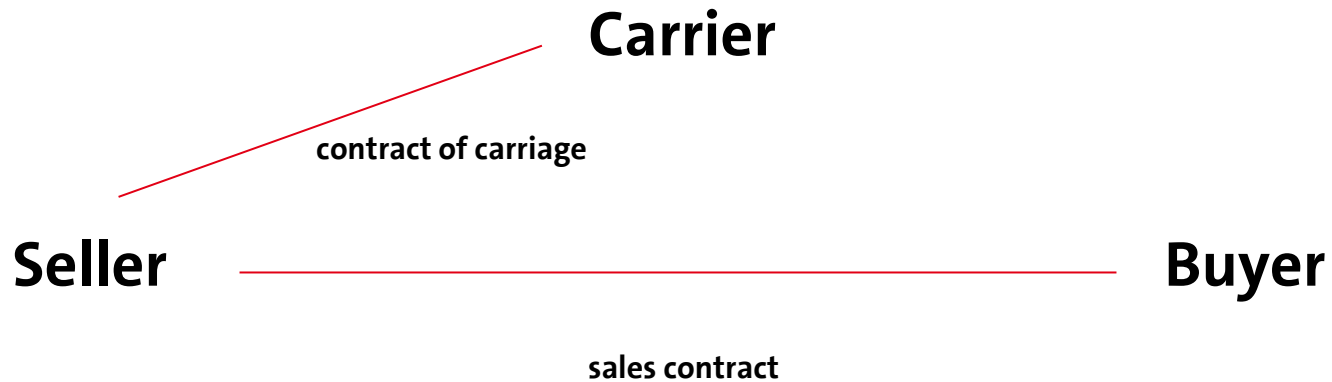




Fundamentals of International Business Transactions

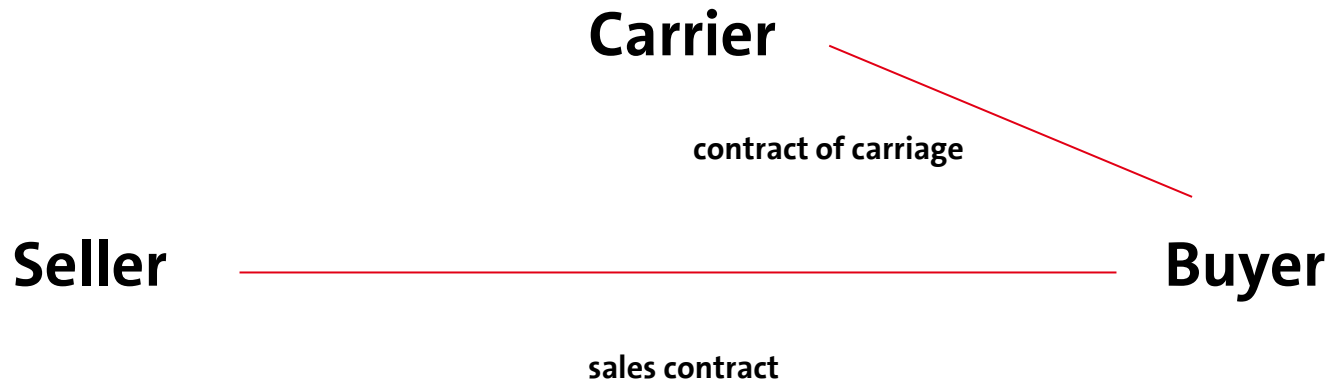
International Transport of Goods

The Contract of Carriage



➤ “INCOTERMS cif-deal”

The Contract of Carriage (2)

