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GENERAL CHARACTERISTIKS AND TYPES OF BUSINESS CONTRACTS

English of documents' writing

A document in its any appearance has always been an important part of business doing. Business contracts are impossible without correspondence all over the world. It does not matter, whether you communicate with your partner on the phone (orally) or through telexes (in writing). All decisions and terms must be confirmed by documents. All business papers, both correspondence (letters), telexes, enquiries, offers, claims (complaints) and contracts (agreements) are normally associated with striking business deals and their procedure. Such documents are made up and signed by a judicious authority and are of legal importance.

As a result of it, business documents are written in accordance with some officially accepted forms, common for everybody who wants to do business. The official business language is sometimes called officialese and differs from other kinds of the English language, mostly because of specific character of its functional usage, which can be illustrated in classical terms of style, its predestination, and main features.

A functional style of a language is characterised by the greater or less typification of its constituents and supra-phrasal units, in which the choice and arrangement of interdependent linguistic means are calculated to secure the purpose of communication.

The style of official documents is divided into sub-styles of the language of business documents, legal documents, diplomacy, and military documents. The aim of the style of official documents is to state conditions binding two parties in an undertaking and to reach agreement between them. General features of the style of English of documents' writing are the following:

- 1) conventionality of expression;
- 2) absence of emotiveness;
- 3) encoded character of the language system (including abbreviations);
- 4) general syntactical mode of combining several pronouncements into one sentence.

The syntactical pattern of business correspondence style is made up from compositional patterns of variants of this style which have their own designs. The form of a document itself is informative, because it tells something about the matter dealt with. From the viewpoint of its stylistic structure, the whole document is one sentence. It looks like separate, shaped clauses often divided by commas or semicolons, and not by full stops, often numbered. Every predicate construction begins with a capital letter in the form of a participial or an infinitive construction. It can be shown in the example:

CLAIMS

1. In case of non-conformity of the quality of the goods actually delivered by Sellers with the contract specification, any claim concerning the quality of the goods may be presented within two months of the date of delivery;

2. No claim to be considered by Sellers after expiration of the above period;

3. No claim presented for one lot of the goods shall be regarded by Buyers as a reason for rejecting any other lot or lots of the goods to be delivered under the present contract .

This structurally illogical way of combining definite ideas has its sense. It serves to show the equality of the items and similar dependence of participial and infinitive constructions or predicate constructions. One of the most striking features of this style is usage of words in their logical dictionary meaning.

There is no room for contextual meanings or for any kind of simultaneous realisation of two meanings. Words with emotive meanings are not to be found there either.

Every type of business documents has its own set phrases and cliches which may sound strange in colloquial English, e.g. *invoice, book value, currency clause,*

promissory note, assets, etc. If a person wants to avoid misunderstanding, he or she should use glossary of commercial terms, and vice versa.

Indeed, there are many differences in the vocabulary of formal and informal business correspondence. Much vocabulary of formal English is of the French, Latin and Greek origin. They are often translated into informal language by replacing them by words or phrases of the Anglo-Saxon origin (look at Table 1):

Table 1.

Formal style	Informal style
commence	begin, start
conclude	end, finish, stop
prolong, continue	go on

Let us compare examples where these words are used in different styles:

1. *I am informing you that the meeting will commence at 4 p.m. (formal)*
2. *I'd like to remind you that the meeting will begin at 4p.m. (informal)*
3. *The meeting concluded with signing the contract. (formal)*
4. *The meeting ended with signing the contract. (informal).*

Phrasal and prepositional verbs are characteristic of informal style that is why they are not used in business correspondence. Their formal equivalents are used in official texts instead (look at Table 2):

Table 2.

Formal style	Informal style
discover	find out
explode	blow up
encounter	come across
invent	make up
investigate	look into

In the following example instead of the verb *to find out* the author uses *to discover* which fully illustrates the formal style of business documents: *"In case of*

discovering discrepancy of quality and quantity of the product inform us immediately”.

Spoken English is full of various vocabularies, both standard and slangy. We also have here different connectors, such as *well, you see, a kind of* which cannot be used in written business English, both logically and stylistically. They are logically excluded because of a little amount of information they convey. Business documents, on the contrary, convey a lot of information in almost any word. Thus, a person should be aware of these factors and not mix up colloquial and business English, drawing up a document.

