

Ministry of Education and Science of Ukraine

Yaroslav Mudryi National Law University

Electronic edition

STUDY GUIDE
IN THE DISCIPLINE
"INTERNATIONAL CONTRACT LAW"

Kharkiv 2022

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STUDY GUIDE

**FOR PRACTICAL CLASSES
AND INDEPENDENT WORK OF STUDENTS
IN THE COMPULSORY DISCIPLINE
"INTERNATIONAL CONTRACT LAW"**

for 1st year full-time students
(second (master's) level of higher education in the field of knowledge 08 "Law",
speciality 081 "Law" of the educational and professional programme "Law")

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Kharkiv 2022

Study guide for practical classes and independent work of students in the elective discipline "International Contract Law" for 1st year full-time students (second (master's) level of higher education in the field of knowledge 08 "Law", speciality 081 "Law" of the educational and professional programme "Law") / compiled by B.P. Karnaukh. Kharkiv : Yaroslav the Wise National Law University, 2022. 40 c.

Compiled by: B.P. Karnaukh

CONTENTS

Introduction	5
General calculation of hours of lectures, practical classes, independent work	7
Programme of the discipline	8
List of references, regulations and online resources for all topics	11
Tasks for practical classes and independent work	15
Topic 1: Sources of international trade law. The concept of <i>Lex Mercatoria</i>	15
Topic 2. Conclusion of a contract in international commercial practice	16
Topic 3. Validity of the contract	19
Topic 4. Content of the contract and its interpretation	20
Topic 5. Parties to the contract	22
Topic 6: Performance of the contract	24
Topic 7. Breach of contract and remedies	26
Topic 8: Contract for the international sale of goods	28
Topic 9: Contracts for the international carriage of goods	31
Topic 10. International financial leasing agreements	33
Current control of students' knowledge	35
Criteria for assessing students' knowledge and skills	36
List of topics for the final paper	40

INTRODUCTION

The subject matter of this course is national, transnational (*lex mercatoria*) and international law governing international commercial transactions. The main objective of the course is to develop skills in solving complex legal problems arising from contractual relations in the field of cross-border trade, including by resorting to comparative legal research.

The course covers the following topics: determination of applicable law, conclusion of a contract, validity of a contract, performance of contractual obligations, breach of contract and remedies, etc. The course is taught by practitioners who provide legal support to Ukrainian exporting and importing companies. Moderated by practitioners, the case studies will focus on the intricacies of applying Incoterms rules in contractual work, force majeure and contractual clauses limiting or exempting from liability for non-performance. Practitioners will also share practical advice on analysing and selecting a future counterparty, how to avoid unfair counterparties and what to look for when performing a contract.

The aim of the discipline is to develop a system of scientific knowledge about contract law as it applies to international commercial transactions. The focus is mainly on the general part of the law of international commercial contracts. In this regard, such international sources of law as the Principles of European Contract Law (PECL), the UNIDROIT Principles of International Commercial Contracts (PICC), the Common Frame of Reference (CFR) and some others are studied in detail. The course also offers a brief overview of the most commonly used contracts in international commercial practice, such as the contract for the international sale of goods, the contract for the international carriage of goods and the international financial leasing contract.

Objectives:

- to form a system of theoretical knowledge about the peculiarities of international commercial contracts as compared to contracts existing exclusively within one national legal order;
- mastering the procedure for concluding international commercial contracts;
- mastering the requirements for the validity of international commercial contracts and understanding the consequences of non-compliance;
- Gaining knowledge of the dispositive rules for the proper performance of international commercial contracts;
- determining the consequences of breach of international commercial contracts.

As a result of mastering the discipline, a higher education student must demonstrate the following ***learning outcomes***:

- understand the processes of internationalisation of contract law in a globalised market economy;
- demonstrate an understanding of the essence of *lex mercatoria* and its place among other sources of international trade law;
- justify their own position in a dispute arising out of an international commercial contract;

- be able to interpret and critically evaluate decisions of national courts and international commercial arbitrations in cases arising from international commercial contracts;
- be able to professionally assess the effectiveness of various contractual clauses (clauses) common in international commercial practice
- apply the basic principles and techniques of interpreting international commercial contracts;
- know the basics of legal techniques for drafting international commercial agreements (contracts).

