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GENERAL CONDITIONS OF SALE AND STANDARD CONTRACTS

Report of the Secretary-General

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ECE

I. INTRODUCTION

1. The United Nations Commission on International Trade Law, at its first session, decided to include in its work programme, as a priority topic, the law of international sale of goods. The Commission selected, as one of the items falling within the scope of the international sale of goods, the subject "general conditions of sale, standard contracts, Incoterms and other trade terms".^{1/}
2. With respect to general conditions of sale and standard contracts, the Commission requested the Secretary-General "in consultation with the secretariats of ECE, the other regional economic commissions and other organizations concerned, to submit to the second session of the Commission a preliminary report examining the possibility of promoting the wider use of the existing general conditions of sale and standard contracts."^{2/} The Commission also specified that the report "should state the considerations and factors which are impeding a wider use of general conditions of sale [and] standard contracts."^{3/}
3. Pursuant to the above request of the Commission, the Secretary-General invited the organs and organizations listed in annex I to this report to submit comments and suggestions on the matter. He also asked these organs and organizations to assist the Secretariat by providing information that may be helpful in obtaining the texts of general conditions of sale and standard contracts prepared by or under the auspices of international or national organizations and used in international trade, and, if possible, to supply copies of those instruments.
4. The Secretariats of the following United Nations organs and intergovernmental organizations have sent substantive replies to the Secretary-General's request: the Commission of the European Communities, Economic Commission for Europe, Economic Commission for Latin America, Food and Agriculture Organization, Latin American Free Trade Association and the Organization of American States. A

^{1/} Report of the United Nations Commission on International Trade Law on the work of its first session, Official Records of the General Assembly, Twenty-third session, Supplement No. 16 (A/7216), para. 12 (iv) at p. 18.

^{2/} Ibid., para. 19 at p. 20.

^{3/} Ibid., para. 21 at p. 20.

substantive reply was also received from the secretariat of the International Chamber of Commerce. The substantive portions of the replies are reproduced in annex II to this report.

5. In addition, several organizations have supplied the Secretariat with the texts of a number of general conditions and standard contracts.

II. ACTIVITIES OF ORGANIZATIONS IN THE FIELD OF GENERAL CONDITIONS OF SALE AND STANDARD CONTRACTS

6. With respect to activities in this field by intergovernmental organizations, the United Nations Economic Commission for Europe has undertaken the most extensive work to date. The Commission sponsored the drawing up of thirty general conditions of sale and standard contracts. It also sponsored the preparation of unified regulations for the standardization of methods of sampling and general conditions for international furniture removal. It is presently engaged in finalizing a guide on the international transfer of know-how. The list of general conditions and standard contract forms prepared by the Economic Commission for Europe is contained in annex III of this report.

7. In addition to the Economic Commission for Europe, a large number of international as well as national organizations have been or are active in the field of general conditions of sale and standard contracts. Most of these organizations, primarily trade associations, have prepared instruments for the use in international trade by their own members. Not infrequently, however, these instruments are also used by non-members and in transactions concluded outside the country of the association which originally prepared them.

8. Some organizations have been dealing with the legal principles underlying general conditions of sale and standard contracts. For example, the International Association of Legal Science devoted its conferences and colloquia in Helsinki (1960), London (1962) and New York (1964) to comparative law problems relating to international trade including also general conditions of sale and

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standard contracts.^{4/} The International Institute for the Unification of Private Law (UNIDROIT) selected the subject "Unification and harmonization: The criteria governing the choice between the various methods" as the theme of the fourth meeting of the organizations concerned with the unification of law, held in Rome from 22 to 24 April 1968. Among others, the following matters were considered at the meeting: unification or harmonization by means of legal instruments that have no binding force, and unification and harmonization by means of standard contracts, general conditions, etc.^{5/}

III. PURPOSE AND NATURE OF GENERAL CONDITIONS OF SALE AND STANDARD CONTRACTS

9. The principle purpose of general conditions of sale and standard forms has been described as "undoubtedly to facilitate international trade by the avoidance or reduction of the uncertainty that sometimes surrounds international sales contracts due to the vagaries of private international law, on the one hand, and the difficulties of obtaining evidence on a system of foreign law, on the other hand. Notwithstanding the importance of this aspect of the general conditions, reference should also be made to their operation as a means of codifying trade usages with the resultant uniformity of law, and that they offer a possibility to persons to enter into contracts that are not completely one-sided by their provisions. The latter aspect of the general conditions of sale and the standard forms of contract is more or less the application to the international field of the maxim 'equality is equity'."^{6/}

^{4/} The reports presented at, and the records of, the Helsinki colloquium have been published in Some Problems of Non-Performance and Force Majeure in International Contracts of Sale (Helsinki, 1961, Institutum Jurisprudentiae Comparativae Universitatis Helsingiensis), those of the London colloquium in The Sources of the Law of International Trade, edited by C.M. Schmitthoff (London, 1964, Stevens and Sons) and those of the New York colloquium in Unification of the Law Governing International Sale of Goods, edited by J. Honnold (Paris, 1966, Librairie Dalloz).

^{5/} On the latter method, see the report by C.M. Schmitthoff in The International and Comparative Law Quarterly, 1968, Vol. 17, part 3, pp. 551 ff.

^{6/} Peter Benjamin: ECE General Conditions of Sale and Standard Forms of Contract, in The Journal of Business Law, 1961, p. 114.

10. General conditions and standard contracts differ in their form from each other. General conditions "provide a list of clauses which the parties to a contract can incorporate or refer to in their own contract. The printed document itself, in which the general conditions of sales are found, is, however, not supposed to constitute the parties' contract."^{7/} The standard contracts "are the printed document which the parties to a contract can use as the contract itself, provided that they sign it and fill in those clauses which require completion, such as those relating to the names of the parties, price, port of dispatch, quantity and description."^{8/} According to another definition, a standard contract "can be described as a model contract or set of standard conditions in the written form, the terms of which have been formulated in advance by an international agency in harmony with international commercial practice or usage, and which has been accepted by the contracting parties after having been adjusted to the requirements of the transaction in hand."^{9/}

11. The term "standard contract" is used in two different meanings, denoting model contract forms and contracts of adhesion: "These two meanings are by no means identical. A model contract form is a specimen form to which the lawyer or businessman will turn when charged with the duty of drafting a contract and which will be altered and adapted to meet the situation in hand. A contract of adhesion is a form proposed by one of the contracting parties to the other as the definitive form of the contract which is intended to be unalterable except in trifling and unimportant detail; the party to whom this type of contract is offered may 'take it or leave it' but cannot negotiate its terms and conditions".^{10/}

12. A distinction between general conditions and standard contracts is also made in respect of their field of application. According to one view, "a scientific

^{7/} Shinichiro Michida: Possible Avenues to Preparation of Standard Contracts, in Unification of the Law Governing International Sale of Goods, op. cit., p. 257.

^{8/} Ibid., p. 256.

