

V. ACTIVITIES OF OTHER ORGANIZATIONS

Report of the Secretary-General on current activities of international organizations related to the harmonization and unification of international trade law (A/CN.9/94 and A/CN.9/94/Add.1 and 2)*

INTRODUCTION

1. The United Nations Commission on International Trade Law, at its third session, requested the Secretary-General "to submit reports to the annual sessions of the Commission on the current work of international organizations in matters included in the programme of work of the Commission".¹

2. In accordance with the above decision reports were submitted to the Commission at the fourth session in 1971 (A/CN.9/59), at the fifth session in 1972 (A/CN.9/71), and at the sixth session in 1973 (A/CN.9/82). The present report, prepared for the seventh session (1974), is based on information submitted by international organizations concerning their current work.² In many cases, the present report includes information on progress with respect to projects for which background material is included in earlier reports.³ Some of the international organizations, whose activities were described in the earlier reports to the Commission, either did not submit statements as to their current activities or reported that they were not currently engaged in work related to the work programme of the Commission.

* 6, 8 and 10 May 1974.

¹ Report of the United Nations Commission on International Trade Law on the work of its third session, *Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 17* (A/8017), para. 172; UNCITRAL Yearbook, Vol. I: 1968-1970, part two, III, A.

² Information received from some international organizations has not been included because that information concerned activities unrelated to the work of UNCITRAL or because it described activities other than current projects.

³ Background material may be found in the reports presented to the fourth session (A/CN.9/59), the fifth session (A/CN.9/71) and the sixth session (A/CN.9/82) (UNCITRAL Yearbook, Vol. IV: 1973, part two, V); and in the following: *Digest of legal activities of international organizations and other international institutions*, published by the International Institute for the Unification of Private Law (UNIDROIT); *Progressive development of the law of international trade*, report of the Secretary-General (1966), *Official Records of the General Assembly, Twenty-first Session, Annexes*, agenda item 88, document A/6396, paras. 26-189 (UNCITRAL Yearbook, Vol. I: 1968-1970, part one, II, B); *Survey of the activities of organizations concerned with harmonization and unification of the law of international trade*, note by the Secretary-General, 19 January 1968 (A/CN.9/5); and replies from organizations regarding their current activities in the subjects of international trade within the Commission's work programme, note by the Secretariat, 1 April 1970 (UNCITRAL/III/CRP.2).

I. UNITED NATIONS ORGANS AND SPECIALIZED AGENCIES

A. UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (ECE)

Group of Experts on International Trade Practices relating to Agricultural Products

3. (a) Rules for Survey (Valuation) in Fresh Fruit and Vegetables.

These Rules for Survey, adopted by the Group of Experts in April 1973 are part of the General Conditions for International Dealings in Fresh Fruit and Vegetables (AGRI/WP.1/GE.7/35 and Add.1).

(b) General Conditions for International Dealings in Potatoes. Rules of Valuation for Potatoes.

On the basis of documents AGRI/WP.1/GCS/24/Rev.1 and AGRI/WP.1/GCS/29 General Conditions and Rules for Survey for the international trade in potatoes were adopted by the Group of Experts at its sessions in April 1973 and February 1974. The texts will be published in 1974.

(c) Draft General Conditions for International Dealings in Dry Fruit (shelled and unshelled) and Dried Fruit. Draft Rules of Valuation for Dry and Dried Fruit.

Work continued in 1973 on the two instruments concerning international trade in dry and dried fruit (AGRI/WP.1/GCS/16/Rev.3 and AGRI/WP.1/GE.7/R.4/Rev.1).

(d) Draft Arbitration Rules for International Dealings in Agricultural Products.

Work continued in 1973 on rules for arbitration on the basis of document AGRI/WP.1/GCS/30. In 1974 the Group of Experts will devote a session to this question. On that occasion it is expected that experts on international commercial arbitration will participate. It should then be possible to establish whether arbitration rules for international dealings in agricultural products should be established under the auspices of the ECE.

Group of Experts on International Contract Practices in Industry

4. (a) The Guide on Drawing up Contracts for Large Industrial Works was published in English and French in 1973, in Russian in 1974 (United Nations publication, Sales No. (English): E.73.II.E.13).

(b) In 1973 work was initiated for preparing a guide on drawing up international contracts on industrial co-operation.