**GENERAL CALCULATION OF LECTURE HOURS,
PRACTICAL CLASSES, INDEPENDENT WORK**

No. p/n	Title of the lecture, seminar or workshop topic	Volume in hours			
		In total	Including.		
			Lectures	Practical classes,	Independent work
	Module 1: General part				
	Topic 1: Sources of international trade law	12	2	2	8
	Topic 2. Conclusion of a contract in international commercial practice	12	2	2	8
	Topic 3. Validity of contracts	12	2	2	8
	Topic 4. Content of the contract and its interpretation	12	2	2	8
	Topic 5. Parties to the contract	12	2	2	8
	Topic 6: Performance of the contract	12	2	2	8
	Topic 7. Breach of contract and remedies	12	2	2	8
	Together	84	14	14	56
	Module 2: The special part				
	Topic 1: Contract for the international sale of goods	12	2	2	8
	Topic 2. Contracts for the international carriage of goods	12	2	2	8
	Topic 3. International financial leasing agreements	12	2	2	8
	Together	36	6	6	24
	Total hours / ECTS credits	120/4,0	20	20	80

PROGRAMME OF THE DISCIPLINE "INTERNATIONAL CONTRACT LAW"

Module 1: GENERAL PART

1. Sources of international trade law. The concept of *Lex Mercatoria*

The concept of international trade law. Sources of international trade law: (a) international treaties (conventions); (b) national law; (c) a-national (transnational) law: (i) codified commercial customs; (ii) general principles of law and uncoded commercial customs; (iii) court and arbitration practice; (iv) standardised, model contracts; (v) soft law; (vi) legal doctrine. The concept of *Lex Mercatoria* and its place among the sources of international trade law. Basic principles of international trade law.

2. Conclusion of a contract in international commercial practice

The concept of a contract. "Contract" as a polysemantic term. Distinctive features of international commercial contracts. Offer and acceptance as a paradigmatic way of concluding a contract. Offer: (a) definition of the offer; (b) determination of the time during which the offer is valid: (i) the point of commencement of the offer validity period, (ii) withdrawal, cancellation and rejection of the offer. Acceptance: (a) definition of acceptance; (b) time for acceptance; (c) delayed acceptance. Pre-contractual liability. Negotiations in bad faith. Specific problems related to the use of standard forms when concluding contracts. Representation in international commercial contracts.

3. Validity of contracts

Sufficiency of an agreement in international commerce as opposed to national rules (regarding form, consideration, consideration for consideration, etc.). Grounds for invalidity of a contract: (a) lack of capacity; (b) defects of will: (i) mistake; (ii) fraud; (iii) threats; (iv) excessive imbalance; (c) illegality. Legal consequences of the contract's invalidity.

4. Contents of the agreement and its interpretation

The concept of a contractual term. Difference between express and implied terms. Sources of implied terms. Criteria for distinguishing between the obligation to achieve a result and the obligation to use best efforts. René Demogne's approach. Dispositive rules on (a) quality of performance; (b) price; (c) duration of the contract. Conditional contracts: deferral and cancellation clauses. Basic principles of contract interpretation.

5. Parties to the agreement

The concepts of debtor and creditor. Multiple debtors: (a) joint and several obligations; (b) separate obligations. Plurality of creditors: (a) separate claims; (b) joint and several claims; (c) joint claims. Alienability and alienation of rights. Transfer of debts. Transfer of contracts and its difference from transfer of rights.

6. Performance of the contract

General rules for performance of the contract: (a) time of performance, advance performance; (b) performance at one time and performance in parts, partial performance; (c) procedure for performance; (d) place of performance. Special rules for performance of monetary obligations. Enforcement requiring the permission of public authorities. Complications: concept and consequences.

7. Breach of contract and remedies in case of breach of contract

The concept of breach of contract. Forgivable and unforgivable breach. The meaning of fault in contract law. Limitation or exclusion of liability clauses. Force majeure clause. Remedies for breach of contract: (a) performance in kind (including correction of defects and replacement of improper performance); (b) termination; (c) damages; (d) withholding of performance; (e) interest on money. Rules on compatibility of several remedies.

Module 2: The special part

8. Contract for the international sale of goods

The concept of an international sales contract. Comparison of commercial and consumer contracts of sale. Conclusion of the international sale of goods contract. Seller's obligations and remedies in case of breach of contract by the seller. Buyer's obligations and remedies in case of breach of contract by the buyer. Transfer of risks and transfer of ownership. Incoterms.

9. Contracts for the international carriage of goods: general remarks

The concept of the contract of international carriage of goods. Types of contracts of international carriage of goods depending on the type of transport; relevant international conventions. The proper form of concluding a contract of international carriage of goods. Transport documents. Obligations of the carrier. Carrier's liability: (a) period of liability; (b) grounds for liability; (c) limits of liability. Obligations and liability of the sender.

10. International financial leasing agreements

The concept and essential features of an international financial leasing agreement. Rights and obligations of the lessor. Rights and obligations of the lessee. Responsibility of the supplier.