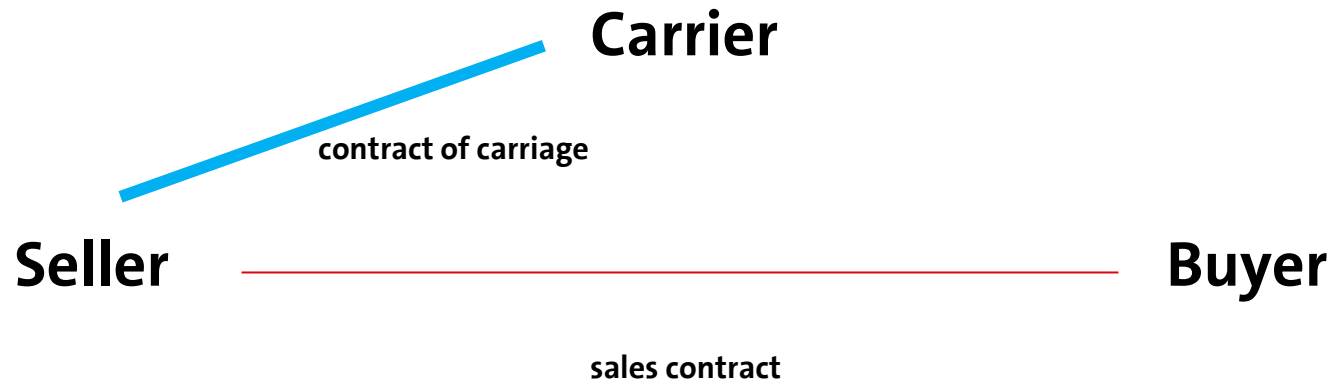


➤ **“INCOTERMS fob-deal”**

Transportation: Heterogeneity of Substantive Law

- **Different regulations for different modes of transport**
 - unimodal
 - multimodal
- **Differentiations according to the mode of transport**
 - Truck
 - Railway
 - Seagoing Vessels ./ Inland Vessel
 - Aircraft
- **Differentiation according to the transport geography**
 - transports within a country
 - through local residents
 - through non-residents (cabotage)
 - cross-border transports

The Contract of Carriage (cif deal)



Behind the Scene: Contractual Relations

„Dry Transport Law“



= Ship Owner

Bareboat-Charter

Ch1

Time-Charter

Ch2

Voyage-Charter

Carrier

“Wet Transport Law”

