

<b>Title</b>	<b>Explain principles of law and ethics applying to the sale of boats from stock</b>		
<b>Level</b>	<b>3</b>	<b>Credits</b>	<b>5</b>

<b>Purpose</b>	<p>People credited with this unit standard are able to: describe legal and ethical provisions that control boat sales practice; explain legal and ethical provisions that govern boat sales contracts; and describe legal provisions that control the operation of boats.</p> <p>This unit standard applies to people who sell boats which form part of their employer's or their own stock in trade. This can include managers of boat brokerage firms, their individual sales consultants, and boat dealers.</p>
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<b>Classification</b>	Boating Industries > Marine Sales and Services
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<b>Available grade</b>	Achieved
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**Guidance Information**

- 1 The unit standard applies to situations where the brokerage or dealer on-sells a boat (which the brokerage or dealership has purchased) to a purchaser.
- 2 **Definitions**  
*Codes of ethics* refers to the General Code of Ethics, the Marine Brokers' Code of Ethics of the Marine Industry Association (MIA), and any in-house code of ethics;  
*Contract law* comprises the common law and the following legislation: Contractual Remedies Act 1979, Property Law Act 2007, Contractual Mistakes Act 1977, Contracts (Privity) Act 1982, and the Illegal Contracts Act 1970.
- 3 **References**  
 Sale of Goods Act 1908, Fair Trading Act 1986, Consumer Guarantees Act 1993, Ship Registration Act 1992, Maritime Transport Act 1994, Resource Management Act 1991, and Health and Safety at Work Act 2015, and any subsequent amendments.

**Outcomes and performance criteria**

**Outcome 1**

Describe legal and ethical provisions that control boat sales practice.

**Performance criteria**

- 1.1 The significance and effect of sale and purchase agreements are explained with reference to their terms and conditions.
- 1.2 Conditions and procedures relating to the receipt and handling of money, and auditing of accounts, are explained in terms of the MIA codes of ethics.
- Range management of trust accounts; handling of, and requirements for, bank cheques.
- 1.3 The duties of and conduct required by boat sales personnel towards purchasers are described in terms of codes of ethics, the Sale of Goods Act 1908, the Fair Trading Act 1986, and the Consumer Guarantees Act 1993.
- Range misleading and deceptive conduct, false representations, unfair practices, provision of consumer information, merchantable quality, fitness for purpose (goods only), reasonable care and skill, reasonable price.

**Outcome 2**

Explain legal and ethical provisions that govern boat sales contracts.

**Performance criteria**

- 2.1 Explanations of contracts for the sale and purchase of boats identify the elements required for contracts to be legally binding.
- Range offer is made by broker or vendor, offer is accepted by purchaser, agreement is supported by valuable consideration, purchaser has the legal capacity to contract, there is genuine agreement between the parties, the object and effect of the agreement is lawful.
- 2.2 The nature and effect of undue influence and duress, and mistakes in contracts, are described in terms of codes of ethics, and under contract law.
- 2.3 The liabilities of boat sales personnel in cases of misrepresentation are described in terms of codes of ethics, contract law, the Fair Trading Act 1986, and the Consumer Guarantees Act 1993.
- 2.4 Explanation of performance, subsequent agreement, frustration, and breach establishes their effects on contracts.

**Outcome 3**

Describe legal provisions that control the operation of boats.

**Performance criteria**

3.1 The requirements of boat sales personnel in relation to the physical operation of boats within New Zealand waters are described in terms of the Maritime Transport Act 1994.

Range responsibility, look-out, speed, collision control, use of channels, separation, movement in relation to other vessels, conduct of vessels in restricted waterways, sound and light signals.

3.2 The responsibilities of boat sales personnel to provide information in relation to the registration of boats are described in terms of the Ship Registration Act 1992, and the Maritime Transport Act 1994.

Range A or B Register, use, range, local or ocean going, length.

3.3 The responsibilities of and conduct required by boat sales personnel to provide information in relation to environmental matters are described in terms of the Resource Management Act 1991 and the Maritime Transport Act 1994.

Range pollution in New Zealand waters and on the high seas.

3.4 The responsibilities of and conduct required by boat sales personnel to provide information in relation to health and safety are described in terms of the Health and Safety in Employment Act 1992, and the Maritime Transport Act 1994, where applicable.

Range health and safety of employees at places of work and of seafarers on ships.

**This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.**

**Status information and last date for assessment for superseded versions**

Process	Version	Date	Last Date for Assessment
Registration	1	27 August 1997	31 December 2022
Revision	2	21 March 2001	31 December 2022
Revision	3	16 April 2004	31 December 2022
Rollover and Revision	4	20 March 2009	31 December 2022
Rollover and Revision	5	31 May 2018	31 December 2022
Review	6	24 September 2020	31 December 2022

<b>Consent and Moderation Requirements (CMR) reference</b>	0136
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.