**INTERNATIONAL BUSINESS LAW**

 The laws that impact a Canadian business that engages in the export and import of goods fall roughly into two categories:

 1) laws that control or facilitate trade and

 2) laws that govern international contracts of sale.

 Of course, a Canadian business that has operations in foreign countries is also required to follow the laws of those countries.

**1)Laws to control or facilitate trade :**

 A sampling of Canada’s federal statutes that regulate imports and exports is found in Figure 01.

**Figure 01: Exports and Imports**

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| **Statute** | **Purpose** |
| **Customs** | Regulates procedures for imports and rules for collection of custom duties. |
| **Customs tariff** | Regulates duties imposed on imports. |
| **Special import measures** | Prohibits **dumping** (selling goods abroad at lower prices than those in the country of origin) of foreign goods into Canada. |
| **Export and import permits** | -Controls imports from countries with extremely low production and labour costs.-Controls exports, which are, by and large, encouraged. Assistance is available through the Canadian International Development Agency (CIDA) and the Department of External Affairs. |

 International trade is also regulated by **international agreements**, where signing nations agree to limit their controls and duties on goods. For Canada, these include the World Trade Organization (WTO), which provides a forum for negotiating trade rules and a mechanism for resolving disputes, and the North American Free Trade Agreement (NAFTA), which includes a phased-in reduction and elimination of tariffs among Canada, the United States, and Mexico.

**2) International contracts of sale :**

An export sale requires four documents, each of which plays a distinct role in the sale transaction:

**1. Contract of Sale**

a. Trade terms and terminology must have the same meaning to both parties, so reference is often made to published interpretations of international trade terms.

b. There should be a reference to the governing law.

c. The contract is very detailed as to quantity, quality, price, shipping, etc.

d. There is usually an arbitration clause to resolve disputes.

**2. Bill of Lading** – This is a contract between the seller and the carrier of goods.

**3. Insurance** – This is required to protect against the hazards associated with shipment of goods.

**4. Commercial Invoice** – This is usually required by the buyer’s customs office.

« Optimism is the one quality more associated with success and happiness than any other. »

 Brian Tracy