^{9/} C.M. Schmitthoff: op. cit. supra note 5, p. 557.

^{10/} Ibid., p. 551

study of the subject of standard contracts or trading rules will distinguish between standard contracts or trading rules on two levels: the general conditions of general character applying to all commodities or trades and the standard contracts or trading rules applying only to certain commodities or trades."^{11/} With respect to general conditions and standard contracts it has also been suggested that vertical standardization occurs where trade usages are standardized in a particular trade, while horizontal standardization applies across the board to all types of international sales.^{12/}

13. Most of the existing general conditions of sale and standard contracts are the result of vertical standardization, i.e. they apply only to certain commodities or trades. Only two existing general conditions of sale apply to all commodities or trades: Incoterms 1953 prepared by the International Chamber of Commerce and the "COMECON GCD of 1968."

14. Incoterms 1953 is a set of international rules for the interpretation of nine terms^{13/} used in foreign trade contracts. Accordingly, its scope differs from that of other general conditions of sale and standard contracts, which generally contain a more or less complete set of rules on most aspects of international sales of goods. The possible promotion of the wider use of Incoterms 1953 is dealt with in a separate study prepared by the International Chamber of Commerce^{14/} for submission to the second session of UNCITRAL. This report, therefore, does not deal with that subject.

15. The "COMECON GCD of 1968"^{15/} applies to all contracts of sale concluded between foreign trade organizations of the member States of the Council for Mutual Economic Assistance. The application of the General Conditions has been made

^{11/} S. Michida, op. cit., p. 255.

^{12/} F. Eisemann: Die Incoterms in Handel und Verkehr, 1963, Vienna, p. 4, n. 2. (referred to in C.M. Schmitthoff supra note 5, op. cit., p. 556)

^{13/} Ex works, FOR-FOT, FAS, FOB, C and F, CIF, Freight or Carriage Paid to..., Ex Ship..., Ex Quay...

^{14/} A/CN.9/14.

^{15/} The COMECON GCD (General Conditions of Delivery) of 1968, an expanded text of the COMECON General Conditions of Delivery of 1958, entered into force on 1 January 1969. The full title of the General Conditions is: "General Conditions for Delivery of Goods between organizations of the Member States of COMECON* (COMECON GCD of 1968)".

* Wording of 1968.

mandatory by the competent legislative organs of each member State. Under the preamble of the General Conditions, the parties may, however, modify any of its provisions, if, when entering into the contract, they arrive at the conclusion that the special character of the goods or of the transport demands such modification. In view of its partly mandatory and partly optional character, the COMECON GCD may be characterized as a borderline case between uniform law and general conditions.

IV. SOME FACTORS IMPEDING A WIDER USE

16. While insufficient information is available to the Secretariat as to the extent of the use of general conditions of sale and standard contracts in international trade,^{16/} it is possible to identify some of the factors that tend to impede their wider use. The large number and variety of existing general conditions and standard contracts is one of these factors.

17. As regards the general conditions and standard contracts applying to certain commodities, the abundance of general conditions and standard contracts in existence which apply to the same type of goods may be illustrated by those relating to the sale of cereals. The Economic Commission for Europe prepared sixteen such instruments,^{17/} the London Corn Trade Association forty,^{18/} and others

^{16/} According to a report prepared by the American Bar Association, a study had been made on the use of general conditions and standard contracts. In the preparation of the study, a large number of American trade associations was approached to obtain information. Forty-seven and two-tenth per cent of the consulted importers' trade associations and 39.7 per cent of the consulted exporters' trade associations confirmed the use of standard contracts in international trade, and 50 per cent and 22.7 per cent, respectively, of these associations recommended the use of such contracts. The report does not contain any information whether the formulations referred to by the associations as used by their members were drawn up by a formulating agency by the exporters and importers themselves, respectively. See Unification of International Private Law, Report of the American Bar Association Special Committee on International Unification of Private Law, American Bar Foundation, Chicago 1961, Appendix A, pp. 46-47. Concerning the use of the ECE General Conditions outside Europe, the ECE secretariat has indicated that the ECE General Conditions of Sale in the engineering industry are sometimes used in international contracts between European exporters and importers in Latin America, Africa, the Near East and Asia, on the initiative of the European vendor (see annex II reply of the ECE, para. 42).

^{17/} See annex III.

^{18/} See reply of the FAO, annex II.

have been prepared by various national organizations. Formulations prepared by the same organization are basically identical showing "only minor variations depending on the types and categories of grain, and their origin, destination and method and form of shipping,"^{19/} but for the most part they differ from formulations prepared by other organizations. A great variety of general conditions and standard contracts used in international trade is also found in respect of the sale of other commodities such as seeds, timber, cotton, coal, rubber, silk, coffee, etc.

18. The large number of existing formulations may often result in difficulties and uncertainties for the parties. "The would-be user is very often confronted with an embarrassingly large choice of forms of contract which he could use. He is also confronted with the fact that nearly all these instruments refer to one legal system alone, and have been drawn solely with that system in view, namely, that of the country of the trade association or organization that drafted them. Hence, not only is the would-be user exposed to the possible conflicts of interpretation...., but he is often faced with the fact that while he may prefer a particular form of contract or a series of clauses to be found in a particular form of contract, the other party may prefer to see the contract concluded on the basis of a totally different form of contract, or on the basis of clauses to be found therein."^{20/} This may lead to "one hazard in the use of standard forms" i.e. "the danger of causing 'a battle of the forms'. This may occur when an exporter sends out one form and a buyer accepts on his own form which contains printed terms inconsistent with those on the seller's form, the difference not being noticed in the ordinary course of events".^{21/} It has therefore rightly been stated that "although the efforts for legal formulation of international trade practice are inspired by the desire to remove uncertainty and insecurity, it cannot be denied that they have resulted in the creation of numerous and various forms of standard contracts which, owing to the lack of common principles, often bring contracting parties into unexpected situations".^{22/}

^{19/} Ibid.

^{20/} P. Benjamin: op. cit., p. 114.

^{21/} M. Meek - I. Feltham: Foreign sales, distribution, licensing and joint venture agreements, De Paul Law Review, vol. XVII (1967), p. 50

^{22/} A. Goldstajn: International conventions and standard contracts as means of escaping from the application of municipal law, in The Sources of the Law of International Trade, op. cit., p. 116.

