
 - Warsaw System
 - Montreal Convention
- International Legal Framework – Multimodal
- Transport Documentation
 - Bills of Lading
 - Sea Waybill
 - Air Waybills
 - Multimodal Bill of Lading



International Carriage of Goods: Contract of Carriage

Stipulates matters relating to the safe transport of goods from one designated place to another

The purpose is to ensure that the goods are carried in a safe and timely manner by the carrier

The rights and duties of the contracting parties are defined on this basis



International Carriage of Goods: Terminology

Different meaning in different conventions

- **Consignee** a person who is specified as the recipient of the goods in a bill of lading/air waybill (buyer)
- **Consignor** a person who initiates the shipment, endorses or transfers the goods under a bill of lading/airway bill (seller)
- **Carrier** a person who undertakes the responsibility to transport the goods (airline, ship owner, ship operator,)
- **Shipper** a person who is party to the contract of carriage with the carrier (consolidator, freight forwarder, shipping agent)



International Carriage of Goods: Rules on Carriage by Sea

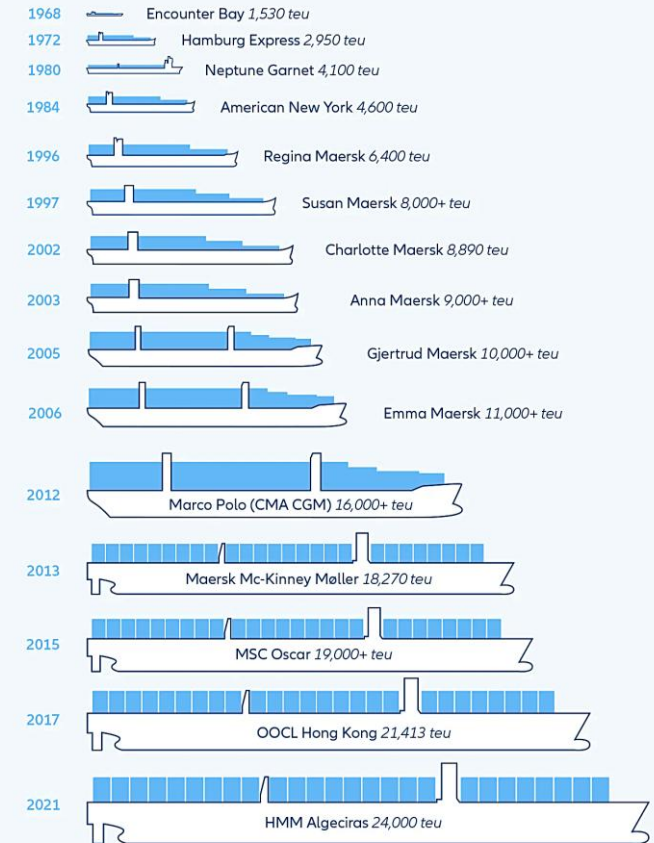
- National laws will differ from country to country
- International conventions for carriage of goods by sea:
 - International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading 1924 (**the Hague Rules**)
 - The Brussels Protocol Amending the Hague Rules Relating to Bills of Lading 1968 (**the Hague-Visby Rules**)
 - Convention on the Carriage of Goods by Sea 1978 (**the Hamburg Rules**)
 - United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea, 2008 (**Rotterdam Rules**)
 - United Nations Convention on International Multimodal Transport of Goods 1980 – **not yet in force**
 - United Nations Convention on the Liability of Operators of Transport Terminals in International Trade 1994 - **not yet in force**



International Carriage of Goods: Rotterdam Rules

- Mandatory Standards of liability for loss or damage
- Address advances in modern technology and commercial practice
 - Containerization
 - Multimodal transport (incl international sea-leg)
 - Door to door transportation under a single contract
 - Electronic transportation documents
- Not ratified
 - 26 Signatories
 - 5 Ratifications

50 years of container ship growth



International Carriage of Goods: Rules on Carriage by Air

Regulated by international conventions divided into two systems:

1. the *Chicago System* and
2. the *Warsaw System*

The Chicago System

- uniform rules for the share, use and control of national air space
- civilian air space
- air cargo supply chain security (Annex 17)

The Warsaw System

- carriers' liability of cargo and passengers

Convention for the Unification of Certain Rules for International Carriage by Air 1999 (the **Montreal Convention**)

- Updated the 'Warsaw System'
- key international convention attempting to unify the various systems of law



International Carriage of Goods: Multimodal Transport

- *UNCTAD/ICC Rules for Multimodal Transport Documents*
 - became effective on 1 January 1992
 - provide non-compulsory rules and guidance for parties to define their legal liabilities to each other
 - In order to be enforceable, the rules must be incorporated in the contract of international multimodal transport as the terms of contract
- *UN Convention on International Multimodal Transport of Goods 1980*
 - adopted in Geneva on 24 May 1980, not yet in force.
 - intended to unify the rules governing the international carriage of goods involving at least two different modes of transport



International Carriage of Goods: Documentation

The following table lists the various transport documents used in international trade (carriage by sea):

- Bill of Lading (in various forms)
- Packing List
- Shipping Instructions
- Forwarder's Instructions
- Stowage Instructions
- Hazardous Materials Instructions/Declaration
- Sea waybill
- Charterparties
- Contract of Affreightment
- Captain's (or Master's) Protest
- Mate's Receipt
- Dock Receipt



International Carriage of Goods: Bill of Lading

- A bill of lading has three core functions:
 - it is a receipt for the goods shipped
 - evidence of the contract of carriage
 - a document of title to the goods
- Identifies the consignor, the consignee, the carrier, the mode of transport and other facts about the shipment
- Principal transport document covering the relationship between shipper and carrier

EVERGREEN LINE A Joint Service Agreement		BILL OF LADING NOT NEGOTIABLE AND NOT TO ORDER ORIGINAL	
(2) Shipper/Exporter (complete name and address)		(5) Document No. 12345678901234567890	
(3) Consignee (complete name and address) (unless provided otherwise, it is consigned "to Order" means "to Order of Shipper")		(6) Export References	
(4) Notify Party (complete name and address) SAME AS CONSIGNEE		(7) Forwarding Agent	
(1) Point and Country of Origin (for the Merchant's reference only) SAME AS CONSIGNEE		(8) Point and Country of Origin (for the Merchant's reference only)	
(9) Place of Receipt		(10) Place of Delivery	
(11) Place of Discharge		(12) Place of Delivery	
(13) Pre-carriage By		(14) Place of Receipt	
(15) Part of Loading		(16) Part of Unloading	
(17) Place of Receipt		(18) Place of Delivery	
(19) Place of Discharge		(20) Place of Delivery	
(21) Part of Loading		(22) Part of Unloading	
(23) Part of Discharge		(24) Part of Delivery	
(25) Part of Receipt		(26) Part of Delivery	
(27) Part of Receipt		(28) Part of Delivery	
(29) Part of Receipt		(30) Part of Delivery	
(31) Part of Receipt		(32) Part of Delivery	
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(91) Part of Receipt		(92) Part of Delivery	
(93) Part of Receipt		(94) Part of Delivery	
(95) Part of Receipt		(96) Part of Delivery	
(97) Part of Receipt		(98) Part of Delivery	
(99) Part of Receipt		(100) Part of Delivery	

International Carriage of Goods: Bill of Lading

- *Straight Bill of Lading (Non-negotiable)*
- *Shipper's Order (Negotiable) Bill of Lading*
- *Blank Endorsed Negotiable Bill of Lading*
- *Multimodal Bill of Lading*
- *Charterparty Bill of Lading*
- *Clean Bill of Lading*
- *Claused Bill of Lading*
- *Forwarder's Bill of Lading*
- *Housed or Received Bills of Lading*
- *Shipped or Ocean (Marine) Bill*
- *Through Bill of Lading*
- *Liner Bill of Lading*
- *Electronic Bill of Lading*



