

Phase3 db international business disputes

Business



International business disputes al affiliation Introduction The United Nations Convention on Contracts for the International Sale of Goods (CISG) was formulated in 1993 with the aim of promoting international trade. It came as a result of the concern for standardizing the platform for international trade in which states that had signed up with the law enjoyed common laws without having to go through the tiresome process of conforming to the diverse laws of each and every state. It is worth noting that businesses need to expand and this requires moving to foreign markets across borders. It is for this reason that the CISG law was formulated by the United Nations. This assignment provides a comprehensive discussion on the consequences that a business would face for operating within states that have not agreed with the United Nations Convention on Contracts for the International Sale of Goods. It also gives detailed information on whether a business should or should not engage in business with nations that have not conformed to the requirements of the United Nations Convention on Contracts for the International Sale of Goods.

Discussion

One of the major consequences for transacting business with states that have not conformed to the United Nations Convention on Contracts for the International Sale of Goods is that only the contract laws of such nations will apply (Ferrari, 2012). This implies that an enterprise that wishes to engage in such business is capable to inadequate treatments in accordance with the laws of the state that has not agreed with the terms of the CISG. The contract law of such a nation may not be accommodative to foreign businesses. It is for this reason that such nations may be weaker in ensuring that the contractual balance between foreign and indigenous businesses is

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maintained.

Businesses that wish to operate within states that have not agreed with the terms and conditions of the CISG may have to face importation or exportation restrictions according to the governing laws. It is important to note that different nations have different laws governing the importation and exportation of certain goods. However, the CISG standardizes the importation and exportation of goods across borders. Therefore, a business that wishes to transact business with states that have failed to embrace this international law may have to face the restriction of the importation or exportation of certain goods.

According to article 68 of the CISG, the risk of damage of goods is passed to the buyer once the goods have been delivered. However, an enterprise engaging in business transactions with another enterprise from a country that does not conform to the rules and regulations of CISG may have to incur the losses from the damages of delivered goods. However, it is important to note that the private contract laws as stipulated in the contract forms of the businesses can come in handy and save a foreign business from incurring the losses that come with such damages. This is because most contracts stipulate that all goods delivered must be of the desired quantity and quality. In the event that they do not meet the desired quantity and quality, buyers are not supposed to accept them (Ferrari, 2012).

The purpose of every business is to advance its sales even if it meant going beyond the borders of its native country. For this reason, I believe that the United Nations Convention on Contracts for the International Sale of Goods should not deter businesses from expanding their territories even if their target markets do not embrace the law. It is only with this notion that they

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may be able to meet their organizational objectives.

References

Ferrari, F. (2012). *Contracts for the international sale of goods: Applicability and applications of the 1980 United Nations Sales Convention*. Leiden: Martinus Nijhoff Publishers.