19. Besides the difficulties caused by the great number of competing formulations, there is another factor that might reduce the use of general conditions and standard contracts. As already stated, most of the general conditions of sale and standard contracts applicable to particular commodities have been drawn up by trade associations representing primarily the interests of the sellers or that of the buyers. These forms "are often drafted with reference to a particular system of law, sometimes designed to be somewhat onesided in safeguarding either the seller's interests to the detriment of the buyer's interests, or vice versa, or sometimes drawn up many years ago and only adaptable with difficulty to the needs of modern trade".^{23/} In the view of another author, "the weakness of such standard contracts or general conditions drawn up by trade associations of producers or sellers of goods and services derives, in a legal - or rather judicial - context, from the fact that they emanate from one economic force which offers them to buyers or users who are dispersed or unorganized; this is the reason why they are regarded with a certain amount of suspicion.... A promising development in certain sectors has been the collective contract negotiated by spokesmen for all the groups concerned, sometimes under the auspices of a national or international authority and sometimes with the endorsement of the executive power."^{24/}

V. PROMOTION OF THE WIDER USE OF SELECTED GENERAL
CONDITIONS AND STANDARD CONTRACTS

A. General observations

20. As there is a great number of existing general conditions of sale and standard contracts, many of which are applicable to the same commodities, it would appear necessary, in the first instance, for the Commission to select those the wider use of which it might find desirable to promote.

^{23/} S. Michida: op. cit., p. 256.

^{24/} Ch. del Marmol: Standard clauses in contracts, a factor in the unification of commercial law. Liber Amicorum Baron Louis Frédéricq. Ghent Faculty of Law, 1966, p. 313.

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21. A selection might be based on the considerations quoted in paragraph 19 above that the rights of both sellers and buyers are better reflected in the general conditions and standard contracts that have been drawn up with the participation of representatives of sellers and buyers, by independent organizations such as the Economic Commission for Europe, than in those prepared by international or national organizations representing either the sellers or the buyers which often contain onesided terms.^{25/} This might lead to the conclusion that the general conditions and standard contracts prepared by the ECE and similar independent organizations are more widely used than those prepared by trade associations or other organizations interested, under which the interests of the sellers and buyers are less well balanced, and that the possibility of promoting the wider use of the former offers better prospects. On the other hand, there are also indications that in some instances business circles might prefer the formulations of trade associations.^{26/}

^{25/} Under the Standard Contract Law of 1964 of Israel, restrictive terms of standard contracts should be approved by a Board appointed for the purposes of the Restrictive Trade Practices Law. Section 15 of the Law enumerates the onerous clauses which are deemed to be restrictive terms. Such clauses may be refused approval by the Board, or the restrictive term of any part of it may be regarded as void by a court. See Ole Lando: Standard Contracts. A proposal and a perspective. Appendix: Israeli Standard Contracts Law 1964, Scandinavian Studies in Law, (Almquist and Wiksell, Stockholm), pp. 129 ff.

^{26/} See annex II, p. 27. For example, in the opinion of the Timber Trade Association of the United Kingdom, the ECE Standard Contracts for the Sale of Sawn Softwood and Sawn Hardwood are not well suited for practical use in the trade and the Association's own standard contracts are therefore preferred in the United Kingdom.

22. In addition to the possibility of promoting certain existing instruments in their present form, consideration might also be given to a revision of these formulations, if necessary, or the drawing up of new general conditions and standard contracts which might be more readily acceptable to both sellers and buyers on either regional or world-wide level.

23. It would appear that, should the Commission decide to prepare new general conditions and standard contracts, whether of a general or a specific character, the preparation of such new formulations should be preceded by, and based on, an analysis of existing ones. Such an analysis might help in assessing what, in the existing formulations, is common to all commodities^{27/} or to a certain category of commodities and what are the main differences which should be resolved. As the United States stated in its reply concerning The Hague Conventions of 1964: "The development of standard contracts and general conditions of sale must be based upon full information regarding the rules, customs and practices employed not only in the various parts of the world but also in the many fields of international trade. In collecting, analyzing and collating these data it will be necessary to make full use of the experience of all organizations and bodies in the world that have been concerned in this field. An important and immediate task for UNCITRAL is the determination and adoption of methods by which all the necessary activities can be organized and co-ordinated."^{28/}

^{27/} In the opinion of E.A. Farnsworth, "what is really needed is a common core of contract provisions... From this base of 'core' regional variations could be made as needed." (Unification of the Law Governing International Sales of Goods, Summary of the Proceedings, op. cit., p. 396.) C.M. Schmitthoff suggested that "the standard form contracts be analyzed to find what is common to all of them. It is only possible to have a core if there is sufficient material to work from--if there are enough recurring problems. Although some problems are treated differently, there are already some regularly recurring problems emerging from the present contract."
(Ibid., p. 398.)

^{28/} A/CN.9/11/Add.1, p. 38.

B. Selection of existing formulations or preparation of new ones

24. In the light of the foregoing observations the Commission might wish to consider:

(a) Promoting the wider use of ECE general conditions. This could be done in the following ways:

- (i) Promoting the wider use of all ECE general conditions in their present form;
- (ii) Selecting from the ECE general conditions those which have proved to be best suited to international trade, and promoting their wider use;^{29/}
- (iii) Revising the ECE general conditions and promoting the use of the revised texts;^{30/}

(b) Promoting general conditions and standard contracts other than those drawn up by the ECE. This could be done in the following ways:

- (i) Selecting certain general conditions and standard contracts which are widely used in international trade, and promoting the use of such formulations in their present form;
- (ii) Revising the formulations mentioned in (b) (i) above in order to make them more widely acceptable, and promoting the use of the revised texts:

(c) Preparing new general conditions and standard contracts. This could be done in the following ways:

- (i) Drawing up of "additional standard contracts and conditions for separate commodities, other than those which are now available";^{31/}

^{29/} There are indications that some of the ECE general conditions might also be accepted outside of Europe, e.g. in the United States: "It does seem likely that the need for and willingness to use ECE forms will increase in the United States. The growing economic strength of the European states will decrease the willingness of European firms to accept American terms in international dealings." See Richard J. Cummins: The General Conditions and Trading Form Contract of the United Nations Economic Commission for Europe, New York University Law Review, 1963, vol. XXXVIII, p. 568.

^{30/} According to the comments submitted by the ECE secretariat, the experts of some European countries feel that the ECE formulations "might be re-examined by interested parties in non-European countries, with a view to their possible adaptation to conditions in those countries," whereas the experts from other European countries "emphasize the desirability of establishing a universally applicable document." See annex II, para. 49, p. 10.

^{31/} S. Michida, op. cit., p. 263.

- (ii) Preparing, for world-wide use, "standard contracts for the principal categories of commodities, such as Machinery and Equipment, Durable Consumer Goods, Agricultural Products, and the like, coupled, where necessary, with annexes to meet the special problems of particular commodities";^{32/}
- (iii) Formulating general conditions of a general character for all categories of commodities coupled, where necessary, with annexes to meet special problems of the principal categories of commodities or of particular commodities.

C. Methods that could be used in carrying out the work

25. Should the Commission wish to promote on a world-wide basis the use of general conditions drawn up by the ECE or of any other formulation already used in international trade, one approach that might be considered could be the establishment of a joint committee of the four United Nations Regional Economic Commissions to make the necessary selection.^{33/} It would seem desirable that such a committee should include also representatives of business associations of both sellers and buyers of the four regions, who would be best qualified to consider which of the existing formulations meet the requirements of all interested parties. It should also be taken into consideration that existing general conditions and standard contracts are used for the sale of a great variety of goods and that this might require that separate committees be established for each principal category of commodities.

