Table of Contents

	About t	he Autho	r	V
	Preface			xix
	CHAPTER			1
	§1.01	General		1
	\$1.02	Types of	Cross-Border Business Transactions	2
	\$1.03	Cross-Bo	order Business Transactions in Numbers	4
100	Снарте	8.2		
90		7000	vyering and Cultural Diversity	9
4.4	§2.01	General		9
			act of Culture	10
	§2.03	100	Deal with Cultural Diversity?	13
			ternational Law Firms	13
		[B] Cr	oss-Cultural Lawyering	15
			Particular: Negotiating Cross-Culturally	16
	Снарте	R 3		
	Source	s of the La	aw Governing Cross-Border Business Transactions	19
	§3.01	General		19
		[A] In	troduction	19
		[B] Ha	ard-Law versus Soft-Law	19
	§3.02	Public In	nternational Law	21
		[A] So	urces	21
		[1	Introduction	21
		[2	International Conventions	21
		[3	International Practice	22

		[4]	Gener	ral Principles	22
		[5]	Judic	ial Decisions and Teachings	22
	[B]	The	Applica	ability of Public International Law to Private Parties	23
§3.03	Transnational Commercial Law/Lex Mercatoria				23
§3.04	Natio	onal L	aw		24
	[A]	Sour	ces		24
	[B]	Conf	lict of l	Laws	24
		[1]	Introd	duction	24
		[2]	Chara	acterization	27
		[3]	Public	c Policy	27
		[4]	Renvo	ni .	28
		[5]	Conn	ecting Factors	30
		[6]	Confli	ict of Contract Laws	30
			[a]	Party Autonomy	30
			[b]	Connection Requirement	31
				Choosing Non-state Law	31
				Transnational Commercial Law/Lex Mercatoria	32
				Opting out of Mandatory Law	33
				Dépeçage	33
				Floating Law Clauses	34
				International Conventions	35
			[i]	Failure to Choose the Applicable Law	35
			23.55	Public Policy	37
		[7]	0.00	ict of Tort Laws	37
		[8]	Confli	ict of Property Laws	40
		5000		Property Types	40
				Immovables	41 41 41 41 42
				Movables	41
				Intangibles	41
		[9]		ict of Company Laws	41
§3.05	Cont	racts			42
CHAPTER	4				
Practice	of Int	ternati	ional C	Contract Law	45
	Gene				45
§4.02				tract Law	45
	[A]		duction		45
	[B]	Offer	, Accep	otance and Consideration	46
	[C]	Form			47
	[D]			formance	48
§4.03		ntracts			48
§4.04				ocuments and Agreements	50
	[A]	Intro	duction	1	50

	[B]	Confidentiality Agreements	51
	[C]	Exclusivity Agreements	54
	[D]	Letters of Intent	54
	[E]	Memoranda of Understanding	55
	[F]	Position Papers	56
		Term Sheets	56
	[H]		56
	[I]	Instructions to Proceed	57
	[J]	Combinations	57
4.05	Struc	cture and Contents of International Contracts	57
	[A]	Introduction	57
	[B]	Cover Page	59
	[C]	Table of Contents	60
		Parties	60
	[E]	Preamble	60
	[F]	Definitions	62
	[G]	Breach of Contract	64
		Force Majeure	68
		Term and Termination	69
	[1]	Tax	72
	[K]	Confidentiality	73
S	[L]	Non-competition	74
5	[M]	Applicable Law	75
	[N]		79
	[0]		79
	[P]		80
	[Q]		81
	[R]	Date and Place of Signing, Signatures and Closing	84
\$4.06	Drai	fting	86
	[A]	Introduction	86
	[B]	Guiding Principles	86
	[C]	Layout	88
	[D]	Numbering	89
	[E]	Articles, Sections, Paragraphs, Clauses or Plain Numbering?	90
	[F]		90
	[G]	Punctuation	90
	[H]	Passives	91
	[I]	Other Drafting Issues	92
Снарте			
Trade	and C	ountertrade	97
§5.01	Gen	eral	97
§5.02	For	ms of Cross-Border Trade	97
		Trade and Countertrade	97

