

DESCRIPTION

A sales contract is a legally enforceable agreement between a seller and a buyer, which requires them to fulfil certain obligations or terms, clearly stated in the contract itself. This document may be drawn up either by the seller (sales contract) or by the buyer (purchase contract, and is signed after a negotiation to reach agreed terms and conditions of sale, price and payment. A contract is a legally binding agreement, which means that the parties involved create legal relations and any violation of the contract terms can be enforced by law and dealt with in court.

A formal contract must be signed by all the parties involved and usually contains these clauses:

- **name and description** of the parties involved and of the goods or services provided;
- **quantity**: the exact number of items or their net/gross weight (net weight refers to the weight of the product without its packaging, whereas gross weight includes packaging too);
- **price**: the unit price of each item, or the price per unit of measure, and the total amount;
- **packing**: the type of container or material that should be used to keep and protect the goods during carriage;
- **payment**: the method and the payment deadline;
- **delivery**: the place and time of delivery and the person in charge of transport costs and formalities. Sellers are always responsible for clearing goods for export and getting an export licence, while buyers are responsible for clearing imports and getting an import licence;
- **insurance**: type of coverage for damages and risks and the person who will pay the warranty or guarantee: the seller's written statement to the buyer that ensures the good condition of the goods, and states that he is responsible for repairing or replacing them, usually for a period of time after purchase and under certain conditions;
- **claim/indemnity**: the buyer's legal demand for refund or payments, if goods do not conform to the agreed contract terms;
- **arbitration/dispute resolution**: neutral third party (the arbitrator) appointed for the resolution of possible disputes between the parties, without resorting to court action;
- **force majeure**: any unpredictable natural or social event (such as a flood, earthquakes, fires, wars or strikes) that may justify and free a party from fulfilling his contractual obligations, without having to pay any penalty.