Group of Experts on Data Requirements and Documentation

5. In 1973 the Group of Experts decided to transfer two items from its long-term to its short-term work programme, i.e.

(a) Purpose and modalities of signature on international trade documents, and

(b) Legal validity of documents transmitted automatically.

The Group of Experts was set up in 1972 by the Working Party on Facilitation of International Trade Procedures. Its terms of reference are reproduced in document TRADE/WP.4/113.

B. UNITED NATIONS ECONOMIC COMMISSION
FOR LATIN AMERICA (ECLA)

International intermodal transport

6. The immediate objective of this project is to carry out economic and legal studies and collaborate with UNCTAD, pursuant to Economic and Social Council resolution 1734 (LIV), so that the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport will have the information needed to prepare a draft convention dealing with documentation and liability problems of international intermodal transport and the institutionalization of combined transport operators.

7. The Economic Commission for Latin America is aiding the creation and work of the national and regional working groups on facilitation of commerce and international intermodal transport, which for the present are studying the legal and economic aspects of this issue in order to advise the Latin American members of the Intergovernmental Preparatory Group. Individual Latin American experts on international transport or maritime law are also collaborating by contributing recommendations regarding the proposed convention, and these contributions will be brought together in an anthology by the Commission. The Commission itself is engaged in studies regarding the impact of the introduction of a new Combined Transport Document with relation to present documentation requirements for international trade, and regarding the economic and institutional implications of different technological options for international intermodal transport.

8. At the same time, the Commission and the Institute for Latin American Integration (INTAL) are studying the legal and other non-tariff barriers to facilitation of land transport movements between the Plate River Basin and the Andean Group countries. This project is sponsoring experimental cargo movements and advising the Governments and the transporters of new agreements, procedural modifications and insurance or guarantee systems which need to be made in order to permit the creation of regular transport services, taking advantage of existing infrastructure.

9. The Commission has prepared a document: "International intermodal transport: statement of the immediate problem for Latin America and action programme for affected institutions" (E/CN.12/L.103,

3 December 1973), and will prepare additional documents during the year on the activities described above.

C. UNITED NATIONS ECONOMIC COMMISSION
FOR ASIA AND THE FAR EAST (ECAFE)

International payments

10. A draft agreement establishing the Asian Clearing Union was adopted at the Meeting of Senior Officials of Governments and Central Banks for the Establishment of an Asian Clearing Union, which was convened at Bangkok 23-28 February 1973. The agreement was opened for signature by interested central banks at the Tokyo session of ECAFE (11-23 April 1973).

International legislation on shipping

11. The secretariat of ECAFE plans to undertake a comprehensive survey of existing maritime legislation in the ECAFE region with a view to promoting uniformity in the national legislations. Based on the results of the above survey, guidelines shall be developed for formulation of maritime law for use by countries in the ECAFE region. This work will be carried out with the co-operation and support of UNCTAD and UNCITRAL.

D. INTERNATIONAL CIVIL AVIATION ORGANIZATION
(ICAO)

Question of revision of the Warsaw Convention of 1929 as amended by the Hague Protocol of 1955: ((a) cargo; (b) mail; (c) automatic insurance)

12. The early stages of ICAO's work on revision of the Warsaw Convention of 1929, as amended by the Hague Protocol of 1955, were described in the report submitted to UNCITRAL at its sixth session (A/CN.9/82; UNCITRAL Yearbook, Vol. IV: 1973, part two, V; para. 6). The report of the ICAO Sub-Committee on Revision of the Warsaw Convention (ICAO document LC/SC.Warsaw (1972)—report) will be placed before the full ICAO Legal Committee, which will meet at Montreal in September and October 1974.

Research in regard to measures for promoting the uniform interpretation of international private air law conventions

13. A rapporteur appointed for this subject has not yet presented a report.

E. UNITED NATIONS CONFERENCE ON TRADE AND
DEVELOPMENT (UNCTAD)*

14. Earlier stages of UNCTAD's work on liner conference practices, charter parties and combined transport were described in the report submitted to the sixth session of the Commission (A/CN.9/82, paras. 7-13; UNCITRAL Yearbook, Vol. IV: 1973, part two, V).

15. A Convention on a Code of Conduct for Liner Conferences was adopted at the conclusion of the United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences, on 6 April

* For further information see addendum 1 below.

