

MODEL CONTRACTS FOR SMALL FIRMS

LEGAL GUIDANCE FOR
DOING INTERNATIONAL BUSINESS



MCCI Foreword

Mauritius upholds a liberal economic and trade policy based on the vision of an island economy that must be globally competitive and well integrated in the world trading system. With 93 percent of its tariff lines liberalized, Mauritius currently ranks as the eighth freest economy in the World in terms of the openness of its trading system. The country is a member of the WTO, and various Regional Economic Communities, namely SADC and COMESA and the Indian Ocean Commission...Duties and taxes are comparatively low, and the country does not have trade barriers. Factors promoting trade include a robust banking system, good infrastructure, a stable social environment and a body of laws which are transparent and supportive of trade. With its strategic location in the Indian Ocean, at the cross-roads of Asia, India and Africa, Mauritius can become an important player serving the trade corridors of the fastest growing markets in the World. Businesses, whether large, medium or small, can tap into such opportunities. They must be given all the necessary support and tools that will enable them to integrate regional value chains.

For more than 165 years, the MCCI has been guiding and supporting entrepreneurs and traders by providing them with tools, information, training, and contacts so that they can optimize their business opportunities and to adopt international trading practices. It is an honor for us to collaborate with the prestigious International Trade Center for this adapted edition of the ITC Guide on Model contracts for SMEs.

We hope that this Guide will provide our enterprises, especially small and medium firms who do not always have easy access to the legal advice they need, the necessary information to assist them in better preparing and formalizing their commercial transactions at the contractual level. The experts who have written this Guide have taken into consideration the increasing complexity of international transactions, as well as international norms and best practices, and have produced a set of harmonized model contracts aligned with the evolution of international trade.

Mauritius aspires to a standard of excellence in the field of business, and to a level-playing field favourable to commercial exchanges, and governed by the rule of law and best practice. We are convinced that the use of this Guide will enhance the confidence of operators and help them to be more competitive in their undertakings.

We thank our colleagues at the International Trade Center and the MCCI who have produced this guide and hope that you will find the Guide instructive and enjoyable to read, and wish you success in your business endeavours.

Sebastien Mamet, President

**Mauritius Chamber of Commerce and Industry
(MCCI)**

ITC Foreword

Small and medium-sized enterprises (SMEs), the backbone of many economies, did nearly all their business within national borders until just a few decades ago. Now they are exporting to and importing from all corners of the world. But most small firms do not have access to the legal advice they need at the best of times, and even less so in the current economic climate when they are under pressure to cut costs.

To meet this challenge, the International Trade Centre (ITC), a joint agency of the World Trade Organization (WTO) and the United Nations, set up a network of top trade lawyers to create a series of Model Contracts that take into account the increasing sophistication of international trade transactions, incorporate internationally recognized standards and best practices, and still try to make things as simple as they can be in a global context.

Leading law firms with trade expertise from 51 countries seconded specialists to work together at no charge to create models that – with minimal modifications – can be used for contracts in any part of the world. These Model Contracts for key trade activities such as sale of goods, distribution, services, joint ventures, etc., are a concrete, practical way to secure international deals involving small firms. They also bridge the many cultural and legal traditions that are reflected in global trade.

Equally important is making sure these Model Contracts reach small businesses in the countries where they are needed most. This is why ITC is working with its global network of national trade support institutions, such as chambers of commerce, which will make the contracts freely available to businesses in several languages through their websites and other means.

An interesting feature of this endeavour is how a much-diversified group of contracts was harmonized substantively by identifying and drafting recurring provisions common to most of them. This trend points to the increasing global convergence of views between experts and business people on how international trade is conducted. This is good news for small firms, because harmonization simplifies the understanding and practice of international trade, and lowers transaction costs.

We wish to express our sincere appreciation to the drafting team and to all the members of the ITC Pro-bono Committee on International Commercial Model Contracts for SMEs who have so ably and efficiently contributed their time and expertise in making these Model Contracts available to all.



Jean-Paul Vulli  ty
Chairman, ITC's Pro-Bono
Committee on Model
International Contracts for SMEs

Patricia R. Francis
Executive Director
International Trade Centre

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