**Topic 5 Organization of execution of international sales contracts**

5.1. Stages of execution of international contracts

5.2. Preparation of goods for shipment

5.3. Foreign trade documentation that formalizes the execution of international contracts

5.1 Stages of Execution of International Contracts:

Negotiation and Agreement: This is the initial stage where the parties negotiate the terms of the contract, including price, quantity, delivery terms, payment terms, and other conditions. Once both parties agree, they enter into a formal contract.

Preparation of Contract: After negotiation, a formal contract is drafted, detailing all the agreed-upon terms and conditions. This contract should be carefully reviewed by legal experts to ensure compliance with international trade laws and regulations.

Payment Arrangements: Decide on the method of payment, which could include letters of credit, bank transfers, or other payment mechanisms agreed upon by both parties.

Production or Procurement: The seller begins the process of producing or procuring the goods according to the specifications outlined in the contract.

Quality Control and Inspection: Before shipment, the goods are subject to quality control measures to ensure they meet the agreed-upon standards. Inspection certificates may be required, especially for certain types of products.

Packaging and Labeling: Goods are appropriately packaged and labeled according to international standards and regulations, taking into account any specific requirements of the destination country.

Transportation: Arrange for transportation of the goods from the seller's location to the buyer's location, considering factors such as mode of transport, freight forwarding, insurance, and Incoterms.

Customs Clearance: Goods must pass through customs in both the exporting and importing countries. Proper documentation and compliance with customs regulations are essential to avoid delays and penalties.

Delivery and Receipt: Once the goods reach their destination, the buyer takes possession of the goods, and the seller ensures all contractual obligations regarding delivery are met.

Payment Settlement: Payment is made by the buyer as per the terms of the contract, and any necessary documentation related to payment is exchanged.

5.2 Preparation of Goods for Shipment:

Packaging: Goods should be packaged securely to prevent damage during transit. Packaging should comply with international shipping standards and regulations.

Labeling: Proper labeling is crucial for international shipments to facilitate customs clearance and ensure the correct handling of goods.

Documentation: Prepare all necessary documentation, including commercial invoices, packing lists, certificates of origin, export licenses (if required), and any other documents needed for customs clearance.

Insurance: Consider obtaining insurance coverage for the goods during transit to protect against loss or damage.

5.3 Foreign Trade Documentation:

Commercial Invoice: Details the transaction between the buyer and seller, including the description of the goods, quantity, price, and terms of sale.

Packing List: Provides a detailed list of the contents of each package in the shipment.

Certificate of Origin: Certifies the origin of the goods and may be required to benefit from preferential trade agreements or to comply with import regulations.

Bill of Lading or Airway Bill: Issued by the carrier, this document serves as a contract of carriage and a receipt for the goods.

Export License: Required for certain goods subject to export controls or sanctions.

Insurance Documents: Evidence of insurance coverage for the goods during transit.

Customs Declarations: Various forms and documents required by customs authorities for import and export clearance.

Payment Documentation: Proof of payment, such as a bank transfer receipt or letter of credit, may be necessary for customs clearance and payment settlement

By following these stages and ensuring compliance with all relevant regulations and documentation requirements, parties can successfully execute international sales contracts.