1974. The report of the Conference is expected to be published during May 1974 as TD/CODE/10.

F. INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION (IMCO)

International legislation on shipping

16. Earlier stages of work on this subject were described in the reports submitted at the fourth and fifth sessions of UNCITRAL (A/CN.9/59, para. 12 and A/CN.9/71, paras. 9 and 10). IMCO continues to participate in the work of UNCITRAL on this subject.

G. INTERNATIONAL MONETARY FUND (IMF)⁴

International negotiable instruments

17. Members of the staff of the Fund have been participating in work in respect of a draft uniform law on international bills of exchange and promissory notes which is at present being considered by the UNCITRAL Working Group on International Negotiable Instruments.⁵

H. WORLD BANK (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—IBRD)

Procurement training courses

18. In the past few years the World Bank has taken an active interest in procurement training courses and the curricula and contents thereof for officials in developing countries. It has, for instance, made staff available and made a modest financial contribution to the first two UNITAR/SIDA regional seminars on the topic as well as to the UNDP-sponsored seminar on procurement in Indonesia.

I. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

The evaluation of multinational projects and the basis of a policy for their establishment in developing countries

19. The first part of a UNIDO study on this topic discusses the need for multinational projects including their functions, economies of scale and their relation to the development of smaller developing countries. It then considers the terms of co-operation, which include the sharing of the benefits of co-operation, the concept of a "package deal" of projects, the location of projects, arrangements for ensuring access to markets in co-operating countries, the provision of finance and entrepreunering and the negotiation of a "package deal" of multinational projects. The third part of the study deals with the evaluation of multinational industrial projects and attempts to quantify the benefits resulting from such projects. The study will be published by UNIDO in 1974.

⁴ The activities of the IMF in the area of training and assistance were set out in the report of the Secretary-General, submitted to the fifth session of UNCITRAL, on training and assistance in the field of international trade law (A/CN.9/65, para. 12 (d)).

⁵ For participation of international organizations in the preparation of the draft uniform law, see A/CN.9/WG.IV/WP.2, introduction at para. 3, note 6 and A/CN.9/77, para. 5; UNCITRAL Yearbook, Vol. IV: 1973, part two, II, 1.

A critical appraisal of regional industrial co-operation in East Africa

20. This UNIDO study discusses critically regional industrial co-operation in the East African Community since its inception up to the present time. It considers the three stages of regional economic co-operation in the evolution of the East African Community; economic development in East Africa; and lastly, the critical evaluation of industrial co-operation and recommendations with regard to measures which could facilitate more co-operation in the industrial field in future. It is scheduled for publication by UNIDO in 1974.

The role of multilateral financial institutions in the promotion of international industrial co-operation

21. This paper was prepared by UNIDO for a meeting convened by the Secretary-General of UNCTAD to discuss the role of multilateral financial institutions in the promotion of economic integration in the developing countries. It has been published by UNIDO (publication reference UNIDO/IPPD.138).

Contract planning

22. This is a manual which attempts to show industrial managers, administrators and engineers in developing countries how proper planning, organization and control can alleviate many of the problems in the field of contracting. The manual gives the systematic view of how the contracting work is arranged in a proper way and what the functions of the various project departments are. The manual is to be published in 1974.

Guidelines for the formation of contractual agreements for industrial projects

23. These guidelines aim at showing the relevant staff in developing countries how to formulate contracts for consultants, civil works contractors and equipment suppliers. Those issues which are particularly important for developing countries are shown as well as the basic procedures for the preparation of contracts. The guidelines also include a section on international arbitration. The study is presently being finalized.

Subcontracting and licensing agreements

24. UNIDO documents ID/WG.136/3 and ID/WG.136/20 are the results of a UNIDO meeting on Transfer of Technology to Developing Countries through Subcontracting and Licensing Agreements.

J. FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

Programmes on investment in agriculture

25. FAO's programmes of relevance to foreign investment in agriculture, on the basis of preinvestment studies and surveys, are aimed partly at facilitating the establishment of contacts between potential investors, whether public (e.g. IBRD, regional development banks, bilateral aid programmes) or private, and the authorities of the developing country responsible for the particular sector in need of investments. Of relevance in this respect is the work of the FAO Industry Co-operative Programme (ICP).