International Carriage of Goods: Bill of Lading

- Under the Hamburg Rules, a bill of lading has the following characteristics or functions:
 - it is a **document of title** which allows its legal holder to claim the goods
 - it is usually, but not exclusively, **issued by the master of a ship**
 - it **evidences the receipt of the goods** concerned
 - it **evidences the existence of a contract of carriage** between the carrier and the shipper
 - it **constitutes an undertaking** by the carrier to deliver the goods to the destination specified
 - it **evidences the condition of the goods** at the time of receipt
 - it **constitutes an undertaking by the carrier** to deliver the goods in the same condition as they were received
 - it **evidences the terms** under which the goods are carried
 - it **forms the contract of carriage** between the consignee and the carrier
 - it can be either **negotiable (transferable) or non-negotiable**



- A non-negotiable sea waybill is a transport document covering port-to-port shipments
- It is not a title document, is not negotiable, and cannot be endorsed
- Typically used for shipments that are part of a larger contract or where ownership of the goods does not change

International Carriage of Goods: Air Waybill

- Only one type of carriage contract used in air transport – the *air waybill*.
- An air waybill
 - receipt for the goods consigned
 - evidence of the contract of air carriage
 - usually not negotiable
 - does not act as a document of title to the goods
 - plays no part in the arrangements for payment of the purchase price
 - although it may be possible for an air carrier to issue a negotiable air waybill if the parties request one

Sender Details

- 1 Name
- 2 Address
- 3 Location
- 4 Contact

Shipping Detail

- 12 Delivery Date
- 13 Service Uses
- 14 Airway Bill No
- 15 Shipment Creation Date

Receiver Details

- 1 Name
- 2 Address
- 3 Location
- 4 Contact

Package Details

- 4 Weight Of Package
- 5 No Of Pieces
- 11 Package Details

Form Fields:

EXPRESS WORLDWIDE WPX DHL

15 1507 000 0000 0014 4583

From: Wayne Enterprises
1007 Mountain Drive,
WCH12H2 London LO
United Kingdom (UK)

Origin: LON

Contact: 2005200812
9638527410

To: Jaysee Chan
Jaysee Chan
456 Avenue X
90001 LOS ANGELES California
United States (US)

