



Disputes with an overseas business

In this global economy, Australian small businesses often engage or partner with overseas businesses. For example, you may sell or buy products for a retail or online store such as fashion or food, or provide or receive services such as contracting IT services.

Business disputes may be about faulty products or services not being delivered and/or paid for. Determining how best to resolve these disputes can be tricky as every country has their own set of laws and expectations and there may not be foreign services that support dispute resolution.

Some things to keep in mind

Consider how much risk is involved and know what you're prepared to risk. For some businesses, if \$500 worth of goods doesn't arrive, it's a loss they're willing to risk – but this could be a significant loss for another business. Establish how you will communicate – for example, frequency, language and platform that you will communicate on (such as email or WhatsApp). Make sure you know what consumer or business protections are in place in the other country, and how they may apply to you. Consider how you might resolve a dispute if it arises.

Put what you agree to in writing. It's best practice to have a contract or agreement. Review your contract before signing and consider whether you need legal advice before you proceed.

Finally, familiarise yourself with available resources. <u>Austrade</u> has a number of excellent resources on their website around overseas trading and is a good place to start. Consider also contacting the other country's business chamber for specific information and resources.

Resolving a dispute with an overseas business

If you find yourself in a dispute with an overseas business, and you're unsure what to do, a good place to start is our <u>Five steps to resolve your dispute</u>.

You could write a letter of demand or concern, stating your issues and how you want them to be resolved. If the dispute doesn't get resolved, you can contact us. Often, we can help you communicate with the other business.

Please note that we are impartial, and we can't make the other party respond. In cross-border disputes, it can be difficult to engage with the other party, and legal solutions can be complex due to differing laws than in Australia. These factors can also limit the support that we are able to provide.

Lastly, you can seek legal advice. It's best to find a legal representative with experience in the law of the country the other business resides in. This can make the cost of advice and foreign action particularly expensive.

If you are a foreign business that has a dispute with an Australian business; a good place to start with any dispute is our <u>Five steps to resolve your dispute</u>.

Write a letter of demand or concern, stating your issues and how you want it to be resolved.

Work out if your own government offers assistance with disputes or whether you have other local organisations that can help you.

In the same way that there are difficulties in assisting Australian businesses in dispute with foreign businesses, there is limited assistance that we can provide for foreign businesses in cross border disputes with Australian businesses. Please note that we are impartial and are unable to compel outcomes.

Your best option may be to obtain legal advice from a lawyer with knowledge of Australian business and consumer laws and who can represent you in Australia.