Informal terms have emotive qualities which are not present in formal language. Formal language often insists on a greater deal of preciseness. But the problem is that there are not always proper equivalents in formal and informal English. The informal word *job*, for instance, has no formal equivalent. Instead of it, we have to look for a more restricted in usage and a more precise term, according to the context, among possible variants: *employment, post* (esp. Br.E.), *position, appointment, vocation*, etc.

Business English is formal. We use it in business correspondence, official reports and regulations. Actually, it is always written. Exceptionally it is used in speech, for example, in formal public speeches. There are various degrees of formality, like in the examples:

1. *After his father's death, he had to change his job. (informal)*
2. *On the disease of his father, he was obliged to seek for alternative employment. (formal).*

These sentences mean roughly the same idea, but would occur in different situations. The first sentence is fairly neutral (common core) style, while the second one is very formal, in fact stilted, and would only occur in a written business report. In general, grammar rules of spoken sentences are rather simple and less constructed than grammar of written sentences, especially in agreements.

It is more difficult to divide a spoken conversation into separate sentences, and connections between one clause and the other are less clear because the

speaker relies more on the hearer's understanding of the context and situation, as well as on his ability to interrupt if he fails to understand. The speaker is able to rely on features of intonation which tells us a great deal that cannot be reflected in written punctuation. The grammar use in business correspondence is also different about the pronouns who and whom, and the place of prepositions:

1. *She wanted a partner for her business in whom she could confide.*

(formal)

2. *She longed for a partner (who) she could confide in. (informal)*

3. *In what country was he born? (formal)*

4. *What country was he born in? (informal).*

Formal written language often goes impersonal style. That means that one doesn't refer directly to himself or herself or to his or her readers, but avoids pronouns. Some of the common features of impersonal language are passive sentences beginning with the introductory word *it* and abstract nouns. The effect of the change into a passive construction is to reverse the focus from the subject to the object of speech. Abstract nouns, especially amount words (*majority*, *minority* and *amount*), specify more precisely the meaning of an utterance. It can be shown in the following example:

Announcement from the librarian

It has been noted with concern that the stock of books in the library has been declining alarmingly. Students are asked to remind themselves of the rules for the borrowing and return of books, and to bear in mind the needs of other students. Penalties for overdue books will in the future be strictly enforced.

It is a very formal and impersonal message which could have been written in a more informal and less impersonal way, achieved by usage of phrasal verbs, contractions, colloquial phrases and other linguistic means:

Librarian's message

The number of books in the library has been going down. Please make sure you know the rules for borrowing, and don't forget that the library is for everyone's

convenience. So from now on, we're going to enforce the rules strictly. You have been warned!

To be tactful is to avoid causing offence or distress in correspondence. Sometimes it means disguising or covering up the truth. In such a case, the use of imperatives should be polite, as in the example:

Would you like to stipulate details of the contract?

Let us compare some more examples:

1. I suggest that we postponed signing of the contract till tomorrow. (tactful)

2. Could I suggest that we postponed signing of the contract till tomorrow? (tentative and more tactful)

In other cases tentativeness is not connected with tact, but is simply an indication of the speaker's reluctance to commit himself or herself on a given question. To use of *might* is characteristic of business correspondence, because it is a more tentative way of expressing possibility than *may*. Let us compare two sentences:

1. It may have been an error in a business deal.

2. It might have been an error in a business deal.

In the second sentence *might* presupposes a greater degree of uncertainty and sounds more tactful than *may*. Texts of business documents are specific and aimed at a definite purpose. In order to make one's business work and work effectively, a person should possess knowledge of language standards in business letters. Skilful application of this knowledge is somehow determined by standards of documents' writing. If a document is written in an accepted way, it will be assessed by specialists. A unified business text takes up less time and work to compile in comparison with private letters.

Since a writer of a business letter has a unified form in front of him or her, this person follows a set pattern while doing it. The entire writer's attention is focused on major information and data which represent the subject of the document. In this way, an addressee can decode the subject-matter faster, because a document is

written in the standardised form. Moreover, if business documents are drawn up in a unified and, to some extent, simplified way, it takes less money spending and saves time of the dealing sides, and shortens the time of business procedure as well. A special branch of English linguistics, - business English, - is devoted to the purpose of simplifying of business making. Written business English has got certain traits and problems of its usage, not only for foreigners, but for English-speaking business people.

Theoretical problems of the language of documents

Knowledge of drawing up business correspondence is equal to communicating with people in a businesslike manner. A person should know rules of documents' writing to make one's business effective and profitable. All of them are united under the notion of style. A style of the language is a system of interrelated language means which serve a definite aim in communication.