A LIST OF REFERENCES, REGULATIONS AND ONLINE RESOURCES FOR ALL TOPICS

Main literature:

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Further reading:

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TASKS FOR PRACTICAL CLASSES AND INDEPENDENT WORK

Topic 1: Sources of international trade law. The concept of *Lex Mercatoria* (*Colloquium*)

Questions for discussion

1. The concept of international trade law.
2. Sources of international trade law:
 - (a) international treaties (conventions);
 - (b) national law;
 - (c) a-national (transnational) law:
 - (i) codified commercial practices;
 - (ii) general principles of law and uncoded commercial practices;
 - (iii) court and arbitration practice;
 - (iv) standardised, model contracts;
 - (v) soft law;
 - (vi) legal doctrine.
3. The concept of Lex Mercatoria and its place among the sources of international trade law. Basic principles of international trade law.
4. Determination of the law applicable to an international contract. Choice of law clause.

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Topic 2. Conclusion of a contract in international commercial practice

Questions for discussion

1. The concept of a contract. "Contract" as a polysemic term.
2. Distinctive features of international commercial contracts.
3. Offer-acceptance as a paradigmatic way of concluding a contract.
4. Offer:
 - (a) definition of the offer;
 - (b) determining the time during which the offer is valid:
 - (i) the starting point of the offer validity period,
 - (ii) withdrawal, cancellation and rejection of the offer.
5. Acceptance:
 - (a) determination of acceptance;
 - (b) time for acceptance;
 - (c) late acceptance.
6. Pre-contractual liability. Negotiations in bad faith. Specific problems related to the use of standard forms when concluding contracts.

Tasks.

1. A, who has a bookshop on High Street hears that C, a nationwide chain of bookshops, is negotiating with B to buy for £1.2m large premises that B owns and which are located opposite to A's shop. A fears competition from C, and so starts negotiations with B for the purchase of the premises, pretending he wants to move his shop to larger premises and that he is prepared to pay £1.5m. This makes C withdraw from the negotiations and C decides to buy another shop on Market Street at the other end of town. After that A breaks off his negotiations with B. Ultimately B succeeds in selling the premises for only £1m.

What liability (in contract, tort, restitution or any other form of liability), if any, does A have to B?

2. Company and a department of a Ministry have been negotiating (for a long time) with a view to conclude a contract. After prolonged negotiations a department of a Ministry writes to a joint venture company: “This letter is to notify you of the Ministry's intent to award your firm the project for...”. Then follow detailed references to the preceding documents, which led to the agreement of the parties with the terms of their transaction. The letter finishes with the formula: “Considering this as a letter of intent to start your preparation for commencing the works, we request you to delegate an authorized representative to sign the contract documents which are now being prepared; and to submit the contract final guarantee in accordance with the provisions of the Contract Documents”.

What is the proper role of the documents titled as “Preliminary Agreement”, “Memorandum of Understanding”, “Letter of Intent” or the like? Has the contract been concluded in this case?

3. As you know, in order to make some online purchases you have to agree to Terms and Conditions (by clicking the checkbox).

British firm GameStation, added a “special clause” to Terms and Conditions. The clause is read as follows:

“By placing an order via this Web site on the first day of the fourth month of the year 2010 Anno Domini, you agree to grant Us a non transferable option to claim, for now and for ever more, your immortal soul. Should We wish to exercise this option, you agree to surrender your immortal soul, and any claim you may have on it, within 5 (five) working days of receiving written notification from gamesation.co.uk or one of its duly authorised minions”.

GameStation's form also points out that “we reserve the right to serve such notice in 6 (six) foot high letters of fire, however we can accept no liability for any loss or damage caused by such an act. If you a) do not believe you have an immortal soul, b) have already given it to another party, or c) do not wish to grant Us such a license, please click the link below to nullify this sub-clause and proceed with your transaction”.

While all shoppers during the test were given a simple tick box option to opt out, very few did this. Therefore the company states that it legally owns the souls of thousands of online shoppers, thanks to a clause in the terms and conditions agreed to by online shoppers.

Does this statement have a legal grounding? To what serious issue does this funny situation relate? Try to look at the situation from different points of view.

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Topic 3. **Validity of contracts**

Questions for discussion

1. Sufficiency of an agreement alone in international commerce as opposed to national rules (regarding form, causation, consideration, etc.).
2. Grounds for invalidity of the agreement:
 - (a) Lack of legal capacity;
 - (b) defects of will:
 - (i) an error;
 - (ii) deception;
 - (iii) threats;
 - (iv) excessive disequilibrium;

- (c) illegality.
3. Legal consequences of the contract's invalidity.

