

# ***Chapter 9:***

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## ***Inspection of Goods***

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## **□ Inspection of Goods (Commodity Inspection)**

- In international trade, inspection institutions must usually examine the **quality, quantity, packing**, etc. of the goods delivered by the seller to make sure whether the goods are in conformity with the stipulations of the contract and L/C,
  - Or inspect **safety and sanitation conditions, environmental and labour protection conditions** as to the goods, or **quarantine plants and animals** in accordance with the relative laws and decrees of the country.
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# ***Inspection of Goods***

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- A. Time and Place of Inspection**
  - B. Commodity Inspection Institution**
  - C. Inspection Certificate**
  - D. Inspection Clauses in Sales Contract**
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## ***A. Time and Place of Inspection***

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- ❑ Buyers are entitled to have the right to inspect the goods before acceptance of the goods.
  - ❑ The realization of delivery of the goods will go through 3 steps:
    - ① Delivery
    - ② Inspection or examination
    - ③ Acceptance or rejection
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## ***A. Time and Place of Inspection***

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- ❑ Once the buyer accepts the goods, he will **lose the right to reject the goods**.
  - ❑ But if the quality of the goods is found not in conformity with that of the contract, the buyer still has the right to ask for compensation for losses or to take other remedial measures.
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## ***A. Time and Place of Inspection***

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- ❑ The buyer's right to inspect the goods not only becomes an international practice, but also is protected by relative laws and international commercial conventions.
  - ❑ “The United Nations Convention on Contracts for the International Sale of Goods” (CISG) stipulates that the buyer shall make inspection by himself or by the appointed agencies within the shortest reasonable period.
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## ***A. Time and Place of Inspection***

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- **Basically three ways to stipulate the time and place of inspection:**
    1. To make inspection before shipment, i.e., to make inspection **in the export country**.
    2. To make inspection after the goods have been discharged, i.e., to make inspection **in the import country**.
    3. To make **inspection in the export country** and make **reinspection in the import country**.
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## ***three ways to stipulate the time and place of inspection:***

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### **1. To make inspection before shipment, i.e., to make inspection in the export country**

- ① To make inspection at the factory
- ② To make inspection at the port of shipment

➤ **To take shipping or shipped quality or weight as final**

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## ***three ways to stipulate the time and place of inspection:***

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**2. To make inspection after the goods have been discharged, i.e., to make inspection in the import country.**

- ① To make inspection at the port of destination
    - **To take landing or landed quality or weight as final**
  - ② To make inspection at the user's residence
    - Such as sealed packing goods, heavy machinery or precision instruments
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## ***three ways to stipulate the time and place of inspection:***

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### **3. To make inspection in the export country and make reinspection in the import country.**

- The main advantage of this method is that
    - The inspection certificate provided by the seller is regarded as one of the effective documents to be presented for negotiation,
    - And gives the buyer the right to make reinspection as well.
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## ***B: Commodity Inspection Institution***

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### **□ Some Famous Inspection Institution in International Trade Area:**

- Societe Generale de Surveillance S.A. (SGS)
  - Overseas Merchandise Inspection Co., Ltd (OMIC)
  - Underwriters Laboratories Inc. (UL)
  - Food and Drug Administration in USA (FDA)
  - Lloyd's Surveyor
  - Bureau Veritas (B.V)
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## ***B: Commodity Inspection Institution***

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- ❑ **The “Commodity Inspection Law” stipulates**
    - that the China Entry- Exit Inspection and Quarantine Bureau (CEEIQB) is the competent authority which supervises the work of inspection of the whole nation.
    - It also stipulates that all export and import commodities should be inspected.
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## ***B: Commodity Inspection Institution***

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### **□ The Main Duties of the Inspection Bureau:**

- ① Making legal inspection
  - ② Supervision and administration
  - ③ Authentic attesting business
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## ***C: Inspection Certificate***

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- The Inspection certificate is a **written document** issued by the commodity inspection institution, bearing witness to the result of inspection.
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## ***C: Inspection Certificate***

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### **□ Kinds of the Inspection Certificates**

- ① Inspection Certificate of Quality
  - ② Inspection Certificate of Weight
  - ③ Inspection Certificate of Quantity
  - ④ Veterinary Inspection Certificate
  - ⑤ Sanitary Inspection Certificate
  - ⑥ Inspection Certificate of Health
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## ***C: Inspection Certificate***

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### **□ Kinds of the Inspection Certificates**

- ⑦ Disinfection Inspection Certificate
  - ⑧ Inspection Certificate on Damaged Cargo
  - ⑨ Inspection Certificate on Tank/Hold
  - ⑩ Inspection Certificate of Origin
  - 11** Inspection Certificate of Value
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# ***D: Inspection Clauses in Sales Contract***

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## **□ Inspection Clauses in Sales Contract**

- 1.** Inspection clauses in export contract
  - 2.** Inspection clause in import contract
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# ***D: Inspection Clauses in Sales Contract***

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## **1. Inspection Clauses in Export Contract**

- It is mutually agreed that the **certificate of Quality and Weight** issued by the China Entry-Exit Inspection and Quarantine Bureau (**CEEIQB**) at the port/place of shipment shall be part of the documents to be presented for negotiation.
- The buyer shall have the right to **reinspect** the quality and weight of the cargo.

# ***D: Inspection Clauses in Sales Contract***

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## **2. Inspection Clauses in Import Contract**

- ① Before making delivery, the manufacturers shall make a inspection of the goods.
  - ② After arrival of the goods at the port/place of destination, the buyer shall have the right to **reinspect** the quality and weight of the cargo.
  - Within **30** days after discharge of the goods at the port/place of destination---rejection or claim
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# ***D: Inspection Clauses in Sales Contract***

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## **2. Inspection Clauses in Import Contract**

- ③ Within the guarantee period stipulated in clause
  - ④ Any and all claims shall be regarded as accepted if the sellers fail to reply within **30** days after receipt of the buyer's claim.
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