26. A second aspect of FAO's programmes is the dissemination of information regarding methods for the stimulation and control of investment, and guidelines for the establishment and operation of enterprises involving some measure of joint investment or joint participation in various substantive sectors of agriculture, forestry and fisheries. Examples of such work are the study on "Foreign Investment Laws and Agriculture" and the "Handbook on Forest Utilization Contracts on Public Land", FAO, 1971. A similar study on joint ventures in the fishery sector is currently in preparation.

II. INTERGOVERNMENTAL ORGANIZATIONS

A. ASIAN-AFRICAN LEGAL CONSULTATIVE COMMITTEE

Uniform rules governing the international sale of goods

27. This subject has been included in the programme of work of this Committee since 1969. The Uniform Law on the International Sale of Goods, together with the revisions thereto proposed by the UNCITRAL Working Group on the International Sale of Goods, has been considered by a Standing Sub-Committee at the annual sessions held at Accra (1970), Colombo (1971) and New Delhi (1972).

Prescription (limitation) in the international sale of goods

28. The proposed UNCITRAL draft convention on this subject was considered in detail by the Standing Sub-Committee on the International Sale of Goods at the session held in New Delhi (1973), together with a study thereon prepared by the secretariat of the Committee. The report of the Sub-Committee generally approved the approach of the Convention as a workable compromise, and submitted specific suggestions for its revision. The report was circulated among member States for their comments, and some member States have generally approved the report. Any further comments received will be forwarded to the UNCITRAL secretariat.

General conditions of sale

29. The work already done, commencing with the session held at Accra (1970), included adoption of a programme of work proposed by the Standing Sub-Committee, the preparation of a draft standard form of f.o.b./f.a.s. contract for use in relation to the sale of commodities in the region, the consideration and suggested revision of the draft by the Sub-Committee, and the circulation of the draft and proposals for revision to member States, other States of the Asian-African region, and interested trade associations in the region for their comments. A study is now being prepared analysing the responses received. This analysis, and a commentary thereon prepared by the secretariat, will shortly be circulated together with a detailed questionnaire designed to elicit further information necessary for the continuation of the project. Further work, including the drafting of another standard form contract, is envisaged after receipt of the replies to the questionnaire.

International payments

30. The work done by UNCITRAL in the field may be considered at an appropriate stage.

International commercial arbitration

31. A detailed study on certain aspects of international commercial arbitration was prepared by the secretariat of the Committee. This covered the following topics: (1) institutional arbitration and *ad hoc* arbitration; (2) constituting the arbitral tribunal; (3) venue of arbitration; (4) the applicable law to determine the rights and obligations of the parties under the contract; (5) procedure in arbitration; (6) arbitral awards; (7) the enforcement of foreign arbitral awards. The study was placed before the Committee at its session at Tokyo (1974) and considered in detail by a Sub-Committee. The report of the Sub-Committee with the recommendations contained therein has been forwarded to UNCITRAL for its attention.

It is proposed to follow up the study in the light of the discussion at the Tokyo session (1974) in order to consolidate and carry further the work already done. For this purpose, a detailed questionnaire is being prepared with a view to eliciting further essential information from Governments and trade associations in the region.

Bills of lading

32. In reply to an UNCITRAL questionnaire on certain topics relating to bills of lading, which were due to be considered by the UNCITRAL Working Group on this subject, a detailed answer to the questionnaire was prepared by the secretariat, and circulated to member Governments for their comments. The topics in question were also considered by a Sub-Committee at the session of the Committee in Tokyo (1974) and the report of the Sub-Committee was forwarded to UNCITRAL for consideration by the Working Group. The future work of UNCITRAL will be kept under review.

A code of conduct for liner conferences

33. A detailed study was prepared by the secretariat on the proposals which culminated in the holding of a Conference of plenipotentiaries for drafting a convention on this subject in November last year. This was circulated to member Governments and other Governments of the region. After the Conference concludes its deliberations, a further study will be undertaken, if necessary.

Multinational enterprises

34. This subject is under review, and will be appropriately considered, if the need arises.

B. ASIAN DEVELOPMENT BANK

Credit and security research project

35. For the past three years, the Asian Development Bank has been associated with the Law Association for Asia and the Western Pacific (LAWASIA) in the undertaking of a credit and security research project. This project involves a study of the security arrangements available to national development banks and similar financial institutions situated in the region. Eight country reports and one integrated report have, so far, been published by the University of Queensland Press,

Queensland, Australia. The report on Australia is expected to be completed towards the end of the year.

