**The International sales contract:**

A contract comes in to being when two parties reach agreement on a sales transaction. It is a fairly universal principle that when one party accepts all the terms offered by the other party a valid contract has been established. there are variations of course:

in some countries one party is bound by its offer even before ac-ceptance by the other party, under some national laws there are form-alities to be completed for certain contracts to be valid. But the essential part is that the two parties agree, that they are what lawyers call «ad idem» in complete harmony.

In principle, these two parties are free to decide between them-selves how the contract will be fulfilled, what prices will be charged, how payment will be handled, who will bear which costs of delivery who will support which risks.

This is the principle of «freedom of contract», of course, this prin-ciple is not absolute. There are somtimes regulations that must be ob-served. In fact these regulations are on the increase.

**Definition**

Contract is «Agreement by which one or several persons bind themselves, in favour of one or several other persons, to give, or to do or not to do, something».

This definition implies that the parties possess the necessary capacity, and it implies also that the parties intend to creat legal obligations.

**Classification of contract:**

Contract can be classified in to: bilateral and unilateral, gratuitous and onerous, commutative and aleatory, and nominate and innominate. Contract can also be classified in to: consensual, formal, or real.

**1 - Bilateral and Unilateral contracts:**

A contract normally imposes reciprocal obligations upon the parties, and it is then specified as a bilateral contract. Such as the contracts of sale, hiring, employment and the like.

But there are a few contracts which impose obligations on one of the parties only, and these are described as unilateral contracts.

Among these are donations, the agreement to pay a sum of money, and the agreement to deliver a specific object.

The distinction between bilateral and unilateral contracts is of

**1- NATURE OF INSURANCE**

A contract of insurance is one which has as its object indemnifica-tion of the insured against loss, or the payment of a sum of money to the insured or his nominees on the happening of a stated event.

The document of contract is usually called a policy and the per-son seeking to be insured is the proposer.

**Insurance not a wager:**

Distinguish carefully between an insurance contract (which is va-lid and enforeable) and a wager (which is void).

a) A wager is a contract to pay money on the ascertainment of some uncertain future event.

What renders this void is that the parties have nothing to lose, apart from the money stated on the wager, e. g. a wager on the out come of a horce race.

b) An insurance contract to provide compensation to the insured in the event of him suffering some apprehended harm to some insurable interest. e. g. his property, or his health. Here the insured would suffer harm (to property or health) irrespective of the contract, and the contract is simply an attempt to provide him with compensation of the apprehended danger materialises.

(If the insured had no «insurable interest», the contract would be a wager and there fore void).