26. Should the Commission wish to promote the wider use of certain general conditions and standard contracts on a regional basis a selection of the most suitable formulations might be made by separate committees established within the framework of each regional Economic Commission. This method would possibly result in the selection of different formulations for the different regions, depending on the particular requirements of the regions concerned.

^{32/} J. Honnold: A comparison of national unifications of the law of sales and avenues toward their harmonization: prospects and problems, in Unification of the Law Governing International Sales of Goods, op. cit., p. 32.

^{33/} A suggestion along these lines was made by C.M. Schmitthoff. See op. cit. supra note 5, p. 570.

27. If the Commission considers that it would be desirable to enlist the participation of the United Nations Regional Economic Commissions in this work it would be necessary, of course, to undertake appropriate consultations with the Regional Economic Commissions on the subject. In considering the most suitable organizational arrangements for that purpose it would seem desirable to take also into account the possibility of utilizing such existing machinery or facilities as may be available within the Regional Economic Commissions.
28. The selection of general conditions of sale and standard contracts might also be carried out by a working group of Members of the Commission, or, subject to the approval of the financial implications, by retaining experts, if necessary. The same method might be used for drawing up new formulations.
29. Whatever method or procedure may be selected by the Commission, a certain amount of preparatory work would have to be performed in collecting and making a preliminary analysis of existing general conditions and standard contracts.
30. It does not seem necessary, at this stage, to discuss the possible ways and means by which the wider use of formulations selected by the Commission might be promoted. It may be noted, however, that certain suggestions in this respect have been made by the secretariat of the ECE in its reply to the Secretary-General's request for comments on this topic.^{34/}

^{34/} See reply of the ECE, para. 46, annex II.

ANNEX I

ORGANS AND ORGANIZATIONS REQUESTED BY THE SECRETARY-GENERAL
TO SUBMIT COMMENTS AND SUGGESTIONS ON ITEM "GENERAL
CONDITIONS OF SALE AND STANDARD CONTRACTS"

United Nations Organs and Specialized Agencies

Economic Commission for Africa
Economic Commission for Asia and the Far East
Economic Commission for Europe
Economic Commission for Latin America
Food and Agriculture Organization
United Nations Conference on Trade and Development

Other Intergovernmental Organizations

Central African Customs and Economic Union
Commission of European Communities
Common Afro-Malagasy Organization
Council for Mutual Economic Assistance
European Free Trade Association
Latin American Free Trade Association
Nordic Council
Organization for Economic Co-operation and Development
Organization of African Unity
Organization of American States
Organization of Central American States

International Non-governmental Organizations

International Chamber of Commerce

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ANNEX II
REPLIES OF ORGANS AND ORGANIZATIONS

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UNITED NATIONS ORGANS AND SPECIALIZED AGENCIES

ECONOMIC COMMISSION FOR EUROPE

Original: French
6 January 1969

EXTENSION OF THE USE OF THE GENERAL CONDITIONS OF SALE AND
STANDARD CONTRACTS DRAWN UP UNDER THE AUSPICES OF THE
ECONOMIC COMMISSION FOR EUROPE

I. INTRODUCTION - PROCEDURE

1. Having been requested by the secretariat of the United Nations Commission on International Trade Law to submit comments and suggestions on the two points raised in paragraphs 19 and 21 of the document reproduced in paragraph 48 of the Commission's report on the work of its first session (A/7216), namely:

(a) "The possibility of promoting the wider use of the existing general conditions of sale and standard contracts;

(b) Factors which are impeding a wider use and acceptance of general conditions of sale, standard contracts, ...";

the ECE secretariat addressed a preliminary inquiry to the experts of the national industrial federations which took part in the preparation, under ECE auspices, of the General Conditions of Sale in the Engineering Industry^{1/} in order to ascertain the views of the parties concerned on these points.

^{1/} Nos. 188 and 574: General Conditions for the Supply of Plant and Machinery for Export.

Nos. 188A and 574A: General Conditions for the Supply and Erection of Plant and Machinery for Import and Export.

Nos. 188B and 574B: Additional Clauses for Supervision of Erection of Plant and Machinery Abroad.

Nos. 188D and 574D: General Conditions for the Erection of Plant and Machinery Abroad.

No. 730: General Conditions of Sale for the Import and Export of Durable Consumer Goods and of other Engineering Stock Articles.

2. The following questionnaire was sent to each of the experts in this connexion:

(a) To what extent do the bodies you represent use the General Conditions of Sale for Plant and Machinery (No. 188 et seq., No. 574 et seq. and No. 730) outside the ECE region? Is the use of these documents outside the ECE region tending to increase?

(b) In your opinion, would it be useful to take special measures to promote the application of these General Conditions to regions other than that of ECE? If so, what measures do you suggest?

(c) Do you consider that changes are needed in the text in order to make the General Conditions of Sale applicable to regions other than that of ECE? If so, what clauses are, in your opinion, particularly likely to require modification?

3. Replies to this questionnaire were submitted by the representatives of industrial associations using the General Conditions of Sale in Belgium, the Federal Republic of Germany, France, Hungary, Italy, Sweden, the United Kingdom and Yugoslavia. Extracts from these replies are reproduced below so that conclusions can be drawn from them.

II. USE OF THE ECE GENERAL CONDITIONS OF SALE FOR ENGINEERING PRODUCTS OUTSIDE EUROPE

Belgium

4. The firms most interested in the General Conditions are those engaged in large-scale exports, i.e. in exports to countries outside Europe.

5. The use of these conditions has gained ground in Asia and in Central and South America, in particular, in connexion with the conclusion of very large contracts.

France

6. The firms affiliated to our association which use these documents have never made any distinction in this respect among the countries to which they export. The Conditions are therefore used with purchases irrespective of whether they are situated in or outside Europe.

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Hungary

7. Although the General Conditions drawn up by ECE are not used as such outside the region, they at least serve as a model for the drafting of well-balanced clauses.

Italy

8. Such clauses of the General Conditions as are adapted to specific requirements or to local usage are used in contracts concluded by Italian firms with countries outside Europe.

Federal Republic of Germany

9. A number of German firms regularly use the ECE General Conditions of Sale for their exports to South America and to the countries of the Near East without experiencing any difficulty.

United Kingdom

10. The ECE documents are occasionally used outside Europe, but not often.

Sweden

11. The ECE General Conditions of Sale are used from time to time by our members in negotiations involving other parts of the world ...particularly South America. These documents have often been used, in whole or in part, to solve difficulties in the drafting of contracts.

Yugoslavia

12. Our operations (supply of equipment for large industrial undertakings and engineering construction projects) are mainly conducted in Asia and Africa We have sometimes succeeded in using the ECE General Conditions in contracts concluded abroad, but have sometimes been unable to do so because the government tenders of these countries had to be accepted or rejected without modification.

