

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF LAW
MASTER OF LAWS DEGREE PROGRAMME 2024/26

2nd Semester End Examination – 2025

International Trade Law – LLM12402

(Three Hours)

Total number of questions: 04

Answer any **Three** questions
(Candidates will be penalized for illegible handwriting)

Question 01

The World Trade Organisation took over from the General Agreement on Tariff and Trade (GATT) in order to further liberalise world trade and regulate two important areas that were left out of the GATT agenda – Services and Intellectual Property.

With reference to the above statement, answer the following questions:

(i) Explain, with reference to the GATS (General Agreement on Trade in Services) and TRIPS (Agreement on Trade-Related Intellectual Property Rights) Agreements, how Covered Agreements operate under the WTO, and analyse the main features of both these Agreements.

(10 marks)

(ii) Analyse, with reference to two decided cases, the main provisions of the Dispute Settlement Understanding (DSU) of the WTO and evaluate the effectiveness of the WTO's dispute resolution mechanism in comparison with the dispute resolution mechanism offered by the International Court of Justice.

(10 Marks)

(Total 20 Marks)

Question 02

GlobalTech Ltd., a manufacturer based in Italy, entered into a contract to sell 1,500 industrial printers to TechTrade Pvt. Ltd., a buyer from Germany. The agreement specified a delivery date of April 1, 2025. It required that the printers support dual voltage compatibility (110-120V and 220-240V) so they could be used in countries with either type of power supply without needing a voltage converter. It was also agreed that user manuals and certificates of compliance would be provided at the time of shipment. The purchase price for the printers was \$1.5 million, payable within 10 days of delivery. However, due to supply

chain disruptions, GlobalTech delivered the printers on April 20, 2025, without the user manuals or certificates of compliance. The manuals were emailed to TechTrade on April 27. Upon inspection, TechTrade discovered that the 1000 printers only supported single voltage (220-240V), making a significant portion of them unsuitable for their intended global markets. On April 25, TechTrade notified GlobalTech of this non-conformity and, on April 30, declared the contract avoided and refused to make payment. In response, GlobalTech argued that the deviations were not fundamental and that the avoidance of the contract was invalid, claiming that the late delivery of the manuals was promptly remedied. They also contended that TechTrade failed to mitigate their losses by not attempting to resell the usable printers. Additionally, GlobalTech initiated a claim for damages, alleging wrongful avoidance and non-payment of the purchase price.

Discuss the legal issues that arise in the above situation with special reference to the rights and obligations of buyers and sellers under the United Nations Convention on Contracts for the International Sale of Goods (CISG). Support your answer with relevant authorities.

(20 Marks)

Question 03

In July 2024, NTS Imports Ltd. (Consignee), a company based in Sri Lanka, entered into a contract with Dusseldorf Private Enterprises of Germany (Consignor) for the purchase of 50 metric tons of chia seeds. The transaction was facilitated by Smith, an indenting agent based in the United Kingdom. To transport the goods by sea, Dusseldorf engaged the services of McAbey Liners. While the goods were being loaded onto a vessel in Hamburg, a fire broke out due to the negligent actions of a dock worker who discarded a cigarette near a leaking pipe. Although the fire was swiftly contained, it caused a 4-hour delay in departure. Subsequently, due to heightened maritime security concerns in the Red Sea, including drone attacks attributed to terror groups, the vessel was detained at Port Tewfik (Egypt) for nearly a month, awaiting military convoy clearance. The situation was further complicated by understaffing at the port, resulting from regional instability. As a result, the shipment arrived at Colombo in late December 2024, significantly later than the originally scheduled delivery in the first week of October.

The importer received a phytosanitary certificate issued by the German government, confirming that the chia seeds were free from pests and diseases, and that they met the import standards set by Sri Lankan authorities. A bill of lading indicated the shipment consisted of 50 metric tons, packed in 100,000 equally weighted bags. These documents were authenticated by Cey Bank of Colombo, and payment was remitted by the importer to the Bank of Germany under a "delivery upon payment" arrangement. Upon arrival and inspection, initiated by Smith, the consignee discovered that the cargo weighed only 46 metric tons and that the contents of the bags were entirely spoiled. In response, the

consignor stated that a third-party logistics provider had been contracted to load the goods, as their regular staff were unavailable due to security concerns in the port area.

The consignee now seeks:

- A full refund of the payment made,
 - Repatriation of the spoiled goods at the consignor's expense, and
 - An instruction for the Bank of Germany to freeze or reverse the fund transfer.
- (a) Advise the consignee on their rights and remedies, assuming the contract of carriage is governed by a bill of lading which expressly incorporates the Hague-Visby Rules.

(10 marks)

- (b) How would your advice differ if the contract of carriage had instead been made under a charter party agreement?

(06 marks)

- (c) How would your answer to part (a) change if the parties had agreed that the Hamburg Rules would govern the carriage contract?

(04 marks)

(Total 20 Marks)

Question 04

Answer EITHER Question (a) or (b):

- (a) Explain the key features of the "transaction value" method in Article 1 (read with Article 8) of Schedule E of the Customs Ordinance as amended by Act No. 2 of 2003, and the consequences an importer can face in terms of this Ordinance if an incorrect value is declared. Support your answer by reference to appropriate case law.

(20 Marks)

- (b) (i) Given that UCP 600 came into existence in July 2007, a Sri Lankan importer of a vehicle wishes to open his letter of credit under the previous version UCP 500.

Advise the bank whether this is possible.

- (ii) Explain the following terms which find expression in UCP 600:

- Honour
- Negotiation

(20 Marks)

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