	[B]	Barter Trade and Compensation Trade	98			
	[C]	Co-production	98			
	[D]	Processing Trade	98			
	[E]	Offset	99			
	[F]	Switch Trading and Evidence Accounts	100			
	[G]	Structuring and Contract Practice	100			
§5.03	Sou	rces of International Trade Law	102			
	[A]	International and Regional Trade Regimes	102			
		[1] Introduction	102			
		[2] WTO	102			
		[3] OECD	104			
		[4] ASEAN	105			
		[5] APEC	106			
		[6] NAFTA	107			
		[7] CACM, CAFTA, SELA, The Andean Pact, MERCOSUR and				
		ALADI	107			
		[8] EU	108			
		[9] EFTA	109			
		[10] African Trade Organizations	110			
	[B]	Domestic Trade Law Systems	110			
	[C]	Conflict of Trade Laws	110			
§5.04	In Particular: The CISG					
	[A]	Introduction	111			
	[B]	Applicability				
	[C]	Interpretation				
	[D]	Form				
	[E]	Conclusion of Contracts				
	[F]	Obligations of the Seller and Remedies				
	[G]	Duty of the Buyer to Examine Goods and Notification	117			
		Requirement	117			
	[H]	Obligations of the Buyer and Remedies	118			
	[I]	Other Provisions	118			
§5.05	Inco	terms	118			
§5.06	Tran	sportation of Export Goods	124			
	[A]	Introduction	124			
	[B]	Sea Transport	126			
		[1] Significance and Possible Transaction Sequence	126			
		[2] Bills of Lading	128			
		[3] Sea Waybills	131			
		[4] Charterparties	132			
		[5] International Conventions	133			
	[C]	Inland Waterway Transport	136			
	[D]	Rail Transport	137			
	[E]	Road Transport	141			

	[F]	Air Transport	144			
	[G]	Multimodal Transport	153			
§5.07		ancing International Trade Activities	154			
	[A]	Introduction	154			
	[B]	Factoring	155			
	[C]	Forfaiting	158			
	[D]	Financial Leasing	160			
	[E]	Hire Purchase	162			
§5.08	Ten	ns of Payment	162			
	[A]	Introduction	162			
	[B]	Letters of Credit	163			
		[1] General Principle	163			
		[2] L/C Documents	165			
		[3] Types of Letters of Credit	168			
		[4] Autonomy of Letters of Credit	170			
		[5] Doctrine of Strict Compliance	170			
		[6] UCP 600	171			
		[7] Contract Practice	172			
	(C)	Collections	172			
×.	1.	[1] General Principle	172			
, ~O	Y	[2] Collection Modes	174			
		[3] Collection Documents	175			
7		[4] URC 522	175			
		[5] Contract Practice	175			
	[D]	Other Payment Methods	176			
§5.09	Transfer of Title in International Trade					
		Introduction	178			
		Transfer of Title and Risk Transfer	179			
	[C]	Title Transfer Concepts	181			
		Documents of Title	185			
	[E]	Retention of Title	186			
\$5.10		ch of International Sales Contracts	188			
\$5.11		rance	192			
	[A]	Introduction	192			
	[B]	Transport Insurance	192			
		[1] Basic Concept	192			
		[2] Insurance Policy	193			
		[3] Types of Transport Insurance Policies	194			
		[4] Insurance Documents	195			
		[5] Risk Cover: Institute Cargo Clauses	196			
		[6] The Insurable Interest	199			
	[C]	Products Liability Insurance	199			
		[1] Basic Concept	199			
		[2] Cross-Border Products Liability	200			

		[3]	Insuring Products Liability Risks	202			
	[D]	Expor	t Credit Guarantees	204			
§5.12	Agency and Distributorship						
	[A]	[A] Introduction					
	[B]	Agend	ry	205			
		[1]	Basic Concept	205			
		[2]	Agent's Authority	207			
		[3]	Disclosed Agency and Undisclosed Agency	208			
		[4]	Exclusive and Non-exclusive Agency	211			
		[5]	Del Credere Agency	211			
		[6]	Confirming Houses	212			
		[7]	Contract Practice	212			
			[a] Appointment as Agent	213			
			[b] Rights and Obligations of Agent	213			
			[c] Rights and Obligations of Principal	215			
			[d] Marketing and After-sales Service	217			
			[e] Agency Fee, Service Fee, Reimbursement for Costs				
			and Expenses, Payment Terms	218			
	[C]	Distril	butorship	218			
		[1]	Basic Concept	218			
		[2]	Exclusive and Non-Exclusive Distributorship	220			
		[3]	Contract Practice	220			
			[a] Distribution Rights	221			
			[b] Distributor's and Supplier's Duties	222			
			[c] Orders	222			
			[d] Product Prices and Terms of Payment	223			
§5.13	Anti	-dumpi	ng Law	225			
	[A] Introduction						
	[B]		Anti-Dumping Rules	226			
§5.14	Gov	ernmen	tal Im- and Export Restrictions and Promotion	228			
Снарте	R 6						
Interna	itional	Techno	ology Transfer	231			
§6.01	Gen			231			
§6.02			of Intellectual Property Rights and Know-how	234			
		Introd		234			
	[B]		estic Law	235			
	[C]		actual Protection	238			
	[D]		cement	238			
	[E]		native Options	239			
Agriculture	[F]		national Law	240			
§6.03			Transfer	246			
	A	Introd	luction	246			