13. The ECE General Conditions of Sale in the Engineering Industry are beginning to become known in the Asian and African countries ..., but the Governments of these countries do not use them in their tenders.

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III. MEASURES WHICH MIGHT FACILITATE A WIDER USE OF THE GENERAL CONDITIONS OF SALE
OUTSIDE EUROPE

Belgium

14. It would certainly be desirable to promote the use of the ECE General Conditions of Sale in countries outside Europe, where legal uncertainty is sometimes a source of difficulty.

15. Their use might be promoted:

(a) By propaganda among firms making tenders: this is a matter for the industrial federations;

(b) By propaganda among public and private purchasers in the countries concerned through the other United Nations regional economic commissions.

France

16. The ECE General Conditions of Sale are little known in business circles in non-European countries. It would be desirable for these conditions to be more widely used and this could be achieved by measures to publicize them among the Governments and business circles of non-European countries.

Italy

17. It would be desirable for wider use to be made of the ECE General Conditions of Sale in relations with firms in non-European countries, for these Conditions, though drafted fifteen years ago, still provide a useful model.

Federal Republic of Germany

18. The wider use of the ECE General Conditions of Sale should be encouraged. Their use outside Europe would be facilitated by a recommendation to this effect, disseminated by UNCITRAL.

Sweden

19. In order to promote the use of the General Conditions of Sale outside Europe, publicity measures should be undertaken through Governments, as purchases in non-European countries are often State or semi-public bodies. The International Chamber of Commerce could also collaborate in such publicity measures through its national committees.

Yugoslavia

20. Measures should already have been taken to publicize the ECE General Conditions of Sale in Asia, Africa and Latin America in order to provide a model for the many industrial contracts being concluded in these regions.

21. Three types of measures might be considered:

(a) The other United Nations regional economic commissions should draw the attention of the Governments of their region to the existence of the documents prepared by ECE;

(b) A meeting of government representatives from regions other than Europe should be organized to study the ECE General Conditions of Sale and possibly suggest modifications;

(c) ECE should immediately publish a pamphlet on the General Conditions of Sale and standard contracts drawn up under its auspices, explaining their purpose and character as well as the solutions proposed and the results achieved, and also providing information on current projects.

IV. POSSIBLE MODIFICATION OF CERTAIN CLAUSES

Belgium

22. The use of the ECE General Conditions of Sale has not so far presented any difficulties in Europe.

23. The possibility of choosing between General Conditions Nos. 188 and 188A and Nos. 574 and 574A and of adjusting certain provisions on the basis of the appendices to these Conditions provides a way out of the difficulties in most cases.

24. In any even, ECE has insufficient information on the legal problems to which the Conditions give or may give rise in other countries. It should therefore refrain from taking any steps in this direction or it may unwittingly raise new problems.

25. Such steps could be envisaged only if the non-European countries were to indicate which provisions require modification and how they should be modified.

26. Even so, action of this kind would be dangerous because it might lead to the existence of several types of conditions, thus involving a choice on which it would be difficult for exporters and importers to reach agreement.

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27. The ideal solution would undoubtedly be the production of a document which would be universally applicable. Such a project is at present Utopian and in any case much time would be needed to reach unanimity on all points.

France

28. The General Conditions have proved their value, and experience shows that the equitable solutions which have been adopted and which take account of the main practices in force between suppliers and purchasers of engineering products do not need modification in order to be applied outside Europe.

29. It would be most unfortunate if these documents were to be rediscussed and amended, the result being to produce versions which differ according to the place of utilization.

Hungary

30. If wider use is to be made of these Conditions of Sale in regions other than Europe, it is essential that they be not regarded as solely for ECE, but that they reflect the viewpoints of the other regions; they should therefore be studied thoroughly by the other regional economic commissions or by UNCITRAL. Such studies might provide an opportunity for the submission of amendments, additions or, if necessary, a modernized text.

Italy

31. There is no need to modify the text of the General Conditions of Sale, since users can always adapt these Conditions to particular circumstances. Moreover, any modifications might give rise to a multiplicity of texts, which should be avoided.

Federal Republic of Germany

32. It is not absolutely necessary to modify the text of the ECE General Conditions of Sale for their application in regions other than Europe, for these Conditions of Sale meet the needs of parties both in Europe and elsewhere. Any change might well impair their usefulness.

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33. If UNCITRAL wishes to establish General Conditions of Sale for the world as a whole, generalized use of the ECE Conditions would be the best solution.

34. Should UNCITRAL envisage any modification of the ECE General Conditions, such modification should be confined to those clauses which are incompatible with the laws of certain non-European countries.

United Kingdom

35. It does not appear necessary to make any major changes in the General Conditions of Sale for the purpose of their application in countries whose law is based on one of the European systems: common law or Romano-Germanic law. However, this may not be the case where the legal system is quite different (e.g. Moslem law).

Sweden

36. It does not appear necessary to modify the ECE General Conditions of Sale for them to be usefully applied outside Europe.

Yugoslavia

37. The General Conditions of Sale can be used in regions other than Europe. However, they should be re-examined by interested parties in all States so that the views of the newly established States and the developing States may also be ascertained. This suggestion is made mainly for psychological reasons: instruments in whose preparation they did not participate should not be imposed on these new States.

38. It is possible that countries in regions other than Europe - which are mainly importers of engineering equipment - may tend to seek, in adopting general conditions of sale, to improve the position of the purchaser. They might, for example, desire a firmer definition of the grounds for exemption and a more detailed procedure for the transfer of risks and they might perhaps also wish to introduce the idea of a "consultation period" during which the supplier would have greater obligations than those which it assumes during the guarantee period.

39. The ECE General Conditions of Sale appear, however, to be well balanced, although it will always be possible to modify or improve them. Consequently, if any changes are required, they should be approved by all concerned. The question should therefore be studied under the supervision of the ECE experts who drew up the General Conditions.

40. Making the ECE General Conditions of Sale universal instead of European does not mean that substantial changes will be required.

V. CONCLUSIONS

41. It appears possible to draw the following conclusions from the opinions of the various experts which reflect fairly well the general point of view of ECE:

1. Observations of fact

42. The ECE General Conditions of Sale in the Engineering Industry are sometimes used in international contracts between European exporters and importers in Latin America, Africa, the Near East and Asia, on the initiative of the European vendors.

43. They are only beginning to be known, however, in countries outside Europe.

44. In particular, the Governments and importers of these countries do not use the ECE Conditions in their tenders.

2. Recommendations as to procedure

45. The experts all recognize the need to promote wider use of the ECE General Conditions of Sale outside Europe.

46. In order to achieve this, they all recommend that measures be taken to inform potentially interested parties. In this connexion, the following action was proposed:

- (a) Promotion of the ECE Conditions of Sale among firms making tenders;
- (b) (i) A campaign to publicize them among Governments and business circles in non-European countries;
- (ii) Recourse, for this purpose, to the good offices of the various regional economic commissions of the United Nations;
- (iii) A recommendation and dissemination of the Conditions of Sale by UNCITRAL;
- (iv) Recourse also to the International Chamber of Commerce and its national committees;

(c) Publication by ECE of an information pamphlet on the General Conditions of Sale;

(d) Convening of an international meeting for purposes of information and discussion.