Z008 US-ELA-HHR
C-DTP-PLT

12 Day Time

13 0.4/0.8 lbs 1 / 1

14 WAYBILL 42 5876 0391 14

15 (2L)US90001+48000001

(J) JD01 1000 0000 0014 4583

International Carriage of Goods: Air Waybills

Air Waybill

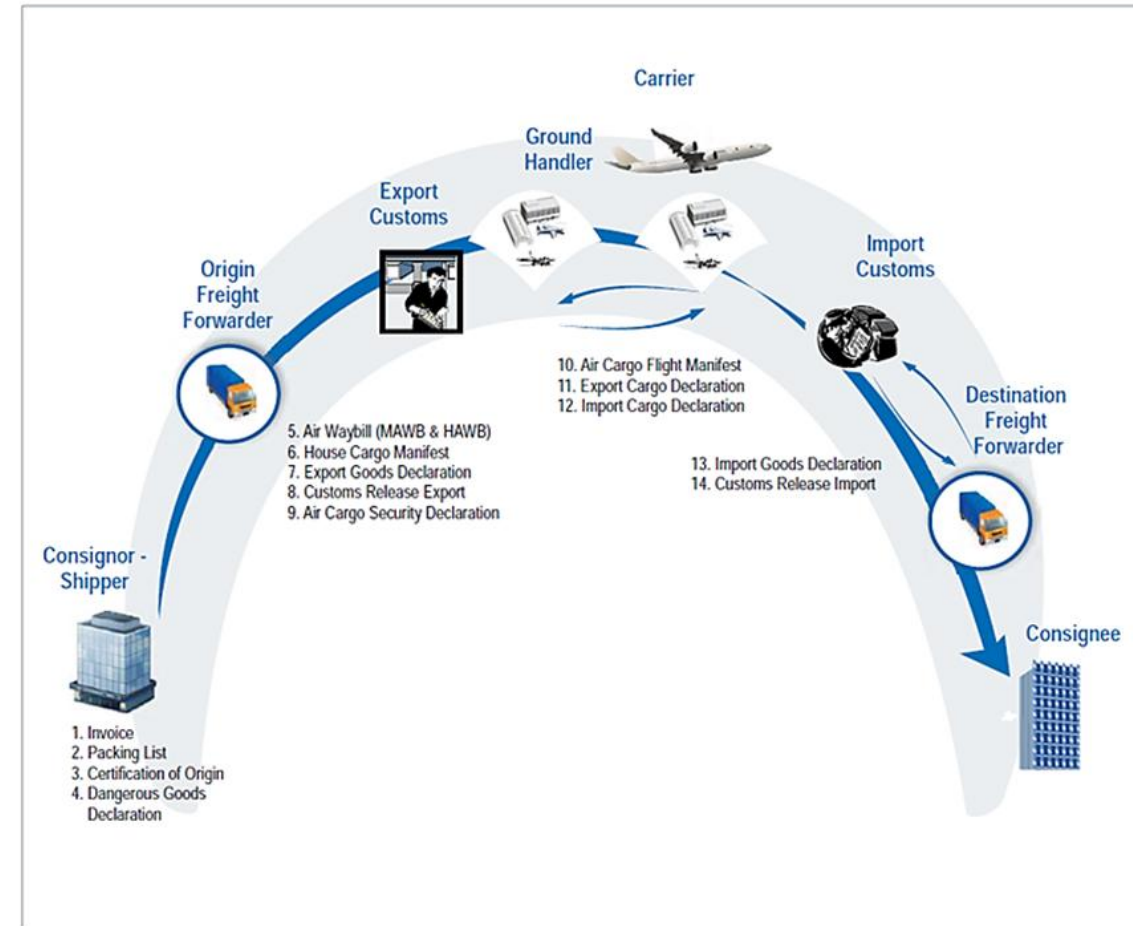
- Evidence of the contract between the shipper and aircraft operator(s)

Master Air Waybill (MAWB)

- Issued by or on behalf of freight forwarders offering a consolidation service
- specifies the contract between a freight forwarder (or consolidator) and aircraft operator(s) for the transportation of goods originated by more than one shipper but destined for the same destination
- Master air waybills are linked to several house air waybills