As has already been written, the style can be formal (business written English) and informal (spoken English). The difference of formal and informal English is a matter of style and attitude of people to each other. However, it is not an easy matter to draw an exact line between formal and informal English, and that is the first, and the most important thing to be clarified in this paper.

English of business correspondence possesses some important qualities, common for formal style of English as well. The language of business correspondence is very bookish and is remarkable for the usage of larger and more exact vocabulary, in comparison with informal style of communication. Sentences in documents are longer and their clauses are grammatically fitted together more carefully, which means a lot of practise for a person who draws up a contract. It is generally considered and expected that real business people, experts in their field of activity, should enjoy the preciseness and careful grammatical construction. It does not mean, of course, that business people must communicate orally in formal business style.

Formal business correspondence should be more impersonal. It should not emphasise the individuality of the writer, and takes little account of the personal qualities of people who are going to make use of it. Thus, the speaker should not refer directly to himself or his readers, but avoid the pronouns *I, we, you*, and it may also be of a difficulty for a person. One more problem is that formal English lacks force and vividness. The fact that it is formal implies its great dependence on arbitrary conventions, rather than on natural speech habits.

That is why it is so hard for non-business people to keep concentrating their attention on contents of documents all the time, as their attention is diverted by intricate language use. Some of them will find their long and complicated sentences rather confusing. Words of formal English may sound nice, but their meaning is often hard to get through. Very often a person must read something all over again to make sure what it means. It can be shown in the following extract from a standard form of contract for the sale of timber through broker in the U.K.:

This stipulation being of the essence of the contract, default by the buyers shall entitle the Sellers to load and ship the goods as convenient to themselves to any of the ports named in this contract and Buyers shall take delivery accordingly.

Another chief problem to remember about business correspondence is that it will be read by busy people who usually have no interest in either one's personality or his or her problems. Bearing in mind that one should not waste anybody's time and try to gain anything by impressing your employers, a person uses formal English to avoid unnecessary details about matters handled, replacing them by strict routine. To be as clear and brief as possible without sacrificing clarity is a common trait of any business document:

The time of delivery of the Turbine Plant against the above contract expires on the 1st July. Please inform us by return of post of the progress of manufacture of the Turbine.

Anyway, in some important business correspondence we may find deviations from what is called official English of the business world. For example, if a person

wants to get a job or to sign a contract, to make a sale or to ask somebody for special advice, he or she is likely to want to make a definite impression on the interlocutor, like in the example:

So I spent my green years first in East Germany that influenced on me greatly (they say I look like a German, joke), then we moved to live in Siberia where I played an ice hockey, entered the Secondary School and fell in love with British rock music.

This person was applying for a journalist and tried to show his writing skills. It does not mean, however, that a person in charge will be much concerned about one's personality without knowing a way of using it. If a person is starting business correspondence on an important matter, the first thing to do is to consider it all carefully from the other person's probable viewpoint, and to go on making business in the same way. These are some of the most frequent problems in the theory of business correspondence which can concern a person who is likely to get involved in a business undertaking.

The structure of contracts and their essential clauses

Contract is a business document presenting an agreement for the delivery of goods, services, etc., approved and signed by both the Buyer (exporter) and the Seller (importer). By law contracts are made in writing. When striking a deal, standard contracts are widely used. Standard contracts are not a must. Some articles can be altered and supplemented. The following items are of the greatest importance in any contract: a) contract No.; b) place and date of signing; c) names of the Sides which signed the contract; d) subject of the contract; e) quality of goods; f) price (per unit and total price); g) destination; h) delivery time; i) requirements for packing and marking; j) payment terms; k) conditions of submission and acceptance of goods; l) transport conditions; warranty conditions and sanctions; m) arbitration conditions; n) force majeure; o) judicial addresses of the Sides; p) signatures of the seller and the buyer.

All appendices form an integral part of contract. Contract is drawn up in accordance with the established form, often on special printed forms filled in with basic information by one-time writing. Sometimes, when a transaction is small in volume, a contract may be concluded by telex. Now the most significant clauses of contract should be regarded. The subject-section names the product for sale or purchase. It also indicates the unit of measure employed in foreign trade for specific commodities.

The quality of machines and equipment is to be conformed to the technical specification of the contract. The quality of raw materials and foodstuffs is determined by standards, samples, and description. The price stated in a contract may be firm, fixed or sliding. Firm prices are not subject to change in the course of the fulfilment of the contract. Fixed price governs in the market on the day of delivery or for a given period. Sliding prices are quoted for machinery and equipment which require a long period of delivery.