3. Substantive recommendations

47. Desirability of arranging for a revision of the text. Whereas the French, Italian and Swedish experts consider that a revision of the present texts is unnecessary and might present some danger, the Belgian expert considers that these documents have so far presented no difficulty, but reserves his position regarding the future; the United Kingdom expert sees no need for any major changes if the texts are to be used in countries whose legal system is based on one of the European systems, but thinks that changes would be necessary if the texts were to be applied in countries with an entirely different system of law; the German expert expresses a similar view. The Hungarian expert and the two Yugoslav experts, while not necessarily supporting a revision of the texts, favoured at least giving all Governments an opportunity to study them and propose any necessary amendments - even if only for psychological reasons, so that these documents will not appear as texts imposed on them by ECE exporters, but rather as instruments in whose preparation they took part and which take into account in a balanced manner the interests of both vendors and purchasers.

48. Danger to be avoided. All the experts draw attention to the danger of having several texts on the same subject. It should not be impossible, however, to envisage the possibility of some amendments being made to the original text, to be valid for specific regions or groups of countries.

49. Requirements for a re-examination of the present texts. Among the experts who feel that the General Conditions of Sale might be re-examined by interested parties in non-European countries, with a view to their possible adaptation to conditions in those countries, the experts from Belgium and the Federal Republic of Germany emphasize the desirability of establishing a universally applicable document; the Belgian expert draws attention to the difficulty of that solution, which would probably require considerable time; in any event, he does not think that ECE should take the initiative since it lacks knowledge of the legal problems

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arising in countries outside Europe; he considers therefore that the other countries should first study the General Conditions of Sale and propose to ECE changes in certain provisions, if necessary; the Yugoslav expert also believes that the establishment of several texts on the same subject should be avoided, but considers that ECE should take the initiative in calling for talks.

4. General conclusion

50. It would seem that a compromise solution might be supported by all the experts. First of all, a campaign should be organized to publicize among interested circles in non-European countries the texts drawn up by ECE.

51. This campaign might have several of the features mentioned above.

52. It should be desirable that the other regional economic commissions of the United Nations publicize the General Conditions of Sale of the Economic Commission for Europe and recommend their use to interested Governments and industrialists of their region.

53. In case of difficulties or reservations made by the possible interested parties on these texts, the Economic Commission for Europe should be informed so that problems might be jointly considered by experts from both regions.

54. It should be understood that this study, at the world level, of the existing texts should not necessarily lead to any major changes, since the ECE Conditions of Sale appear to have been found satisfactory in those cases where they are already being used outside Europe.

ECONOMIC COMMISSION FOR LATIN AMERICA

Original: English
23 August 1968

We tried to conduct an inquiry among several individual firms engaged in the export business. Unfortunately we got only one positive answer, from the Chilean Exporters' Association, which I am attaching.

Annex to the reply of the Economic Commission for Latin America

CHILEAN EXPORTERS' ASSOCIATION

Original: English/Spanish
12 July 1968

Forms

The transactions are generally confirmed by letter or cable from the Chilean exporters, and the American or European buyers often extend contracts. It is stipulated in these, or arranged beforehand by special agreement between the parties concerned, that the transactions shall take place under the conditions laid down in contracts that are internationally recognized, such as those of the International Chamber of Commerce (ICC), Paris, the London Corn Trade Association, the Hamburg Grain Exchange, etc., and comply with the definitions of international trade terms set forth in the ICC's INCOTERMS 1953.

Such contracts contain an arbitration clause and specify the procedure to be adopted in the event of a dispute between the parties.

In the case of the United States, the foreign trade definitions of the United States, revised in 1941, are applicable.

Latin American Free Trade Association (LAFTA)

In the case of transactions with the Latin American countries, there are no agreements on contracts or commercial terminology. The Chilean exporters usually confirm the sales by letter or cable, and a deal is regarded as closed as soon as the buyer has opened a credit by an irrevocable and confirmed letter of credit.

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In view of this situation and of the fact that the LAFTA countries will have to embark upon time and credit transactions, our Association has been urging for several years the need to:

1. Establish a compulsory commercial arbitration clause for all countries members of LAFTA, until they have all standardized their legislation on these matters.

2. Draw up arbitration regulations, after prior consideration by private bodies. Their implementation would be entrusted to such bodies as the Inter-American Council of Commerce and Production (CICYP), or the Comisión Interamericana de Arbitraje Comercial, in view of the knowledgeable, experienced and expeditious way in which the private sector deals with any question of arbitration.

3. Agree that the decisions shall be binding in all countries members of LAFTA.

4. Recognize such international terminology as INCOTERMS 1953, standard practices and regulations relating to credit documents, etc.

This question has been dealt with in principle by Latin American law conferences, and is now being studied by a committee of the Law Faculty of the Universidad de Chile. It is also a constant concern of the Inter-American Council of Commerce and Production in Montevideo and of the LAFTA office in Santiago.

In view of its importance and practical value, this question should be given prompt and thorough consideration so that the LAFTA countries may, as soon as possible, reach an agreement that will be binding for the whole Free-Trade Area and expedite the arbitration and settlement of disputes.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Original: English
27 November 1968

We have endeavoured to assemble some material that we felt might be of assistance to UNCITRAL at its second session, with particular reference to texts or sources of instruments used for agricultural products in international trade. While the World Food Programme does, to a limited extent, purchase foodstuffs where not enough of a given commodity has been pledged by contributing Governments, FAO as an organization does not engage in any commercial transactions involving agricultural commodities and therefore has not developed any standard contracts covering the purchase or sale of such commodities. It may be noted that the World Food Programme has no standard contracts of its own either but uses, as a rule, the contract forms developed by the trade associations dealing with particular commodities.

In selecting the sources which might be of interest to UNCITRAL, we have relied almost exclusively on the standard contracts and general conditions elaborated by trade associations that have not been listed among the non-governmental organizations in annex I to document A/CN.9/4 as having been invited to submit comments on the work programme of UNCITRAL, and which may therefore be of some assistance in the further development of standard instruments under the auspices of UNCITRAL.

1. London Corn Trade Association Ltd.

The above Association has published a collection of contract forms entitled "Forms of Contracts in Force - 1963", which contains some forty standard forms. Most of these forms show only minor variations depending on the types and categories of grain, and their origin, destination and method and form of shipping (cargoes, parcels). The aforementioned collection also contains standard rules regarding mainly the weight of various types of grain, as well as forms for grain futures.

The forms are kept up-to-date by means of separate leaflets issued by the Association from time to time.