Tasks.

1. Anatole, an impressionist specialist at the Musée d'Orsay, put up for sale his own private collection of paintings. For a moderate price, Bob acquired two of them for his New York gallery, ballet scenes described by the catalogue prepared by Anatole as the 'charming work of an unknown artist'. Anatole has now learnt from the American press that the two paintings have been hailed by certain American impressionist experts as authentic Degas, hitherto undiscovered, and are to be resold at a breathtaking price. French experts, called in to give their views, are more reserved; the painting might not be the work of Degas himself, but could well have been carried out by a pupil under the master's supervision. If confirmed, such doubts as to the paintings' authenticity could well diminish their value as re-estimated in New York; however, it is also patently clear that Anatole's own initial judgement was inaccurate and that the price paid by Bob was in any event greatly below the one the work could now reach.

Can Anatol get his paintings back?

2. Cinderella, a prosperous businesswoman, bought on the stock market a large number of shares in a company of growing reputation. The sale had hardly been concluded when it was revealed in the press that the company had already lost various important contracts to a Japanese competitor. The value of the shares dropped abruptly.

Can Cinderella avoid its obligations under the contract?

3. When Scrooge Bank told David it was not prepared to give him a loan for his business without a personal guarantee, he did not dare tell his wife Nell. Instead, he explained that he was taking a short-term loan from the bank that required her to sign the loan document as secretary of his one-man company. Trusting David, Nell went to the bank and signed what subsequently proved to be a personal guarantee for David's business. Now that David's business has been declared insolvent, Scrooge Bank has called in the guarantee against Nell.

Can Nell object to the request?

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Topic 4. Content of the contract and its interpretation

Questions for discussion

1. The concept of a contractual term.
2. The difference between express and implied terms.
3. Sources of implicit conditions.
4. The commitment to achieve results and the commitment to make every effort.
5. Dispositive rules on
 - (a) quality of performance;
 - (b) prices;
 - (c) the term of the agreement.
6. Conditional contracts: deferral and cancellation clauses.
7. Basic principles of contract interpretation.

Tasks.

1. The case of *Investors Compensation Scheme Ltd. v West Bromwich Building Society* [1997] UKHL 28 is one of the most significant cases dealing with contract interpretation. Study this case in detail and compare it with the continental legal approach to contract interpretation and the provisions of the UNIDROIT Principles on this subject.

2. Lux-Fur and Jackson-Kettle negotiated a contract for the sale of hare skins. In the trade, skins are usually sold by the piece. During the negotiations, the parties agreed on a price of USD 15 per piece. But in the order, the buyer mistakenly specified a price of USD 15 per kilogram. Since there are approximately six skins per kilo, the stated price is absurdly low. Nevertheless, Lux-Fur (the buyer) does not notice the mistake and intends to accept the offer at the price stated in the purchase order.

Is the contract concluded in this case and, if so, on what terms?

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Topic 5. Parties to the contract

Questions for discussion

1. The concepts of debtor and creditor.
2. Multiple debtors:
 - (a) joint and several liabilities;
 - (b) separate liabilities.
3. Multiple creditors:
 - (a) Separate requirements;
 - (b) solidarity claims;
 - (c) common requirements.
4. 4. Alienability and alienation of rights.
5. Transfer of debts.
6. Transfer of contracts and its difference from transfer of rights.

Tasks.

1. Harrison, the chief executive officer of Construction Solutions, a company incorporated in country X, is authorised by the company's articles of association to carry out all transactions that are in the ordinary course of business. Harrison enters into a contract with Jones that is clearly outside the ordinary course of business of Construction Solutions. Pursuant to section 35A of the Company Law of Country X, "in relation to a bona fide counterparty of the company, the power of the board of directors to bind the company or to authorise others to do so shall be deemed to be free from any restrictions under the articles of association of the company". In addition, the Law adds that "[...] a person shall not be deemed to have acted in bad faith merely because that person knew that the action was beyond the scope of the directors' powers under the provisions of the company's articles of association [...]".

Can Construction Solutions challenge the contract based on the UNIDROIT Principles in the above circumstances?

2. Company X is to reimburse EUR 500,000 to company A at a date when it can set off this obligation partially with a claim of EUR 200,000 it has against A. The contract between X and A contains a non-assignment clause. Disregarding that clause, A assigns its right to reimbursement to company B.

Is the assignment agreement valid and what remedies may be available to Company X?