		[1] Definition	246
		[2] Assignments	248
		[3] Licensing	249
		[4] R&D	249
		[5] Franchising	250
	[B]	Domestic Law and Technology Transfer	251
	[C]		258
	[D]	Contract Practice	260
Снарте	R 7		
Cross-E	Border	Services	267
§7.01	Gene		267
		nestic Law and Trade in Services	269
§7.03	Inter	rnational Law and Trade in Services	270
	[A]		270
	[B]	GATS	270
		OECD 'Sub-global' Instruments	271
	- A	Regional and Sector-specific Systems	273
	[E]	Preferential Trade Agreements	273
0	[F]	International Investment Agreements	273
\$7.04	Cont	tract Practice	274
Снарте	p 8		
		Investments	275
§8.01	Gene	eral	275
	[A]	Introduction	275
	[B]	Cross-Border Investments in Numbers	279
		[1] Overall Developments	279
		[2] Target Countries and Regions	281
		[3] Transnational Corporations, State-Owned Enterprises and	
		Sovereign Wealth Funds	283
§8.02	Sour	rces of Investment Law	285
	[A]	Introduction	285
	[B]	International Investment Law	286
		[1] Multilateral Investment Regimes	286
		[2] Bilateral Investment Treaties and other International	
		Investment Agreements	289
	[C]	Domestic Investment Law	292
		[1] General Trend	292
		[2] Conflict of (Investment) Laws	292
§8.03		tical Risk and Political Risk Insurance	293
§8.04		cturing Investment Projects	301
	[A]	Introduction	301

	[B]	Investment Modes	302			
		[1] Greenfield Investments and Quasi-Asset Deals	302			
		[2] Acquisitions	304			
		[a] Overview	304			
		[b] Share Deals	305			
		[c] Asset Deals	306			
		[d] Takeovers	309			
		[3] Mergers	312			
		[4] Combined and Alternative Options	313			
	[C]	Investment Vehicles	313			
		[1] Introduction	313			
		[2] Representative Offices	314			
		[3] Branches	314			
		[4] Subsidiaries: Companies	314			
		[5] Associate Companies	315			
		[6] Regional Headquarters	315			
		[7] Joint Ventures	316			
		[8] Sole Proprietorships	316			
		[9] Partnerships	316			
	[D]	Organizational Structuring	317			
	[E]	Holding Structures	321			
§8.05		ate Equity Investments	323			
§8.06	The	Different Stages of Investment Projects	327			
	[A]	Introduction	327			
	[B]	Greenfield Investments	328			
	[C]	Acquisitions	331			
	[D]	In Particular: Due Diligence	335			
		[1] Definition	335			
		[2] Goals	336 337 337 340 345			
		[3] Vendor Due Diligence	. \ 337			
		[4] Due Diligence Stages	337			
		[5] Due Diligence Report	340			
		[6] Problems Discovered During Due Diligence	345			
		[7] Practical Difficulties	345			
	[E]	Post-closing Issues	346			
§8.07	Fina	ncing Investment Projects	347			
	[A]	Introduction	347			
	[B]	Equity Financing	347			
	[C]	Debt Financing	348			
	[D]	Mezzanine Financing	350			
	[E]	Foreign Exchange Control and Other Restrictions on M	foney			
		Transfers	351			
§8.08		estor Liability	353			
§8.09	Employment Law and Cross-border Investments					