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The Standard Contracts contain provision concerning, inter alia, the following subject matters: quality, quantity and weight, sampling, ship's classification, ports of shipment, destination, contract price, freight, payment, policies and certificates, discharge, notice of appropriation and provisional invoice, proof of shipment, and default. In addition, most contracts contain strike and war risk, and war deviation clauses, and all contracts provide for arbitration. The arbitration rules of the Corn Trade Association are declared applicable to each contract but are not included in extenso in the Volume of Contract Forms.

2. The Incorporated Oil Seed Association (London)

The above Association has published a similar collection of Contract Forms to be used for transactions in various types of oil seed (linseed, rapeseed, gingellyseed, poppyseed, cottonseed, groundnuts, soyabeans, etc.). The collection contains approximately sixty different Contract Forms for the various types of seed, the variations as between individual clauses depending also on such criteria as origin, destination, and shipping terms (i.e. "ex ship" or "C.F and I Terms").

The Forms are kept up-to-date by means of separate leaflets issued by the Association from time to time.

The Standard Contracts contain provisions concerning, inter alia, the following subject matters: warranty, declaration of shipment, payment, strikes, war risks and deviation, discharge, sampling and analyses, quality and condition, rules of admixture, default, cancellation and insolvency. All the contracts contain arbitration clauses and the Arbitration Rules are printed as an Annex to each Contract Form included in the aforementioned Volume. The Oil Seed Association also supplies simplified Forms of Contract and "Appropriation" containing specific references to the full Standard Contract Form relating to the goods to be covered by the transaction.

3. The Cocoa Association of London Ltd.

A collection of ten Standard Contracts has been issued by the above Association in a revised edition in September 1966. The Standard Contracts of the Cocoa Association likewise show certain variations based on origin and destination of the commodities, as well as delivery terms (c.i.f., f.o.b., in/ex store, arrival and/or delivery options).

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Certain of the typical clauses enumerated above with respect to corn trade and oil seed transactions also appear in the Cocoa Association's standard contracts but the latter appear to be somewhat less detailed and the variations between the individual contract forms appear to be more extensive. All contract forms, even the very short form intended for "spot contracts", contain a clause providing for the settlement of disputes by arbitration in accordance with the Rules, Regulations and Bye-Laws of the Cocoa Association. The text of the aforementioned Rules, Regulations and Bye-Laws are, however, not included in the collection of contract forms.

4. London Cattle Food Trade Association (Inc.)

The series of Contract Forms in use for trading in cattle food, which was published in 1962 by the above Association, includes twelve Standard Contract Forms covering various types of feeding cakes and meals (groundnut, cottonseed, fishmeal, meat and bone meal, etc.), as well as three general contracts in which the provisions regarding commodities and certain related clauses (quality, outturn, sampling, etc.) are left blank.

All contracts provide for arbitration and the Rules relating to arbitration are printed on the back of most contract forms, exception being made for the so-called short forms.

The collection is kept up-to-date by way of leaflets containing any amendments to the contract forms that the Association decides on. With the contract forms, the Association has also put out rules for the sampling of meals, extractions, expellers and slab cakes at the port of discharge.

The four collections described above should be regarded as examples; undoubtedly, a number of other sets of standard contracts have been elaborated, covering a wide range of agricultural commodities including industrial crops (e.g. tobacco, cotton, fibres) as well as timber, fishery and animal products (e.g. wool, hides, meat, bones).

OTHER INTERGOVERNMENTAL ORGANIZATIONS

COMMISSION OF EUROPEAN COMMUNITIES

✓Original: French/
19 September 1968

The question of international sales has already been the subject of several international studies, some of them resulting in the conclusion of conventions, and, in the opinion of the Commission of European Communities, it should in principle continue to be dealt with at the international level. However, this does not exclude the possibility that, within the European Economic Community, national laws might, where necessary, be further standardized in pursuance inter alia of those provisions of the Treaty establishing the European Economic Community which relate to laws whose lack of uniformity would have a direct effect on the functioning of the Common Market. Up to now studies of this kind have not been undertaken, largely because of the standardization efforts being made by organizations which are territorially larger in their composition.

This explains why the Commission is not now submitting any proposal concerning general conditions of sale and standard contracts and why it is not in a position to communicate any texts on this subject. On the other hand, this does not, of course, mean that the Commission is giving up its efforts to co-ordinate, as appropriate, the action of Member States which are participating in the drafting of rules governing general conditions of sale and standard contracts, particularly since certain aspects of these rules will have to be harmonized with the rules already in force, or now being drafted, within the Community itself.

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LATIN AMERICAN FREE TRADE ASSOCIATION

Original: Spanish
1 July 1968

I wish to inform you that the legal instruments governing commercial transactions in the countries of Latin America, including, of course, the countries of the Latin American Free Trade Association, are: the 1889 Treaty of Montevideo (title X - Legal instruments (articles 32 to 39)); the 1940 Treaty on Civil Law (title XI - Legal instruments (articles 36 to 42)); and the Bustamante Code (Code of Private International Law), mainly book I, title IV, chapter II (articles 175 to 186).

The Montevideo Treaty on Civil Law (1889) is in force between Argentina, Paraguay and Uruguay in their relations with Bolivia, Colombia and Peru, and among the latter countries themselves.

The 1940 Treaty on Civil Law is in force between Argentina, Paraguay and Uruguay.

The Bustamante Code has been accepted by Bolivia, Brazil, Chile, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Peru and Venezuela.

The question of international sales has not thus far been the subject of any particular studies, but, in pursuance of the Declaration of the Presidents of America and in connexion with the paragraph of that Declaration relating to the progressive co-ordination of economic policies and instruments and the harmonization of national laws to the extent required for integration (Action programme, chapter I, paragraph 2 (b)), the question of international sales will certainly occupy an important place in the studies to be undertaken by the Association, which is keenly interested in the observations of UNCITRAL and would be glad to receive basic material on the subject.

We are not sending the texts of the instruments mentioned above, as we believe that they are sufficiently well-known and the Commission will certainly be familiar with them. If it is not, we shall be glad to send the texts at your request.