C. BANK FOR INTERNATIONAL SETTLEMENTS

International negotiable instruments

36. Through its Legal Adviser, the Bank for International Settlements has participated in work on a draft uniform law on international bills of exchange and promissory notes which is being considered by the UNCITRAL Working Group on International Negotiable Instruments.⁶

D. COUNCIL OF EUROPE⁷

Uniform rules in the field of "time limits"

37. Earlier stages of the work on "time limits" by the Council of Europe were described in the reports submitted to the fourth session (A/CN.9/59, para. 23), the fifth session (A/CN.9/71, paras. 21 and 22), and the sixth session of UNCITRAL (A/CN.9/82; UNCITRAL Yearbook, Vol. IV: 1973, part two, V; paras. 37 and 38). The European Convention on the Computation of Time Limits was opened for signature on 16 May 1972, but has not yet entered into force.

38. At its 229th meeting, held 19-27 February 1974, the Committee of Ministers authorized the setting-up of a Committee of Experts to examine the outcome of the United Nations Diplomatic Conference on Prescription (Limitation) in the International Sale of Goods and the action to be taken on the European rules on extinctive prescription drawn up by a CCJ committee of experts.

Recognition and enforcement of foreign judgements in private and commercial matters

39. Earlier stages of work on the preparation of a practical guide on the subject were described in the reports submitted at the fourth session (A/CN.9/59, para. 24), the fifth session (A/CN.9/71, para. 23), and the sixth session of UNCITRAL (A/CN.9/82, para. 39). The Committee of Ministers of the Council of Europe authorized the setting-up of a drafting committee which is to finalize the practical guide to recognition and enforcement of foreign judicial decisions.

Products liability

40. A committee of experts, appointed in 1972, has been engaged in the preparation of a draft uniform law or a draft convention, in order to harmonize in the member States the laws on liability of producers for damage caused by their products.

⁶ For participation of international organizations in the preparation of the draft uniform law, see A/CN.9/WG.IV/WP.2, introduction para. 3, note 6 and A/CN.9/77 (UNCITRAL Yearbook, Vol. IV: 1973, part two, II, 1) para. 3.

⁷ This report on the current activities of the Council of Europe was derived from several sources; it may be incomplete in view of the fact that the Secretariat has not yet received a communication from the Council describing its activities relating to international trade law.

E. COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (CMEA)

Convention on the settlement by arbitration of civil law disputes arising out of relations concerned with economic, scientific and technological co-operation

41. The above Convention was discussed in the reports submitted to the fifth session (A/CN.9/71, para. 26) and the sixth session of UNCITRAL (A/CN.9/82, UNCITRAL Yearbook, Vol. IV: 1973, part two, V; para. 42). The Convention entered into force on 13 August 1973.

42. The Convention provides that all disputes between economic organizations arising from contractual or other civil law relations in the course of economic, scientific and technological co-operation among countries parties to the Convention shall be subject to arbitration, provided that such disputes do not fall within the competence of national courts.

Uniform rules for arbitration courts

43. This topic was discussed in the report submitted to the sixth session of UNCITRAL (A/CN.9/82, para. 43). The uniform rules for arbitration courts attached to the chambers of commerce of the member countries of CMEA, which include provisions concerning court fees for arbitration, and expenses and costs borne by the parties, were prepared by the Legal Conference of representatives of CMEA member countries on the basis of the Comprehensive Programme for the Further Intensification and Enhancement of Co-operation for the Development of the Socialist Economic Integration of the Member States of CMEA. The uniform rules were approved by the Executive Committee in February 1974.

44. The rules provide for the uniform settlement of questions relating to the competence of arbitration courts, their organization and activities and their working procedures. The Executive Committee recommended that CMEA member countries should adopt measures to ensure that regulations corresponding to the uniform rules should be applied to disputes between the economic organizations of CMEA member countries which fall within the competence of these courts.