3. Investors A, B and C are jointly and severally bound to pay seller X USD 3,000,000 for an acquisition of shares. A and X come to a settlement of different disputes between themselves. One of the terms of the settlement is that A will be

discharged of its obligations towards X under the share purchase agreement by paying an amount of USD 600,000, i.e. USD 400,000 less than A' s contributory share towards the other co-obligors.

Determine whether the settlement agreement is effective in relation to the obligations under the share purchase agreement. And if it does, explain how the settlement agreement will affect the obligations of the co-debtors under that agreement.

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Topic 6: Performance of the contract

Questions for discussion

1. General rules for the performance of the contract:
 - (a) time of performance, advance performance;
 - (b) performance at one time and performance in parts, partial performance;
 - (c) the order of execution;

- (d) place of performance.
- 2. Special rules for fulfilling monetary obligations.
- 3. Execution, which requires the permission of public authorities.
- 4. 4. Complications: concept and consequences.

Tasks.

1. Study the case file No. 42/90-10 (53/113-09). In your opinion, did the Ukrainian court correctly apply the rules of international contract law? Explain your answer.

2. A company from UK, *S.O.P. Invest Ltd*, and company from Germany, *Forest-Side GmbH*, concluded a contract for the supply of wood. The parties agreed that payment of the price due (100 000 USD) must be made at one time. The deadline for payment was October 1. *Forest-Side GmbH* properly and in due time delivered all the installments of wood. At the first of October instead of a payment *S.O.P. Invest Ltd* handed over to *Forest-Side GmbH* a bill of exchange for the sum of 100 000 USD. It was a negotiable bill (payable to bearer) which *S.O.P. Invest Ltd* received from another UK company, *Focus Finance Ltd*. The bill was payable from October 15 until October 25. When at October 20 *Forest-Side GmbH* presented a bill the bank rejected payment claiming that *S.O.P. Invest Ltd* obtained the bill by fraud.

What remedies (if any) are available to Forest-Side GmbH ? Will the answer change if we assume that the bill is dishonored not because of fraud but just because of non-performance on the side of the bank?

3. Amigos Trade Ltd. agreed to sell Bio Nutrition Ltd. a quantity of groundnuts to be shipped from Sudan to Hamburg in November or December. The price of the groundnuts CIF Hamburg was calculated on the basis of shipment via the Suez Canal. On November 2, the Canal was closed and remained closed for the next five months. The contract contained no term contemplating the possible closure of the Canal. Although it was still possible to ship the nuts to Hamburg around the Cape of Good Hope, that would have made the shipment much more expensive. Amigos Trade Ltd. refused to perform its contractual obligation because of the changed circumstances.

Resolve the dispute. How should the closure of the channel be qualified in such circumstances?

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Topic 7. Breach of contract and remedies for breach of contract

Questions for discussion

1. The concept of breach of contract.
2. Forgivable and unforgivable breach. The meaning of fault in contract law.
3. Clauses limiting or excluding liability.
4. Force majeure clause.
5. Remedies in case of breach of contract:
 - (a) performance in kind;
 - (b) termination;
 - (c) losses;
 - (d) withholding performance;
 - (e) interest on cash.
6. Rules on the compatibility of multiple protective equipment.

Tasks.

1. Defendant, a Mexican grower, and Claimant, a U.S distributor, entered into a one year exclusive agreement according to which Defendant undertook to produce

specific quantities of squash and cucumbers and to provide them to Claimant on an exclusive basis, while Claimant had to distribute the goods on the Californian market against a commission.

The contract, which was concluded in September 2004, contained an arbitration clause in which the parties expressly referred to the UNIDROIT Principles of International Commercial Contracts as the law governing the substance of any potential disputes.

Defendant did not perform his obligation in time. Therefore Claimant sent a notice to Defendant requesting Defendant to cure its breach within 15 days of receipt of the notice. But after 15 days have passed Defendant did not cure.

Claimant brought an action before the *Centro de Arbitraje de México* against Defendant arguing that Defendant had breached the contract by not providing the goods referred to in the contract and by violating the exclusivity clause. Claimant asked for termination of the contract as well as damages for the harm suffered as a result of Defendant's failure to provide the goods; it also asked for payment of the penalty stipulated in the contract in case of violation of the exclusivity clause.

Defendant objected that its failure to deliver the goods was due to the destruction of the crops by a series of extraordinarily heavy rainstorms and flooding caused by the meteorological phenomenon known as "El Niño". According to Defendant these events amounted to a case of force majeure and/or hardship and therefore any liability on its part was excluded; moreover, Defendant argued that the contract entered into with Claimant was null and void since it had not been formalized or registered before the Mexican authorities.

Resolve the dispute by providing comprehensive explanations of all the parties' arguments.

