

THE SMALL PRINT

Why exporters need international terms and conditions.

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AFTER hearing many experiences of smaller businesses trading internationally, the Institute of Export & International Trade realised that an increasing number have been acting without a contract or agreed payment terms. This is a very risky approach to take and one that can lead to a lack of clarity, potentially damaging a business' relationships with its international customers and partners.

Elizabeth Ward, Principal of Virtuoso Legal, explains: "A finely considered set of international terms and conditions (T&Cs) allows a business to determine from the outset of any agreement exactly how business between the parties is going to be conducted. They provide clarity on the agreed processes for getting paid, where liability lies, and what happens when disagreements arise."

Given English contract law has a tendency to take businesses straight to a dispute rather than including options for mediation and arbitration, our exporters' international relationships risk being damaged by needless litigation. A proper set of international T&Cs can give exporters alternative routes to dispute resolution, saving them significant legal costs and time. Further, they can include other key aspects of international trade that UK contract law will not, including anti-bribery and anti-slavery laws.

A key message from the Government's Export Strategy was that industry needs to do more to help businesses feel confident and secure when trading internationally. In line with this, we, at the Institute, after consulting with our members and partners, realised that a key solution was to provide international T&C templates that cover the basic premises of trading overseas.

A CRUCIAL STEP

We are offering these templates to our members to allow them to export confidently, safe in the knowledge that they have a legal framework specific to their international needs, including clauses relating to anti-bribery and anti-slavery laws. We understand that we can't change the culture of business overnight, but by offering this template of International T&Cs for SMEs, relevant to the different styles of business they operate in, we can begin to protect them from some of the risks of international trade, enabling them to export successfully and securely.

This new offering has been well-received by both the legal profession and the Government. John Mahon, Director General for Exports of the Department for International Trade (DIT), says: "A crucial part of exporting is having the legal frameworks in place that allow businesses to trade confidently. I'm delighted that the Institute of Export & International Trade has launched these templates as part of a package of solutions on offer to help businesses export."

"I urge all UK companies that are currently selling overseas without proper contracts in place to take a look at these templates and implement the right one for them. Through our Export Strategy, DIT has set out an offer for all businesses to ensure they are able to make the most of the global opportunities this presents."

Elizabeth Ward, who also supported us in creating the templates, adds: "These templates are a great start for businesses, helping to give them a basis upon which they can export with confidence."

FOUR TYPES OF EXPORT

The international T&C templates will be available to members of the Institute of Export & International Trade. They will cover four uses: distance (non-online) consumer goods services and digital content terms and conditions; online business and consumer goods services; terms and conditions for the supply of goods; and terms and conditions for the supply of services.

Each of the templates also include Anti-Slavery and Bribery Act clauses, giving businesses peace of mind to trade internationally.

COMPLIANTLY AND CONFIDENTLY

This is just one of several membership benefits we offer, including access to our Technical Helpline, discounts on our world-class suite of training courses and qualifications, and a communications package of daily bulletins, newsletters and our quarterly World Trade Matters journal.

For over 80 years we've been supporting the interests of everyone involved in importing, exporting and international trade in the UK, and never has our role been more important. With Brexit looming, the threat of trade wars and the constantly increasing pace of technological innovation, our exporters face an ever-increasing range of both opportunities and challenges.

We have created a legal framework through which you can offer your products or services overseas – safe in the knowledge that you have clarity on payment terms, liability and what happens in the case of a dispute. This is an essential starting point for exporters. These templates give exporters the confidence to make the most of the opportunities that are out there internationally.

More information can be found at export.org.uk/membership.

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