**Case scenario**

* **Seller:** **Shenzhen TechParts Ltd.** (Chinese company)
* **Buyer:** **Maple Leaf Electronics Inc.** (Canadian company)

**Background:**

Shenzhen TechParts Ltd., a reputable manufacturer of electronic components in China, entered into a contract with Maple Leaf Electronics Inc., a Canadian electronics retailer, to supply 5,000 units of high-end graphic processing units (GPUs). The total contract value is **USD 1,000,000**.

**Contract Details:**

* **Date of Agreement:** January 15, 2023
* **Payment Terms:** 30% upfront payment (USD 300,000) and 70% (USD 700,000) upon delivery.
* **Delivery Terms:** **FOB Shenzhen Port** (Incoterms 2020)
* **Delivery Date:** March 15, 2023
* **Governing Law:** United Nations Convention on Contracts for the International Sale of Goods (CISG)
* **Dispute Resolution:** Arbitration under the Hong Kong International Arbitration Centre (HKIAC) rules. ( this case can`t submitted to the court because there is an arbitration clause unless the parties agreed on ignoring the arbitration clause)

**Sequence of Events:**

1. **January 20, 2023:** Maple Leaf Electronics Inc. pays the 30% upfront payment.
2. **March 10, 2023:** Shenzhen TechParts Ltd. completes production and ships the goods, providing all shipping documents to the buyer.
3. **March 25, 2023:** Goods arrive at the Port of Vancouver.
4. **March 26, 2023:** Maple Leaf Electronics Inc. claims that the GPUs do not meet the agreed specifications and refuses to pay the remaining 70%.
5. **March 27, 2023 - April 10, 2023:** Multiple communications occur between both parties without resolution.
6. **April 15, 2023:** The goods remain unclaimed at the port, incurring storage fees.
7. **April 20, 2023:** Shenzhen TechParts Ltd. decides to pursue legal action to recover the outstanding payment and associated damages.

**1. Company and Contact Information**

* **Full Legal Name and Registration:**
  + What is your company's full legal name and registration details?
* **Primary Contacts:**
  + Who are the key personnel involved in this transaction (names, titles, contact information)?
* **Legal Representation:**
  + Have you engaged legal counsel? If so, provide their contact information.

**2. Details of the Buyer**

* **Company Information:**
  + What is the full legal name of the Canadian buyer?
* **Contact Persons:**
  + Who are your points of contact at Maple Leaf Electronics Inc.?

**3. Background of the Business Relationship**

* **Prior Dealings:**
  + Have you conducted business with the buyer before this transaction?
  + Were there any previous issues or disputes?

**4. Contractual Agreements**

* **Contract Documentation:**
  + Provide a copy of the signed contract and any amendments.
* **Key Terms:**
  + Payment terms, delivery terms, product specifications, governing law, and dispute resolution clauses.
* **Negotiation Records:**
  + Any emails or documents related to contract negotiations.

5- how did the buyer place the order for GPUs specification?

* Did maple leaf sent you a sample?
* Did maple leaf required the specification in written documents?
* Did maple leaf set out specific certifications for the order?

Dis the order were OEM or ODM order?

**6. Product Specifications and Compliance**

* **Product Details:**
  + Describe the GPUs, including model numbers and technical specifications.
* **Quality Assurance:**
  + What quality control measures were in place?
  + Do you have inspection reports or compliance certificates?
* **Compliance with Specifications:**
  + How do you ensure the products meet the buyer's specifications?

**7. Manufacturing and Quality Control**

* **Production Timeline:**
  + When was production started and completed?
* **Quality Checks:**
  + Details of any in-house or third-party inspections conducted.
  + Please name the inspector or inspection company?
  + Did that inspection company was introduce by the buyer?

**8. Shipping and Delivery Details**

* **Shipment Information:**
  + Copies of Bills of Loading, packing lists, and shipping documents.
* **Shipping Dates:**
  + Confirm the date of shipment and expected arrival date.
* **Incoterms Confirmation:**
  + Verify that FOB Shenzhen Port was the agreed-upon term.

**9. Payment Transactions**

* **Initial Payment:**
  + Confirmation and records of the 30% upfront payment received.
* **Outstanding Balance:**
  + Invoices and payment requests for the remaining 70%.
* **Payment Communications:**
  + Copies of payment reminders or demands sent to the buyer.

**Communications with the Buyer**

* **Correspondence Records:**
  + All emails, letters, and messages exchanged, especially regarding the alleged defects.
* **Buyer's Complaints:**
  + Specific details of the buyer's claims about non-conformity.
* **Your Responses:**
  + How have you addressed their concerns?
* **Meeting Notes:**
  + Summaries of any phone calls or meetings held.

**10. Issues Leading to the Dispute**

* **Timeline of Dispute:**
  + **When did the buyer first notify you of the alleged defects**?
  + **Did the buyer requested any finished product before shipment of the goods**?
* **Nature of Defects Claimed:**
  + What exact specifications does the buyer claim were not met?
  + Is that issue is something that can easily modify or it requires completely change of the productions?
* **Evidence Provided by Buyer:**
  + Has the buyer provided any proof of the defects?
* **Your Position:**
  + Do you dispute their claims? On what basis?

**11. Attempts at Resolution**

* **Negotiation Efforts:**
  + Details of any proposals or concessions offered to resolve the issue.
* **Third-Party Mediation:**
  + Have you suggested involving a neutral third party for inspection?
* **Buyer's Responses:**
  + How has the buyer responded to your attempts?

**12. Legal and Contractual Considerations**

**How did u draft the contract?  
Did you use the ready template or drafted by a professional lawyer?**

* **Dispute Resolution Clause:**
  + Confirm the arbitration agreement under HKIAC rules.
* **Governing Law:**
  + Verify that CISG governs the contract.
* **Awareness of Legal Obligations:**
  + Are you aware of the procedures to initiate arbitration?

**13. Evidence and Supporting Documents**

* **Quality Assurance Documentation:**
  + Inspection certificates, testing reports, and compliance documentation.
* **Shipping Documents:**
  + Proof of timely and proper shipment.
* **Customs and Port Documents:**
  + Any notices or documents from the Port of Vancouver regarding the unclaimed goods.

**14. Financial Impact Assessment**

* **Outstanding Amount:**
  + Confirmation of the USD 700,000 due.
* **Additional Costs Incurred:**
  + Storage fees at the port, potential costs of returning goods, legal fees.
* **Impact on Business:**
  + Any loss of business opportunities or reputational damage.

**15. Legal Actions Considered**

* **Previous Legal Advice:**
  + Have you consulted with a lawyer about your options?
* **Intended Actions:**
  + Are you planning to initiate arbitration, litigation, or seek a settlement?
* **Urgency:**
  + Are there any time-sensitive issues (e.g., perishable goods, statute of limitations)?

**16. Desired Outcome ( very Important)**

* **Primary Objectives:**
  + Full payment, return of goods, compensation for damages, termination of the contract.
* **Willingness to Compromise:**
  + Are you open to alternative solutions, such as discounts or extended payment terms?

**17. Additional Information**

* **Third-Party Involvement:**
  + Were any agents or brokers involved in facilitating the deal?
* **Insurance Coverage:**
  + Do you have insurance that might cover losses in this situation?
* **Regulatory Compliance:**
  + Confirmation that all export regulations and customs requirements were met.

**18. Potential Risks and Concerns**

* **Enforcement Challenges:**
  + Concerns about enforcing an arbitration award in Canada.
* **Counterclaims:**
  + Possibility of the buyer filing counterclaims against you.
* **Reputational Impact:**
  + Potential effects on your company's reputation in the international market.