General conditions for technical servicing of machines and equipment delivered in trade among CMEA member countries

45. With a view towards the further refinement of the system of technical servicing of machines and equipment delivered in trade among CMEA member countries, CMEA's Standing Commission on Foreign Trade has carried out work on the improvement of the General Conditions of Technical Servicing, CMEA, 1962, and the General Conditions of Assembly, CMEA, 1962. This work has made the above-mentioned 1962 documents responsive to the growing demands for technical servicing of machines and equipment delivered in trade among the member countries of CMEA; they now define more clearly the rights and obligations of sellers and buyers in the organization and execution of technical servicing and assembly and related matters. These documents have been prepared to fit in with the General Conditions of Delivery, CMEA,

1968. As a result of the improvement of the 1962 documents, CMEA's Standing Commission on Foreign Trade was able to prepare the General Conditions for the technical servicing of machines, equipment and other industrial products delivered among organizations of the member countries of the Council for Mutual Economic Assistance authorized to engage in foreign trade (General Conditions of Technical Servicing, CMEA, 1973) and the General Conditions of Assembly and the provision of other technical services connected with the delivery of machines and equipment among organizations of the member countries of the Council for Mutual Economic Assistance (General Conditions of Assembly, CMEA, 1973).

46. These latter documents were approved by the Executive Committee in April and September 1973 respectively. The Executive Committee recommended that CMEA member countries should bring the above-mentioned documents into force on 1 January 1974, so that they would be applicable to contracts entered into on or after 1 January 1974 between organizations of the member countries of CMEA authorized to engage in foreign trade.

47. CMEA's Standing Commission on Foreign Trade has also improved the General Principles for the provision of spare parts for machines and equipment delivered in trade among member countries of CMEA and with the Socialist Federal Republic of Yugoslavia. The General Principles were approved by the Executive Committee in April 1973.

Report on legal questions relating to the conclusion and execution of treaties on specialization and co-operation in production

48. This report was prepared by the Legal Conference of representatives of CMEA member countries as a means of promoting co-operation among CMEA member countries and their economic organizations in the uniform solution of certain legal questions relating to the conclusion and execution of treaties on specialization and co-operation in production.

49. The report was approved by the Executive Committee in December 1973. The Executive Committee recommended to the member countries of the Council that their economic organizations should take the recommendations contained in the report into account when concluding treaties on specialization and co-operation in production; it also instructed CMEA organs to take account of these recommendations when drawing up such treaties. The Legal Conference of representatives of CMEA member countries was requested to prepare, on the basis of this report, a description of existing practice concerning the conclusion of treaties on specialization and co-operation in production, and draft uniform rules for the settlement of questions relating to the conclusion and execution of such treaties.

**F. INTER-AMERICAN JURIDICAL COMMITTEE
(ORGANIZATION OF AMERICAN STATES)**

The Inter-American Specialized Conference on Private International Law

50. Earlier stages of work by the Committee were described in the reports submitted to the fifth session

(A/CN.9/71, paras. 36 and 37) and the sixth session of UNCITRAL (A/CN.9/82, UNCITRAL Yearbook, Vol. IV: 1973, part two, V; para. 49). Among the draft conventions and other documents prepared by the Inter-American Juridical Committee for the Inter-American Specialized Conference on Private International Law are the following: resolution on multinational commercial companies; resolution on the international sale of goods; draft convention on bills of exchange, checks and promissory notes of international circulation; draft convention on international commercial arbitration; and draft convention on contracts of maritime and terrestrial transportation.

51. These documents were approved by the Committee during its meeting in July-August 1973. The Inter-American Specialized Conference on Private International Law will be held in Panama starting on 14 January 1975.

G. INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION (IBEC)

International commercial arbitration

52. The draft international convention on settlement through arbitration of civil disputes which may occur within the framework of economic and scientific-technological co-operation was approved in 1972. The Russian text of the Convention was signed on 26 May 1972 by representatives of the eight Governments of the CMEA member countries. The text was published in the official bulletins of the countries signers of the Convention (e.g. the official text of the Convention in Russian was published together with its Polish translation in issue No. 7, 1974, of "Dziennik Ustaw").

53. The Convention came into force on the ninetyth day from the day of the placement with the depositary of the fifth instrument of ratification, i.e. as of 13 August 1973. The Convention has been ratified by six of the eight CMEA countries. The Convention is open for other countries to join, subject to approval by the countries which have previously ratified the Convention.

54. The Convention involves the system of permanent arbitration attached to the chambers of commerce in the participating countries. All disputes between economic organizations (including international economic organizations of the CMEA countries provided their Statutes stipulate application of the Convention) resulting from contract and other civil relations occurring during economic and scientific-technological co-operation of the participating countries, are to be submitted to the arbitration tribunal attached to the Chamber of Commerce in the defendant's country or, at the parties' discretion, in a third country party to this Convention. The Convention envisages and secures the execution of arbitration decisions in the participating countries. The articles of the Convention do not affect interstate organizations.

