

UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS

The United Nations Convention on Contracts for the International Sale of Goods was the outcome of a long process of unification the origin of which goes back to the very early days of the movement for the unification of international trade law. The Convention is rooted in two earlier conventions sponsored by the International Institute for the Unification of Private Law (Unidroit). In 1930, Unidroit decided to undertake the preparation of a uniform law on the international sale of goods, which resulted in two separate conventions: the Convention relating to a Uniform Law on the Formation of Contracts for the International Sale of Goods (ULF) and the Convention relating to a Uniform Law on the International Sale of Goods (ULIS). Developed over the course of three decades by leading commercial law experts of Western Europe, the two Conventions were finalized in 1964 by a diplomatic conference at The Hague and entered into force in 1972 among nine states. Despite their fundamental importance, they failed to receive substantial acceptance outside Western Europe.

At the first session of the United Nations Commission on International Trade Law (UNCITRAL) held in 1968, it was decided that the Commission should first determine the position of States in respect of the ULF and ULIS which were not yet in force. Accordingly, the Commission requested the Secretary-General to send a questionnaire to Member States of the United Nations or any of its specialized agencies. Upon receiving the replies and an analysis of the replies, the Commission decided, at its second session in 1969, to create a Working Group on the International Sale of Goods, composed of representatives of fourteen Member States, which was instructed to ascertain “which modifications of the existing texts might render them capable of wider acceptance by countries of different legal, social and economic systems, or whether it will be necessary to elaborate a new text for the same purpose”.

The Working Group, which was subsequently enlarged to fifteen members, held a total of nine sessions from 1970 to 1977 (New York, January 1970; Geneva, December 1970; Geneva, January 1972; New York, January-February 1973; Geneva, January-February 1974; New York, January-February 1975; Geneva, January 1976; New York, January 1977; Geneva, September 1977). At its first seven sessions, the Working Group considered ULIS and, at its eighth and ninth sessions, it considered ULF. In both cases, the Working Group recommended that the Commission adopt new texts, which would be more acceptable to countries of different legal, economic or social systems. It further produced two draft Conventions, namely the draft Convention on the International Sale of Goods, setting forth the rights and obligations of the seller and buyer under the sales contract, and the draft Convention on the Formation of Contracts for the International Sale of Goods, which the Working Group completed respectively in 1976 and 1977. During the period of 1970 to 1977, the Secretary-General was often requested by the Commission and the Working Group to prepare reports on certain matters pertaining to international sale of goods.

The Commission, at its tenth session in 1977, approved the draft Convention on the International Sale of Goods based upon the text proposed by the Working Group. At its eleventh session in 1978, the Commission approved the draft Convention on the Formation of Contracts for the International Sale of Goods and decided to combine the two draft Conventions into the draft Convention on Contracts for the International Sale of Goods, which it approved at the same session. Based on the recommendation from the Commission, the General Assembly submitted the draft Convention to the United Nations Conference on the International Sale of Goods (Conference of Plenipotentiaries), convened in 1980, for its consideration.

The draft Convention was laid before the 1980 Conference, together with a commentary thereon prepared by the UNCITRAL Secretariat. The Conference, held in Vienna from 10 March to 11 April 1980, unanimously approved the United Nations Convention on Contracts for the International Sale of Goods. The Convention opened for signature on 11 April 1980 during the Conference in Vienna. In accordance with its article 99, it entered into force on 1 January 1988.