



What Is International Trade Law?



In this blog, we discuss the International Trade Law and its sources from where it emerges. This blog will give an overview of the international trade law. Today the whole world emerges as a single market and the whole world is engaged in cross border commercial activities. This blog is only for educational purposes and is an introductory source.

What is international trade law?

International Trade Law is a law which governs the state's and private party's trade in the global market. Interstate Trade law can be defined as "the unified set of rules and the policies applying to operators and operations in International Commerce".

A Latin word that refers to a suite of business principles used by merchants from all over Europe during the Middle Ages is **Lex Mercatoria**. It is in essence a sign of **Merchant Law**. It is the set of applicable rules on international trade which have been developed through customs and usage between the trading states and recognised by the national judicial systems. It is unwritten rules of law based on custom and usage. The term **Lex Mercatoria** is a **Latin phrase** denoting a corpus of commercial principles employed by merchants across Medieval Europe.

In the European Continent when industrialisation was rapidly growing, in the 19th and 20th centuries, the trade between the states. Then the need for a unified set of rules in International

Trade emerges. After the first global conflict, the rapid expansion of global exchange revealed the want for a set of unified standards and rules.

Global Trade law is a complicated count which entails several branches of the regulation (industrial regulation, commercial enterprise, financial organization, logistics regulation, international payments law) and attracts a couple of sources (countrywide legal guidelines, global conventions, Lex Mercatoria).

It is important to understand the types of International Trade Law which regulate it. The first is Public International Trade Law and on the other hand is the Private International Trade Law. The first type governs the trade relations between states and the second one governs the trade relations between private individuals of the states.

Sources of International Trade Law

Now We move forward to the sources of International Trade Law. What do you understand by the term “sources”? It means that from where and how the Law which regulates the cross border commerce activities is come from. There are many sources of it but mainly International Trade Law comes from **Three Sources**:

1. **Treaties and Agreements:** International trade law is heavily influenced by international treaties, conventions and agreements. These conventions are negotiated and signed between countries to govern various aspects of international trade, including the reduction of trade barriers, tariff schedules, and rules for dispute resolution. Perhaps the most well-known international trade agreement is the World Trade Organization (WTO) agreement, which covers a wide range of trade-related issues and is the successor of GATT (General Agreement on Trade and Tariff). Bilateral and regional trade agreements, such as the North American Free Trade Agreement (NAFTA) and the Free Trade Agreements between the states, also play a significant role in shaping international trade law. For binding them on states who are parties to the treaties they also need to ratify these conventions in their local jurisdiction as well.

2. **Customary International Law:** Customary international law is another source of international trade law. This legal framework is based on long-standing practices, usage and customs among nations. Customs and usage that have developed over time and are consistently followed by countries become binding international law. While treaties and agreements are formal and written, customary international law is based on the behaviour of states over time. For example, the principle of most-favoured-nation treatment, which requires

countries to extend the same trade advantages to all their trading partners, is considered a customary norm in international trade.

3. General Principles of Law: In addition to treaties and customary law, international trade law is also influenced by general principles of law recognized by the international community. These principles include principles of fairness, good faith, equity, and justice. They provide a foundation for interpreting and applying international trade agreements and resolving trade disputes. The adjective 'general' shows that they are principles which can be applied commonly in all instances of the same type which stand up in worldwide law.

At present times, India is the world's fastest growing economy and is the fifth largest economy in the world after the German economy. The future of international trade will grow with tremendous growth in India. This blog gives you some clarity on the International Trade Law. There are various actors involved in cross border commerce national as well as international also.

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