	[A]	Introduction	358			
	[B]	Local Staff and Workers	361			
	[C]	Expatriates	364			
§8.10	Com	petition Law and Cross-Border Investments	369			
	[A]	Introduction	369			
	[B]	Merger Control	372			
		[1] Notification Requirement	372			
		[2] Which Transaction Types Fall within the Scope of Merger				
		Control Rules?	374			
		[3] Notification Thresholds	376			
		[4] Extraterritorial Effect	377			
		[5] Merger Review	378			
		[6] Sanctions in Case of Non-compliance	380			
	[C]	Anti-competitive Agreements or Arrangements and Abuse of				
		Market Power	380			
§8.11	Liqu	idation and Dissolution of Investment Projects	382			
	[A]	Introduction	382			
	[B]	Non-insolvency related Liquidation and Dissolution	383			
	[C]	Insolvency Related Liquidation and Dissolution	384			
) •	[1] Domestic Insolvency Regimes	384			
W.		[2] Cross-Border Insolvency	386			
88.12		ructuring Investment Projects	389			
	[A]	Reasons	389			
	[B]	Restructuring Options	391 393			
§8.13	Governmental Investment Promotion and Restrictions					
	[A]	Introduction	393			
	[B]	Investment Promotion	394			
	1.00	Investment Restrictions	395			
	[D]	In Particular: National Security Review	396 403			
§8.14	Corporate Social Responsibility and Cross-Border Investments					
	[A]	Definition and Practical Significance	403			
	[B]	In Particular: Corruption	407			
	[C]	Reasons for CSR Compliance	414			
00.15	[D]	Achieving CSR Compliance	415			
§8.15		tract Practice	417			
	[A]	Introduction	417			
	[B]	Particular Contract Types	418			
		[1] Articles of Association	418			
		[2] Shareholders' Agreements	418			
		[3] Joint Venture Contracts	418			
		[4] Share Purchase Agreements	419			
		[5] Asset Purchase Agreements	420			
	[0]	[6] Supplemental Agreements	420			
	[C]	Particular Types of Contract Clauses	421			

		[1]	Share and Asset Purchase Clauses		421
		[2]			422
			Representations and Warranties, Disclosure		424
			Closing Conditions		429
		[5]			430
0					
CHAPTE Taxatio		ross-	Border Business Transactions		431
	J11 01 C	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Dorder Dublicoo Transactions		
§9.01	Gen				431
			nitions		431
	[B]		rces of Tax Law		433
			Introduction		433
			International Organizations		433
			International Tax Treaties		434
		[4]	Domestic Tax Law		437
	[C]	Dou	ble Taxation		439
		[1]	Introduction		439
		[2]	Dual Residence		440
		[3]	Dual Source		442
		[4]	Foreign-Source Income of Residents		442
	[D]	Tax	Evasion and Tax Avoidance		446
		[1]	Introduction		446
		[2]	General Anti-avoidance Rules and Doctrines		447
		[3]	CFC Rules		447
		[4]	Tax Havens		448
		[5]	Transfer Pricing		451
		[6]	Thin Capitalization		453
		[7]	Treaty Shopping		454
§9.02	The	Taxat	ion of Non-investment Projects	1/	454
	[A]	Intro	oduction		454
	[B]	Trad	le	KXX	454
	[C]	Tech	nnology Transfer	Mr.	455
		Serv		•	456
§9.03	The	Taxat	ion of Investment Projects		457
	[A]	Gree	enfield Investments		457
	[B]	Acq	uisitions		460
			ncing		462
			al and Expatriate Personnel		462
			ructuring and Exit		463
\$9.04	Cust				464
§9.05	Cont	ract P	Practice		470

CHAPTER	10	
Dispute	Settlement and Cross-Border Enforcement of Awards	473
§10.01	General	473
§10.02	Avoiding Disputes	474
§10.03	Negotiations	475
§10.04	Court Proceedings	475
	[A] Introduction	475
	[B] Jurisdiction	476
	[C] Procedure	480
	[D] Cross-Border Service of Judicial Documents	481
	[E] Cross-Border Taking of Evidence	484
	[F] Legal Representation	486
	[G] Costs	487
§10.05	Arbitration	487
	[A] Introduction	487
	[B] Jurisdiction	490
	[C] Ad hoc Arbitration versus Institutional Arbitration	490
	[D] Arbitration Institutions	491
	Procedure	498
	[F] Legal Representation	499
100	[G] Costs	499
\$10.06	Mediation, Conciliation and Adjudication	499
7	[A] Mediation	499
	[B] Conciliation	501
	[C] Adjudication	501
§10.07	The Cross-Border Enforcement of Awards	502
	[A] Introduction	502
	[B] Judgments	502
	[C] Arbitral Awards	505
	In Particular: Investor – State Disputes	510
§10.09	Contract Practice	513
	[A] Introduction	513
	[B] Jurisdiction Clauses	515
	[C] Arbitration Clauses	516
Bibliogr	raphy	523
Index		547