2. A French company and a Costa Rican company agreed to participate in a public bidding procedure for the construction and operation on an exclusive basis for a ten-year period of centres for technical revision of vehicles in Costa Rica. The contract was finally awarded to a third party. According to the Costa Rican company the adjudication was improper but the French company refused to join its partner in challenging the adjudication before the competent authority, thereby preventing the Costa Rican company from concluding the proceedings. The Costa Rican company commenced arbitral proceedings against the French company alleging breach of the joint venture agreement and claiming compensation for the harm suffered including loss of profits it could have expected to make over the ten-year period of time (those profits amounted to 10 000 000 USD).

In their contract the parties had agreed that any dispute should be resolved "on the basis of good faith and fair usages and with regard to the most sound commercial practices and friendly terms".

Resolve the dispute. Determine the legitimacy of the Costa Rican company's claims.

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Topic 8: Contract for the international sale of goods
Questions for discussion

1. The concept of an international sale of goods contract.
2. Contrasting commercial and consumer sales contracts.
3. Conclusion of an international sale and purchase agreement.
4. Seller's obligations and remedies in case of breach of contract by the seller.
5. Buyer's obligations and remedies in case of breach of contract by the buyer.
6. Transfer of risks and transfer of ownership. Incoterms.

Objectives.

1. A German seller and a Dutch buyer concluded a contract for the sale of 400 sheep to be delivered to a slaughterhouse in Denmark. In one week after delivery of sheep the buyer informed the seller that he refuses to pay the price because of non-conformity of the cattle (in particular, it was too thin and could not therefore be slaughtered immediately). Thus the buyer claimed for a price reduction as well as damages covering its expenditures for fattening the sheep.

Conversely the seller did not acknowledge the non-conformity and commenced an action to recover the price.

Resolve the dispute based on the rules of conformity of goods in the UNIDROIT Principles and the Vienna Convention.

2. *Shared Imaging*, an American corporation (Buyer), and *Neuromed*, a German corporation (Seller), entered into a contract of sale for a magnetic resonance imaging (MRI) machine.

The one page contract of sale contains nine headings.

Under "Delivery Terms" it provides, "CIF New York Seaport, the buyer will arrange and pay for customs clearance as well as transport to Calmut City".

Under "Payment Terms" it states, "By money transfer to one of our accounts, with following payment terms: US \$ 93,000 - downpayment to secure the system; US \$ 744,000 - prior to shipping; US \$ 93,000 - upon acceptance by Siemens of the MRI system within 3 business days after arrival in Calmut City". In addition, under "Disclaimer" it states, "system including all accessories and options remain the property of Neuromed till complete payment has been received".

The MRI was delivered to the shipping vessel by the German company undamaged and in good working order. When it reached its destination of Calmut City, Illinois, it had been damaged and was in need of extensive repair, which led *Shared Imaging* to conclude that the MRI had been damaged in transit.

The buyer brought suit in U.S. court seeking to recover for the damaged goods. It claimed that the risk of loss remained with the seller until the goods were delivered at their port of destination in the U.S. because, *inter alia*, the title to the goods would not pass to buyer until final payment for the goods had been made.

Resolve the dispute. To do this, consider, in particular, the following issues: applicability of CISG, applicability of Incoterms, the relationship between CISG and Incoterms, the meaning of the term CIF, transfer of risk and transfer of ownership, and the legal effects of the Romalpas clause.

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Topic 9: Contracts for the International Carriage of Goods: General Considerations

Questions for discussion

1. The concept of the contract of international carriage of goods.
2. Types of contracts for the international carriage of goods depending on the type of transport; relevant international conventions.
3. The proper form of concluding a contract for the international carriage of goods. Transport documents.
4. Obligations of the carrier.
5. Responsibility of the carrier:
 - (a) the period of liability;
 - (b) grounds for liability;
 - (c) limits of liability.
6. Obligations and responsibilities of the sender.

Tasks.

1. A package containing electronic micro-components to the value of 102,000.- € was handed over for carriage by road from Eindhoven (Netherlands) to Regensburg (Germany). The consignor was a regular customer of the carrier.

Among other things, the General Conditions of Carriage (which, according to the defendant, its customer was aware of), contain a rule saying that the defendant does not carry any packages whose value exceeds the equivalent value of 50,000.- US\$ in the respective national currency.

The consignment was lost. The insurance compensated the consignor for the resulting loss and subsequently claimed full compensation for the loss of the goods from the carrier under assigned rights. Referring to the lack of interface checks by the carrier, the insurance requested that no liability limits be applied, as in its view, there was qualified fault on the part of the carrier.