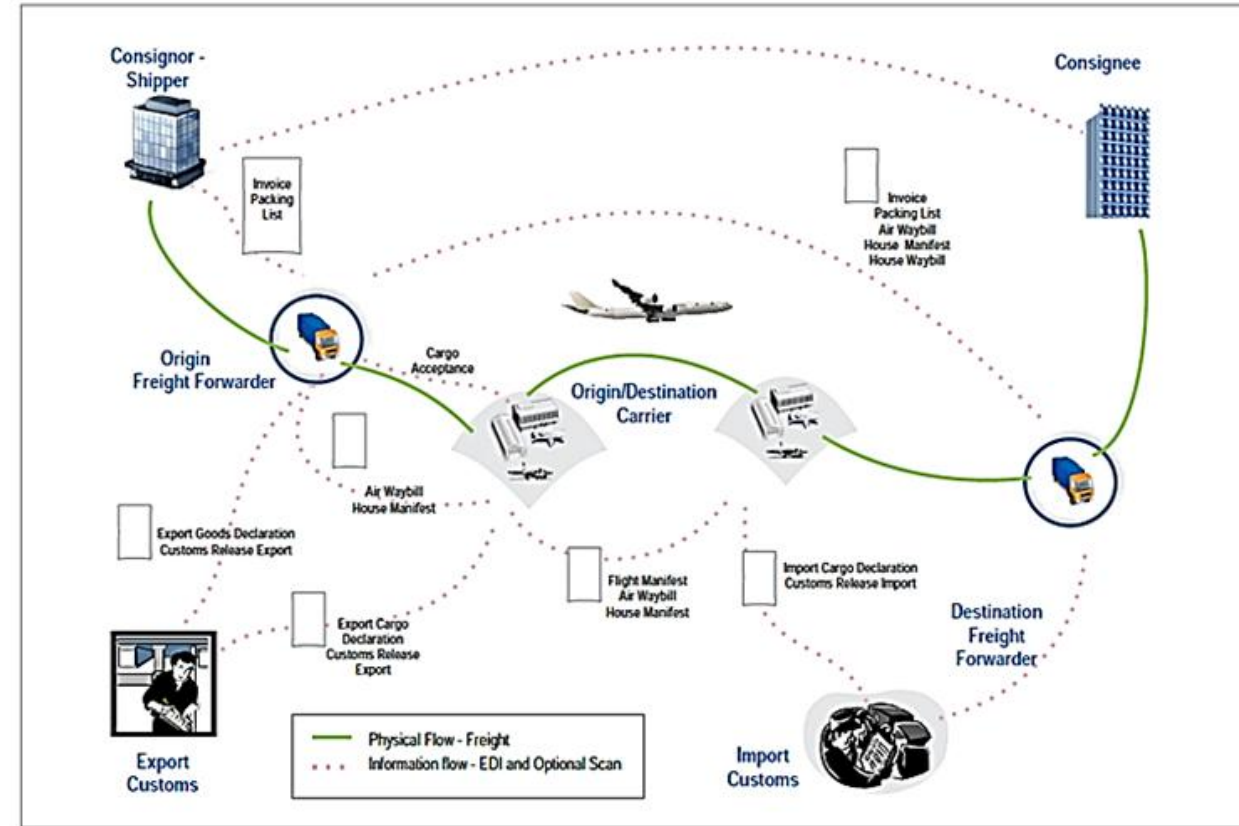
House Air Waybill (HAWB)

- A freight forwarder offering a consolidation service will issue its own air waybill
- The house air waybill and the forwarder's general conditions may be seen as a part of the contract between the freight forwarder and each shipper
- May act as a multimodal transport document



International Carriage of Goods: Multimodal Air Waybills

- A single bill of lading covering a single shipment by more than one mode of transport
- Sometimes referred to as “through bill of lading” or “through document of transport”
- A party undertaking to complete the multimodal transport must enter separate contracts with the carrier of each mode (as per the relevant convention)



International Carriage of Goods: Post

Universal Postal Union and WCO technical standard on air express items

- Low value duty goods
- Require customs declaration
- Little interest to Customs

Designated Operators

- have no liability for incorrectly completed customs forms
- Shall take all reasonable efforts to inform senders on how to complete the forms (CN22 and CN23)

 UL 609 609 014 CA				
CUSTOMS DECLARATION		May be opened officially		CN 22
Designated operator				Important! See instructions on the back
☐ Gift	☐ Commercial sample			
☐ Documents	☐ Returned goods			
☐ Sale of goods	Other (please specify): _____			
Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H S tariff number* (4)	Country of origin* (5)
Total weight (in kg) (6)		Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)				

Minimum size 74 x 105 mm, white or green
Maximum size 105 x 148 mm, white



Elements of International Trade: Conclusion

- There are separate legal rules and requirements for each form of international carriage of goods
 - These are only enforceable if they are reflected in the Contract of Sale
- There are non-legal practices that impact upon the international carriage of goods
 - INCOTERMS® impact upon the risk and responsibilities of buyers and sellers
- There is an ongoing dynamic tension between consigners, shippers, carriers each seeking to limit their exposure if an incident occurs
 - Each seeking to pass on their risk and responsibilities to other parties
- The increasing complexity of commercial practice is seeing variations to traditional documentation



Questions?