There are some kinds of payment. A cheque is a written order to a Bank given and signed by someone who has money deposited there to pay a certain amount mentioned in the cheque to a person named on it. In the place of the cheque system Banks provide an international system of bank transfers. A draft is another order to pay. It is made out by an exporter and presented to the importer. It is also called a bill of exchange. A sight draft is a bill which is paid immediately on presentation. A bill is to be paid at a later date and is called a term draft. There are 30-day, 60-, 90- and 120-day drafts. The payment is guaranteed with a letter of credit or a revolving letter of credit.

Transport and delivery terms. The so-called door-to-door (multimodal) transport is wide-spread in shipping now. It involves a transfer of the goods from one kind of transport to another. The main carrier often prefers to assume through responsibility for the cargo he carries. In a through movement of the goods a combined transport document is issued instead of a traditional Bill of Lading. Packing goods for export is a highly specialised job. If the goods are improperly packed and marked,

the carrier will refuse to accept them, or will make qualifications about the unsatisfactory condition of packing in the bill of lading.

Packing can be external (crate, bag) or internal (box, packet, flask, etc.), in which the goods are sold. In case of consumer goods packing has a double function. On one hand, it is for protection. On the other hand – it serves to advertise a product and attract a customer. Marking should be in indelible paint with recognised kind of marks. The cases in which the equipment is packed are to be marked on three sides: on the top of the case and two non-opposite sides. The marking shall be clearly made with indelible paint in the languages of the dealing sides.

Insurance of goods. The export trade is subject to many risks. Ships may sink or collide; consignment may be lost or damaged. All sensible business people now insure goods for the full value. The idea of insurance is to obtain indemnity in case of damage or loss. Insurance is against risk. While goods are in a warehouse, the insurance covers the risk of fire, burglary, etc. as soon as the goods are in transit they are insured against pilferage, damage by water, breakage or leakage. The insured is better protected if his goods are insured against all risks. The goods may be also covered against general and particular loss or damage.

Force majeure is a force against which you cannot act or fight. Every contract has a force majeure clause. It usually includes natural disasters such as an earthquake, flood, fire, etc. It can also include such contingencies as war, embargo and sanctions. Along with this there are some other circumstances beyond the Sellers' control. The Seller may find himself in a situation when he can't fulfil his obligation under the contract. When negotiating a contract a list of contingencies must be agreed on and put into the contract.

When a manager makes up a contract he must not think only of his one-side interest. He must think in terms of common interest with his counterpart. Only then will he prove loyal to his partner. In case of a contingency the Seller must notify the Buyers of a force majeure right away. If it is done in due time the Buyer may take immediate action to protect his interest. A force majeure must be a proven fact. The Seller is to submit to the Buyer a written confirmation issued by the Chamber of

Commerce to this effect. The duration of a force majeure is, as a rule, 4 or 6 months. After that the Buyer has a right to cancel the contract. The Seller in this case has no right to claim any compensation for his losses.

Claims and sanctions. A contract defines rights and obligations of the parties involved. Most often the Buyer makes quality and quantity claims on the Seller. The cause for complaint may be poor quality, breakage, damage, short weight, leakage, etc. The Buyer must write a statement of claim and mail it to the Seller together with the supporting documents: Bill of Lading, Airway and Railway Bill, Survey Report, Quality Certificate are documentary evidence. Drawings, photos, samples are enclosed as proofs of claims. The date of a complaint is the date on which it is mailed.

Claims can be lodged during a certain period of time, which is usually fixed in a contract. During the claim period the Seller is to enquire into the case and communicate his reply. He either meets the claim or declines it. If a claim has a legitimate ground behind it the parties try to settle it amicably. The Seller in turn is entitled to make a claim on his counterpart if the Buyer fails to meet his contractual obligations. The Seller may inflict penalties on the Buyer if there is a default in payment. Financially, legitimate claims are in large part settled by debit or credit notes.

Types of contracts. Abbreviations

In order to speed up the preparation of contract documents and to minimise possibility of errors in them, a unified standardised form of contract documents, the Master Pattern for Contract Documents, has been developed. It establishes principles and regulations for the construction of standardised forms of documents used in foreign trade, like **Supplement to contract, Order and Order confirmation.** **Supplement to contract** is a business document which is an integral part of the contract, containing amendments or additions to the previously agreed contract conditions. The supplement should also be agreed on and signed by both the exporter and the importer.