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ORGANIZATION OF AMERICAN STATES

[Original: English]
27 June 1968

SUMMARY INFORMATION REGARDING THE TREATMENT GIVEN TO THE TOPIC
"GENERAL CONDITIONS OF SALE AND STANDARD CONTRACTS" BY THE LEGAL
ORGANS OF THE ORGANIZATION OF AMERICAN STATES (OAS)

The subject of general conditions of sale and standard contracts has not yet been studied by the General Secretariat or any legal organ of the OAS. However, on the general topic of the legal aspects of international sales, the following information may be of interest:

1. At its first meeting (Rio de Janeiro, 1950), the Inter-American Council of Jurists entrusted the Inter-American Juridical Committee with the study of the topic "Uniform rules on the sale of personal property". The Committee narrowed down the scope of the study to the preparation of a draft uniform law on the international sale of personal property.
2. In 1952, the Juridical Committee's draft, known as the "Provisional Draft of Buenos Aires", was submitted to the second meeting of the Council of Jurists, which however reached no agreement on the matter and again entrusted the Committee with undertaking a systematic study of the subject, on the basis of the Provisional Draft.
3. In 1959 the topic was again discussed within the Inter-American Juridical Committee and the preliminary study prepared by the Rapporteur was presented to the Governments of the American States for their observations.
4. At the fifth meeting of the Council of Jurists (San Salvador, 1965), consideration was given to the draft Convention on a Uniform Law on the International Sale of Tangible Personal Property, prepared by the Juridical Committee. It was resolved that the Committee revise it in the light of such recent proposals as the Hague Convention concluded on the subject in 1964.
5. At the regular meeting of the Inter-American Juridical Committee for 1967, a resolution was approved whereby the Committee, after reviewing the foregoing events, concluded that "regional regulation does not appear to be the most viable solution in the field of international sale of personal property" and also that

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"the important commercial ties of the Americas with the rest of the world make uniform rules to govern on a world-wide scale advisable". The Committee considered that the Hague Convention represented "the culmination of long and serious studies made on the subject, in which influential institutions and distinguished lawyers had collaborated", and, bearing in mind that "the principles of the Uniform Law of The Hague are not in conflict with the basic principles of American law" but rather that the solutions set forth therein are "in keeping with principles that have guided such important American treaties as the Bustamante Code and the Montevideo treaties", finally stated that there was no reason for promoting the adoption of a regional instrument to regulate the international sale of personal property. The Committee furthermore stated that the Uniform Law on the International Sale of Goods, adopted by the Hague Conference on Private International Law in 1964, was "a document that meets the needs of the American countries in the matter". The corresponding resolution moreover requested that the General Secretariat of the OAS promote the translation of the Hague Convention into Spanish, which was done, the publication having been released recently.

6. The agenda for the 1968 regular meeting of the Inter-American Juridical Committee, to be held in Rio de Janeiro from June through September, contains an item on "harmonization of Latin-American legislation on the subject of commercial contracts", and of course the topic itself pertains to other items under study by the Juridical Committee, such as the review of the Code of Private International Law, the so-called Bustamante Code.

INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

INTERNATIONAL CHAMBER OF COMMERCE

[Original: French]
16 January 1969

... Enclosed is a copy of a letter received in reply to our inquiries at Stockholm. Our National Committee in Sweden also attached the documents received from the Economic Commission for Europe at Geneva, which, of course, we removed. In addition, you will certainly be interested in the comments we have received today from London on the "ECE Standard Contracts". We wish also, of course, to stress our understandable desire to receive from you as much information as possible.

Annexes to the reply of the International Chamber of Commerce

Letter by the Swedish National Committee of ICC

Original: English
14 January 1969

Referring to the inquiry included in Document No. 460/88 the Swedish National Committee regrets not being able to present much of a commentary concerning the use in international trading of standard contracts and general conditions of sale. The pertinent Swedish business associations which we have approached have declared their satisfaction in general with the system in this field as it has been developed up till now. Of course the main credit in this field goes to the work already carried out by the United Nations Economic Commission for Europe.

As to the collection of texts of general conditions of sale and of standard contracts we have received a couple of such texts from the leading Swedish business organization in this field, the Swedish Association of Metal Working Industries. I am enclosing those texts, most of which are exactly those already prepared by the ECE.

Letter by the British National Committee of ICC

Original: English
13 January 1969

On the subject of ECE Standard Contracts we have recently been informed by the Board of Trade that, in the opinion of the Timber Trade Association, the Standard Contracts for the Sale of Sawn Soft Wood and Sawn Hard Wood are not well suited for practical use in the trade. The Standard Contracts contain many variant clauses and are sometimes imprecise, and they cannot be used as they stand as complete contracts. The Association's own standard contracts are therefore preferred in the United Kingdom. We await comments on the ECE Standard Contracts for the Sale of Cereals.

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ANNEX III

GENERAL CONDITIONS OF SALE AND STANDARD FORMS OF CONTRACT
SPONSORED BY THE ECE

1. Contracts for the sale of cereals

Nos.

- 1 A C.I.F. (maritime); Non-reciprocal; Cargoes and parcels; Weight and condition - final at shipment.
- 1 B C.I.F. (maritime); Reciprocal; Cargoes and parcels; Weight and condition - final at shipment.
- 2 A C.I.F. (maritime); Non-reciprocal; Cargoes and parcels; Condition final at shipment; Full outturn.
- 2 B C.I.F. (maritime); Reciprocal; Cargoes and parcels; Condition final at shipment; Full outturn.
- 3 A C.I.F. (maritime); Non-reciprocal; Cargoes and parcels; Rye terms (condition guaranteed at discharge); Shipping weight final.
- 3 B C.I.F. (maritime); Reciprocal; Cargoes and parcels; Rye terms (condition guaranteed at discharge); Shipping weight final.
- 4 A C.I.F. (maritime); Non-reciprocal; Cargoes and parcels; Rye terms (condition guaranteed at discharge).
- 4 B C.I.F. (maritime); Reciprocal; Cargoes and parcels; Rye terms (condition guaranteed at discharge); Full outturn.
- 5 A F.O.B. (maritime); Non-reciprocal; Cargoes and parcels;
- 5 B F.O.B. (maritime); Reciprocal; Cargoes and parcels.
- 6 A Consignment by rail in complete wagon loads; Non-reciprocal.
- 6 B Consignment by rail in complete wagon loads; Reciprocal.
- 7 A C.I.F. (Inland Waterway); Non-reciprocal.
- 7 B C.I.F. (Inland Waterway); Reciprocal.
- 8 A F.O.B. (Inland Waterway); Non-reciprocal.
- 8 B F.O.B. (Inland Waterway); Reciprocal.
- 9 Regulations for the Standardization of Methods of Sampling.

2. Plant and machinery: durable consumer goods

Ncs.

- 188 General Conditions for the Supply of Plant and Machinery for Export.
- 188 A General Conditions for the Supply and Erection of Plant and Machinery for Import and Export.
- 188 B Additional Clauses for Supervision of Erection of Plant and Machinery Abroad.
- 188 D Additional Clauses for Complete Erection of Engineering Plant and Machinery Abroad.
- 574 General Conditions for the Supply of Plant and Machinery for Export.
- 574 A General Conditions for the Supply and Erection of Plant and Machinery for Import and Export.
- 574 B Additional Clauses for Supervision of Erection of Plant and Machinery Abroad.
- 574 D Additional Clauses for Complete Erection of Plant and Machinery Abroad.
- 730 General Conditions of Sale for the Import and Export of Durable Consumer Goods and of other Engineering Stock Articles.

3. Miscellaneous

- 312 General Conditions for the International Sale of Citrus Fruit.
- 410 General Conditions for Export and Import of Sawn Softwood.
- 420 General Conditions for the Export and Import of Hardwood Logs from the Temperate Zone.
- Sales 16 General Conditions for the Export and Import of Solid Fuels.
- Trans/263 General Conditions for International Furniture Removal.
