

Sommereksamen 2017

Ordinær eksamen

Skriftlig prøve i: 460141E035 International Business Law

Varighed: 3 timer

Hjælpemidler: Alle

Note:

- Read these instructions carefully, and read the entire exam paper before writing.
- You must complete a total of three questions separately in the following way:
 - o You must answer the one question from **Section A**.
 - o You must answer any two questions from **Section B**.

Super Kitchen Fitters (SKF) are a commercial undertaking whose principal premises are in Viborg, and are a registered company in Denmark. Alongside their principal premises in Northern Jylland, they also have other branches based in Vejle, southern Jylland; Nyborg, eastern Fyn; and Ringsted, central Sjælland. SKF, founded in 1999 by two brothers, started out with a staff of just four people, which in 2017 reached four hundred employees, spread across their four branches in Denmark.

SKF are in the business of installing kitchen units and fitting them in both private properties such as homes, as well as a variety of commercial premises. Their annual accounts from the 2016 financial year show that their annual turnover has just surpassed 1bn DKK, marking a 10% increase on the previous year's turnover. With potential for even further growth, SKF are now considering expanding by opening more branches in Denmark, including in the major urban centres, such as Copenhagen, Aarhus, Aalborg, and Odense, where they are not presently situated.

SKF strive on maintaining superior service compared to their competitors in the marketplace, and thus are continuously in search of the latest technology in order to provide their clients with quality service that is dependable, and competitive. Accordingly, SKF always want to make sure they have in their possession the various tools and apparatus that their employees need to do their job required for their clients. They strive to surpass industry norms, and furthermore, be constantly updated to account for new products that become available, in order for them to provide better services.

In summer 2017, SKF are to upgrade their fleet of vans, given their existing fleet of vehicles has aged significantly, and has been subject to excessive wear-and-tear. In line with this fleet upgrade, given their successful trading year in 2016 seeing greater turnover than before, SKF have also decided to completely upgrade the toolkits that each worker in the company has at their disposal, ensuring the medium-term future of the company is secure, and is always in a position to take on new clients. For the upgrading of the toolkits, SKF have been looking into various options in order to match what type of new toolkits they need, as well as the cost of those new toolkits.

SKF, upon their search for new toolkits for their entire company, have identified a supplier in the Netherlands that is able to provide the toolkits they want, that are available immediately, and are at a price that SKF are willing to pay, given the Dutch supplier is giving them a sizeable discount for buying in bulk. None of the Danish suppliers that SKF had looked at was able to compete with the Dutch supplier on costs grounds for the same toolkits, and thus, a decision has been made by the management of SKF to proceed with the purchase of toolkits from the Netherlands.

There have been no previous dealings between SKF and the Dutch supplier, but SKF know from word-of-mouth that the Dutch supplier in question is a reputable firm, and expect the commercial transaction of an international nature will be conducted relatively smoothly.

SKF have no legal adviser of their own, and have brought you in to assist them as their temporary legal advisor.

Section A

Question 1

On a general level, what legal considerations should SKF have for engaging in international business transactions?

In your advice to SKF management, elaborate on the legal considerations that SKF should weigh up, given they had the opportunity to get the same toolkits from a supplier within Denmark. Furthermore, refer to any international treaties and some provisions that you are aware of that facilitate international business transactions between two states.

Section B

Question 2

Given this pending transaction of an international nature between SKF in Denmark, and the Dutch supplier, there will be a business contract drawn up. The management of SKF does not know what the obligations of buyers are, such as themselves, for international business transactions, or the obligations on the sellers, the Dutch suppliers, in such circumstances.

In your advice to SKF management, provide management with an answer, by including reference to the relevant provisions of CISG to the forthcoming international business transaction.

Question 3

In the duration of the negotiations for finalising the contract details, SKF have to decide whether they would like to drive to the Netherlands to arrange to pick up the new toolkits, or whether they would like to have the new toolkits delivered to their principal premises in Viborg.

Outline in your advice to SKF management what you believe to be the applicable provisions from the CISG with respect to risk and delivery, as well as any other internationally recognised terms that might be invoked during the delivery process, if SKF decide they want the Dutch supplier to deliver the goods.

Question 4

SKF have experienced momentous growth in employee numbers over the past eighteen years, going from four to four hundred employees. Accordingly, the number of issues relating to employment and labour law has increased for SKF management.

Advise SKF management what considerations they must have with regard to employment and labour law for the complete range of workers they have, from their premises cleaners, to the fitters, to the management board, and everyone in between. Within your advice, include considerations for employment and labour law from both an employer, and an employee perspective.

Question 5

Another kitchen fitter company in Denmark, based in Copenhagen, GTC, has approached the management of SKF about the possibility of merging. Given SKF have expressed a desire to broaden their horizons by looking at doing business in a major urban centre, it is something that SKF are seriously considering.

From a legal perspective, advise SKF management of the overall framework of competition law, and of the implications of the merging with GTC.