Determine the limits of the carrier's liability. Evaluate the argument of the insurance company.

2. The carriage of a large load of laptops with a market value of almost 1 million Euros from Germany to Italy was agreed between the consignor and the defendant. Certain security measures were included in the contract of carriage - in particular, breaks during transport could only be taken at lighted and monitored parking areas and only on certain legs of the journey, and the vehicle was not to remain unsupervised at any time.

A few kilometres before delivery, the vehicle was stolen, along with the load, as the driver was taking a break of around one hour at an unsupervised parking area.

On the basis of assigned rights, the plaintiff, the consignor's transport insurance provider, claims compensation for the full market value of the consignment.

Determine the limits of the carrier's liability in accordance with the CMR rules.

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Topic 10. International financial leasing agreements (*Colloquium*)

Questions for discussion

1. The concept and essential features of an international financial leasing agreement.
2. Rights and obligations of the lessor.
3. Rights and obligations of the lessee.
4. Supplier's responsibility.

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CURRENT CONTROL OF STUDENTS' KNOWLEDGE

Description of the subject "International Contract Law"

Course 1	Field of study, educational and qualification level	Characteristics of the discipline
<p>Number of ECTS credits - 4.0</p> <p>Number of modules - 2</p> <p>Total number of hours - 120</p> <p>Weekly hours for full-time students: classroom - 2-4, independent work of the student - 6-8.</p>	<p>Field of study - 08 "Law"</p> <p>Speciality - 081 "Law"</p> <p>Level of education - second (master's) degree</p>	<p>Selective</p> <p>Lectures: 20 hours.</p> <p>Practical training: 20 hours.</p> <p>Independent work: 80 hours.</p> <p>Types of control: Types of control: current control;</p> <p>final control of knowledge (differentiated credit)</p>

CRITERIA FOR ASSESSING STUDENTS' KNOWLEDGE AND SKILLS

The assessment of the results of mastering the discipline "International Contract Law" involves current and final control and is carried out on the basis of a cumulative point-rating system.

Ongoing knowledge control includes:

- control of the quality of students' mastering of the programme material of the discipline in practical classes using the following means: oral, written or express survey, solving practical problems or tasks, participation in the development of a case, defence of an essay or report on the initiative of the student. The current control is aimed at checking the student's level of preparation in the study of the current material. During a practical class, a student can receive a grade on a four-point scale (0, 3, 4, 5);

- quality control of students' mastery of the programme material of the discipline, which is carried out at the end of the modules in the form of colloquia.

A mandatory form of *independent work* for students is the preparation of a final written work. The maximum number of points based on the results of the final written work defence is 20 points.

The form of *final control of knowledge* of higher education students in the discipline is a differentiated test. The minimum number of points for a differentiated test is 60 points.

Distribution of points between forms of organisation of the educational process and types of control measures:

Current control					Summary knowledge assessment (differentiated credit)
Module 1		Module 2		Independent work of students	
n/a	Colloquium	n/a	Colloquium		
max 30	max 30	max 10	max 10	max 20	max 100

Criteria for assessing learning outcomes

Type of control	Number of points	Criteria (for each assessment)
Current control in a practical lesson	Max 5	Excellent mastery of the subject material, with some minor deficiencies.
	4	Good mastery of the material on the topic, but there are some mistakes.
	3	Satisfactory level of mastery of the material, a significant number of errors.
	Min 0	Unsatisfactory level of learning.
Colloquium	Max 10	The results of the material processing are high, with a small number of minor errors.
	5	Satisfactory level of mastery of the material, a significant number of errors.
	Min 0	Unsatisfactory level of learning.
Final written work	Max 20	The work is designed in accordance with the requirements of the department. The paper contains no methodological errors, references to sources and own conclusions. The defence demonstrates in-depth knowledge of the topic, as well as the validity of conclusions, positions, classifications, etc.
	15	The work is designed in accordance with the requirements of the department. The paper contains minor methodological errors, references to sources, and own conclusions. During the defence, sufficient knowledge of the topic is demonstrated, as well as the validity of conclusions, positions, classifications, etc.
	10	The work is executed in accordance with the requirements of the department, but with minor errors. The paper contains methodological and substantive errors, references to sources, and the author's own conclusions. During the defence, sufficient knowledge of the topic was demonstrated, but there were problems with the argumentation of certain concepts and judgements in the work, and the proof of the conclusions.
	5	The work is executed with errors and violations of the departmental requirements for the form of work. The work contains methodological and substantive errors, and an insufficient number of sources were used to substantiate the research and conclusions. During the defence, there were difficulties in disclosing the content of the topic, presenting arguments regarding certain provisions of the work, and proving the validity and proof of the conclusions.