Multinational enterprises

55. Establishment by the CMEA member countries of a number of international economic organizations gave rise to problems connected with opening and keeping accounts of these organizations with IBEC and

granting loans to these institutions. At present IBEC is studying the above problems, as it can be expected that these institutions may approach IBEC for loans.

H. INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW (UNIDROIT)

56. Detailed discussions of the work of UNIDROIT in areas relating to international trade law may be found in the reports submitted to the fifth session (A/CN.9/71, paras. 38-53) and the sixth session of UNCITRAL (A/CN.9/82, UNCITRAL Yearbook, Vol. IV: 1973, part two, V; paras. 51-58).

Progressive codification of the general part of the law of contracts

57. A preliminary report of comparative law on the non-performance of contracts and the sanctions for non-performance was prepared by the secretariat of UNIDROIT and presented to the Governing Council of UNIDROIT at its fifty-second session (April 1973) (Document U.D.P. 1973—Etudes: L—Droit des obligations, Doc. 4). The Council authorized the continuation of the work in this field and decided to set up a restricted Committee of governmental experts with special knowledge of the different common law systems, of the civil law systems and of those of the Socialist States and moreover directly interested by the problems of international trade.

58. At its fifty-third session (February 1974), the Council examined a comparative chart prepared by the secretariat giving provisions currently in existence on the formation, validity, interpretation, performance and non-performance of contracts (document Etudes L, Doc. 5, UNIDROIT 1973). This document should facilitate the work of the restricted Committee which started examining these various problems during its first meeting held in February 1974.

Preliminary draft law for the unification of certain rules relating to validity of contracts of international sale of goods

59. The above-mentioned preliminary draft uniform law together with the explanatory report prepared by the Max-Planck Institut für ausländisches und internationales Privatrecht (documents U.D.P. 1972—Etudes XVI/B—Doc. 20 and 21) were distributed at the sixth session of UNCITRAL. It is expected that the Commission will decide on the future steps to be taken in this field at a future session.

Draft uniform law on the protection of the bona-fide purchaser of corporeal movables

60. This draft, accompanied by an explanatory report (Doc. U.D.P. 1968, paper XLV, Doc. 37), was submitted to a Committee of governmental experts which held two meetings during 1973 and which will hold a third meeting in June 1974; work on this subject will presumably be terminated during 1974. The revised draft will be presented, in the form of a Convention providing a Uniform Law, for the approval of Governments at a Diplomatic Conference.

Agency

61. This draft, revised by a Committee of governmental experts (Etude XIX, Doc. 55, UNIDROIT 1974) should be submitted, in the form of a convention providing a uniform law, for the approval of Governments at a diplomatic conference for its adoption in the near future.

Harmonization of the legal régimes, relating to the liability of the carrier of commodities and persons—Study of the gold-clause in international conventions in connexion with transport

62. In the framework of this general theme included as a priority topic on the work programme by the Governing Council at its fifty-third session as a result of a wish expressed at the special Day on the Unification of Transport Law (Rome, 27 April 1973), the Secretariat drew up a report and a questionnaire studying the problem posed by the various monetary units (gold clauses) contained in international conventions, in particular as regards transport, and the conversion of these units into the national currencies. The Secretariat is in the process of drawing up a report on the basis of the answers received to the questionnaire.

The legal status of air-cushion vehicles (especially sea-going vehicles, e.g. hovercraft and naviplanes)

63. The conclusions of the report prepared by the Secretariat of UNIDROIT as a result of the enquiries it made as regards the situation of the law existing in this field in the various countries, were presented before a restricted exploratory Committee of governmental experts which worked out guidelines for the future work to be undertaken by an enlarged Committee of governmental experts on the basis of a list of priorities including the different topics making up the subject. The first of these topics, to be examined by the Committee during 1974, deals with the registration and nationality of air-cushion vehicles.

Transport of live animals

64. The Secretariat has undertaken a study on behalf of UNCITRAL relating to the transport of live animals in the various modes of transport with a view to including this form of transport in the Hague Rules currently being revised by UNCITRAL (document A/CN.9/WG.III/WP.11*). The conclusion of this study favours this inclusion and makes different suggestions as to ways of going about it. The Working Group on International Legislation on Shipping decided at its sixth session (Geneva, 4-20 February 1974) to include this form of transport in the revised Rules and it adopted one of these proposals after having made a slight amendment.