Order is a business document presenting the importer's offer for dealing which contains specific conditions of a future transaction. **Order Confirmation** is a business document presenting the exporter's message containing unclausured acceptance of the order conditions. The Master pattern has also been accepted as a basis for standardised forms of enquiries and offers, used at pre-contract stages of dealing.

Different firms and organisations trading regularly, work out standardised forms of contracts for typical deals. Such standardised contracts are printed and include typical rights and duties of the contracting sides in selling and buying some goods and services. There are special columns for the names of the Buyer and Seller, names of goods, their quantity, prices and delivery terms. In case of declining or adding some terms, people use supplementary columns in a contract form.

Standardised forms of export and import deals differ greatly and it makes them two general types of contracts. Thus, there are export and import contracts. They reflect different positions of buyers and sellers in trading. Contracts in import trade are called orders, and their submission warrancy, and delivery terms, as well as sanctions are much harder towards the sellers than those ones in export trade. Standardised forms of import contracts are sent to potential buyers before getting commercial proposals and, actually, before striking a deal. The languages of contracts are agreed upon on the both sides. It goes without saying that information and style are kept the same without depending on the language of contract.

As textual varieties, contracts are divided into administrative-managerial, financial-economical, advertising, scientific-technical, and artistic-publicational contracts. Functional spheres of their circulation can be easily guessed from names of contract types in this classification, and are the subject of economic, rather than linguistic, study. Contracts may be differentiated by the subject of a deal. There are export contracts for the sale of oil products, machinery tools, grain, timber, the supply of goods, etc. Orders in import trade deal with ordering and purchasing goods. They are often supported with requests, remindings, verifications of different terms, guarantee and waving inspection letters, and many others.

Goods in international trade are transported with the help of multimodal (door-to-door) shipment. In contracts delivery and acceptance terms are marked with the International Commercial Terms (Incoterms). So, contracts can be classified in accordance with the way of delivery. Most of Incoterms are represented as abbreviations. The usage of abbreviations, conventional symbols and contractions is typical of all kinds of documents. Abbreviations are abundant, and there are special dictionaries to decode them. They serve as signs of the code supposed to be known only to the "initiated".

On the whole, there are 14 official Incoterms of deliverance. They denote:

1. The point of deliverance. EX Works means that the seller's only responsibility is to make the goods available at his premises. EX Ship means that the seller shall make the goods available to the buyer on board the ship at the destination named in the sales contract. EX Quay means that the seller makes the goods available to the buyer on the quay at the destination named in the sales contract.

2. The way of deliverance. FOB means Free on Board. The goods are placed on board a ship by the seller at a port of shipment named in the sales contract. FAS means Free Alongside Ship. That means that goods should be placed alongside the ship to fulfil the seller's obligations. FOR / FOT mean Free on Rail/ Free on Truck. Truck here relates to the railway wagons, and that makes these abbreviations synonymous. FOB Airport is based on the same main principle as the ordinary FOB term. The seller fulfils his obligations by delivering the goods to the air carrier at the airport of departure.

3. Payment terms. C & F means Cost and Freight. The seller must pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods is transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. CIF means Cost, Insurance and Freight. This term is basically the same as C & F but with the addition that the seller has to procure marine insurance against the risk of loss or damage to the goods during the carriage.

Thus, we have made an attempt to clarify some items of the topic. They are the following:

The nature of the English of documents writing is determined by its stylistic realisation in written English. The style of official documents possesses its own features which are reflected in standardised forms of different documents. They are peculiarities of the vocabulary, grammar and syntactic constructions, which are the subject of consideration in the practical part of this paper. The main problem of writing contracts is embodied in the notion of stylistic use. Formal style of business English is rather hard to obtain and to follow. It remains mostly in written form, and its peculiarities should be strictly observed. Some theoretical problems of its functioning have already been considered.

Nevertheless, informal English influences it greatly, and even in routine papers we may find deviations from the accepted form. It can be explained by the fact that business is made by people, and not robots. A person's individuality, as well as emotions and feelings, more and more often peer into a cool and logical world of business, creating new problems and possibilities of business English functioning in texts of contracts and other documents. We have also defined contract as a typical realisation of formal business English which possesses the same stylistic features and follows the same goals as other kinds of business correspondence.

Contents of contract also have specific clauses, and they ensure division of contracts into certain types in accordance with a side initiating a deal, a sphere of making a deal, types of goods and their delivery terms. Very often a way of deliverance is encoded with the help of special abbreviations. Contracts also possess remarkable linguistic features revealed in their texts, and they are the subject of our future investigation.

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