*Contract of
affreightment*

Shipper

Consignee

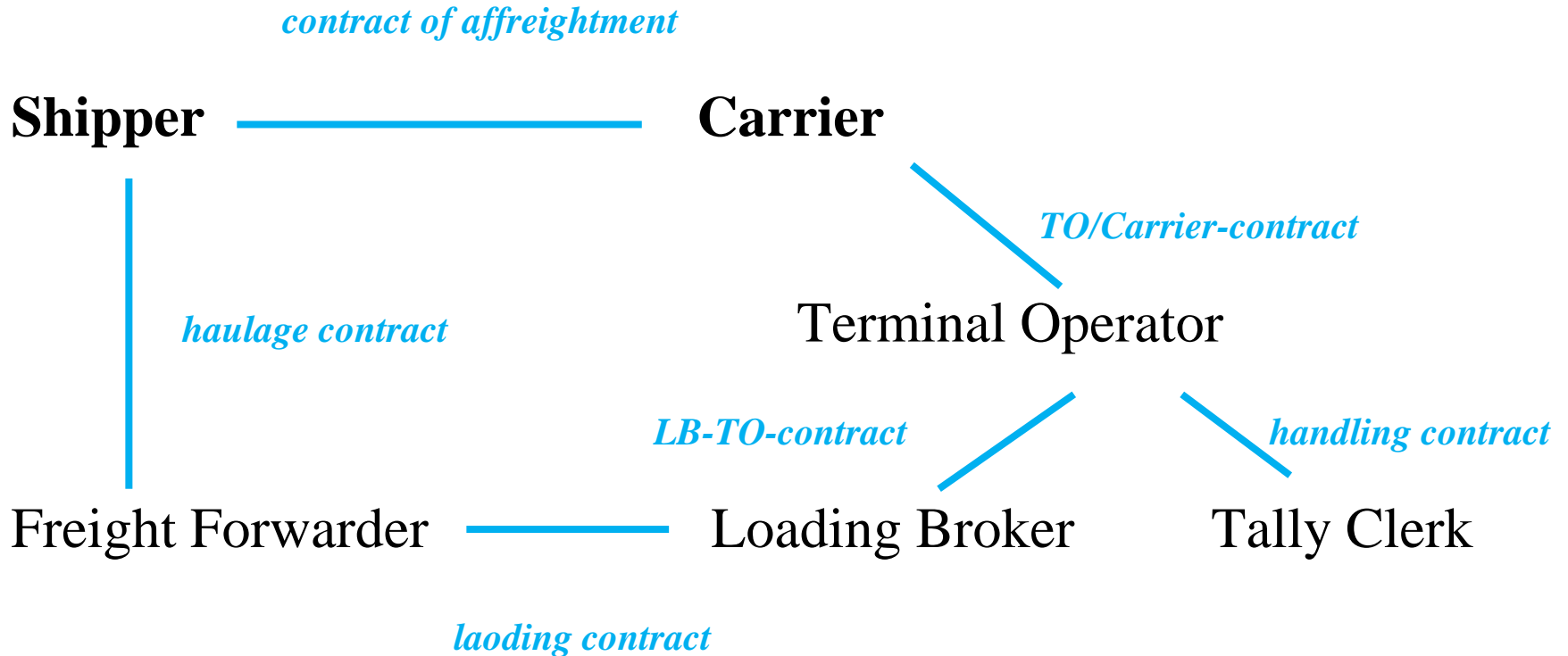
= Seller/ Exporter

= Buyer/Importeur)

„Export Sales Law“

Export-Sales Agreement

The Course of Business (Carriage by Sea)



Important Participants in Commercial Transport

Shipper	party who supplies the goods to be transported
Carrier	the transporter
Consignee	party to whom the goods are to be delivered (receiver)
Loading Broker	person employed by the carrier's enterprise to advertise, secure business, schedule shipments of cargo, and bunkers and supplies
Master	merchant ship's captain
Freight Forwarder	intermediary between the shipper and the ocean carrier who arranges for the ocean transportation to facilitate and handle the details of shipment
Stevedores	workers usually employed by a stevedoring company to load or to unload the ships and to handle cargo
Terminal Operators	enterprises to facilitate the efficient transfer of goods between the ships and various inland carriers (container or bulk terminals)

The Course of Business (Carriage by Sea)

1. Shipper instructs a forwarder to procure freight space for the cargo
> haulage contract
2. Forwarding agent
 - ascertains the date and place of sailing
 - obtains a space allocation and prepares the bill of lading
 - makes the customs entry and pays dues on the cargo
 - prepares and circulates to his customer the sailing card
(contains a reference for the closing date, i.e. delivery of goods)
3. F-agent entrusts the cargo to a loading broker (loading contract)
 - supervises the arrangements for the loading (actual stowage is decided by the cargo superintendent of the port)
 - signs the B/L and issues it to the shipper
 - receives the freight
4. Tally clerk and mate's receipt (handling contract)
 - when the goods are at the dock for loading they are inspected by tally clerks
 - they inspect the identification marks, numbers, weight, condition
 - and issue a mate's receipt as a base for the B/L

International Harmonization of Transport Law (for unimodal transports)

- **Railway**: Convention relative aux Transports Internationaux Ferroviaux – COTIF (CIM), 1890
 - > applicable, as handing over and delivery take place in different contracting states (applicable in Russia)
- **Ocean Vessel**: Hague Rules 1924 / Visby Rules 1968
 - > applicable, as a bill of lading is issued in a contracting state (HVR applicable in Russia)
- **Air**: Warsaw Agreement (1929), Montreal Convention (1999)
 - > applicable, as handing over and delivery take place in different contracting states (WA in Russia since 1934, MC not yet)
- **Road**: Convention Marchandise par Route - CMR 1956
 - > applicable, as handing over and delivery take place indifferent contracting states (in Russia since 1983)

Characteristics of Transport Law

1. Mandatory rules

2. Carrier's Liability Privileges

3. Protection of the shipper/customer

> minimum liability

4. Documents of title

> transfer of property while the goods are in transit

e.g.: Bill of Lading (B/L) for sea transports

Carrier's Liability Privileges

	Liability	Exceptions	Excepted Perils	Limitation
Rail	strict	unavoidable circumstances	/	17 SDR/kg
Sea	based on fault, reversal burden of proof	/	list of 16, incl. fire, act of God, act of war, act or omission of the shipper, strikes, ...	666 SDR per package/unit or 2 SDR per kg (whichever is the higher of)
Air	strict	carrier took all necessary measures to avoid the damage	/	17 SDR/kg
Road	strict	unavoidable circumstances	/	8,33 SDR/kg