	Min 0	<p>The paper is not properly formatted, does not cite sources, and contains methodological errors.</p> <p>During the defence, the author of the work cannot demonstrate knowledge of the chosen topic, provide arguments for the concepts and analyse the information.</p> <p>The work was performed in violation of the requirements of academic integrity.</p>
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Differentiated credit	100	<ol style="list-style-type: none"> 1. Comprehensive, systematic and in-depth knowledge of the material provided by the programme of the discipline, including orientation in the main scientific doctrines and concepts of the discipline. 2. Mastering the basic and additional literature recommended by the department. 3. Ability to independently replenish knowledge in the discipline and use the acquired knowledge in practical work.
	90	<ol style="list-style-type: none"> 1. Full knowledge of the material provided by the programme of the discipline. 2. Mastering the main literature and getting acquainted with additional literature recommended by the department. 3. Ability to independently replenish knowledge in the discipline, understanding their importance for practical work.
	85	<ol style="list-style-type: none"> 1. Sufficiently complete knowledge of the material provided for in the programme of the discipline, with no significant errors in the answer. 2. Mastering the basic literature recommended by the department. 3. Ability to independently replenish knowledge in the discipline, understanding their importance for practical work.
	75	<ol style="list-style-type: none"> 1. Knowledge of the basic material provided by the programme of the discipline to the extent sufficient for further study and future work in the profession. 2. Mastering the basic literature recommended by the department. 3. Errors and significant inconsistencies in the answer to the test if you have the knowledge to eliminate them yourself or with the help of the teacher.
enrolled	70	<ol style="list-style-type: none"> 1. Knowledge of the basic material provided by the programme of the discipline, in an amount sufficient for further study and future work in the profession. 2. Read the main literature recommended by the department. 3. Errors in the answer to the test if you have the knowledge to eliminate the most significant errors with the help of the teacher.

	60	1. Gaps in knowledge of certain parts of the basic material provided by the programme of the discipline. 2. Errors in answering the test questions.
not credited	55	1. Lack of knowledge of a significant part of the basic material provided by the programme of the discipline. 2. Inability to continue education or professional activity without taking a repeat course in this discipline.

Scale of final pedagogical control

Assessment on the ECTS scale	Definition.	Assessment according to the national scale for credit	Assessment on a 100-point scale used in NSW
A	Excellent - excellent performance, with only a few errors	enrolled	90 - 100
B	Very good - above average with a few errors		80 - 89
C	Good - generally correct work with a number of minor errors		75 - 79
D	Satisfactory - not bad, but with a significant number of shortcomings		70 - 74
E	Sufficient - performance meets the minimum criteria		60 - 69
FX	Unsatisfactory - you need to work on it before retaking it	not credited	35 - 59
F	Unsatisfactory - serious further work is required, a repeat course is mandatory		0 - 34

LIST OF TOPICS FOR THE FINAL PAPER

1. The principle of good faith and fair business practice in international contract law.
2. Pre-contractual liability in international contract law. Bad faith negotiations.
3. Legal effect of pre-contractual documents in international contract law.
4. Conclusion of contracts using standard terms and conditions.
5. Representation in concluding international commercial contracts.
6. Applicability of the UNIDROIT Principles of International Commercial Contracts.
7. Exploitation of a vulnerable position in negotiations as a ground for invalidation of a contract.
8. Illegality as a ground for invalidity of a contract in international contract law.
9. Fraud as a ground for invalidity of an international commercial contract.
10. Threats as a ground for invalidity of an international commercial contract.
11. Invalidation of an international contract: procedure and consequences.
12. Rules of contract interpretation.
13. Assignment of rights under an international contract.
14. Transfer of obligations under an international contract.
15. Assignment of a contract in international commercial law.
16. The concept of formation in international contract law.
17. Force majeure in international contract law.
18. Ways to protect a creditor in case of breach of an international contract.
19. Compensation for damages as a result of a breach of an international contract.
20. Performance in kind as a creditor's remedy.
21. Rules for fulfilling monetary obligations.
22. Duties and liability of the carrier in international carriage of goods contracts.
23. Shipper's obligations and liability in international carriage of goods contracts.
24. The seller's obligations and remedies in case of breach of contract by the seller in an international sale of goods contract.
25. Transfer of risk and transfer of ownership in an international sale of goods contract.
26. Incoterms: structure and application.
27. Set-off of counterclaims in international contract law.
28. Plurality of Debtors in International Contract Law.
29. The rights of third parties in international contract law.
30. Termination of a contract as a remedy in international contract law.