Road transport

65. The Convention relating to the Contract for the International Carriage of Passengers and Luggage by Road (CVR), drawn up by the United Nations Economic Commission for Europe on the basis of a UNIDROIT draft, was opened for signature in Geneva on 1 March 1973.

* Reproduced in this volume, part two, III, 3.

66. The same Commission asked UNIDROIT to prepare a commentary of the Convention on the Contract for the International Carriage of Goods by Road (CMR) signed in Geneva on 19 May 1956, and drawn up by the United Nations Economic Commission for Europe on the basis of an UNIDROIT draft.

River transport

67. The Convention on the Limitation of the Liability of Boat Owners (CLN) drawn up by the United Nations Economic Commission for Europe on the basis of an UNIDROIT draft, was opened for signature in Geneva on 1 March 1973.

68. The draft convention on the contract for the carriage of passengers and luggage by inland waterway (CVN) drawn up by UNIDROIT is currently being revised by the Economic Commission for Europe with a view to its adoption by Governments.

69. The draft convention on the contract for the carriage of goods by inland waterway (CMN), drawn up on the basis of an UNIDROIT draft by the same Commission and which had not been opened to the signature of Governments in 1960 is currently being revised at the request of the Commission by a Committee of governmental experts convened by UNIDROIT.

Liability of producers

70. At the request of the Council of Europe, UNIDROIT drew up a comparative study on the liability of producers in the member States of the Council of Europe, the United States, Canada and Japan. The Institute takes an active part in the work of the Council of Europe's Committee of experts which has undertaken the elaboration of a draft international convention in this field.

Hotelkeepers' contract

71. The Secretariat of UNIDROIT has prepared a preliminary report on the hotelkeepers' contract which has been presented before an UNIDROIT Working Committee of Experts. This Committee met in March 1974 when it worked out guidelines with a view to elaborating a first preliminary draft of uniform provisions on the subject.

III. INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

A. INTERNATIONAL CHAMBER OF COMMERCE (ICC)

International sale of goods

72. The ICC Working Party on Trade Terms has been given a wider mandate; its current tasks are the following:

(a) A final draft of the definition of a term to be known as "free airport", being as near as possible an air-freight equivalent to FOB, is now to be circulated to national committees of the ICC for their comments, with a view to final adoption in the autumn of this year.

(b) In co-operation with the Economic Commission for Europe, a standardized set of three-letter abbreviations has been proposed for each of the INCOTERMS 1953 and other trade terms defined by

the ICC. It is hoped that, going on from this, it may be possible to have a numbered coding system to translate the same terms for automatic data processing. This work is envisaged in co-operation with the ECE.

(c) In connexion with specific trade terms in the two separate fields of combined and containerized transport, a questionnaire to ascertain present practice is now to be circularized.

International payments

73. The ICC headquarters has submitted a progress report on uniform customs and practices and on contractual guarantees to the United Nations Secretariat. This report is issued as a document of UNCITRAL (A/CN.9/89), to be considered at its seventh session.

74. It is expected that the final version of the above report will be established in May 1974 by the Working Group of the ICC Commission on Banking Technique and Practices.

International commercial arbitration

75. The process of revision of the ICC's Rules of Conciliation and Arbitration is now under way, in order to take account of developments throughout the world since the present Rules came into effect on 1 June 1955. The time-table is such that it is hoped that the revised Rules may come into effect either early in 1975 or perhaps later the same year.

76. The increasingly wider geographical and linguistic spread of ICC Arbitration has led to publication of the present Rules in Arabic, German and Spanish apart from the official ICC working languages of French and English. In addition to these editions published by international Headquarters, a considerable number of the national committees have also published translations into their national languages.

International legislation on shipping

77. The ICC has participated actively in the work of the UNCITRAL's Working Group on International Legislation on Shipping during 1973 and has submitted its views on several occasions on questions being studied in relation to the revision of the Hague Rules.

78. At the present time, a Working Party of the General Transport Commission is undertaking a study to give an indication as to the possible influence on total amounts of insurance premiums resulting from a certain change in risk allocation (e.g. deletion of defences of the carrier for error in navigation and management of the ship and for fire) between carrier and cargo owner in marine transportation. The study, which is being carried out with the co-operation of shippers, shipowners, P and I clubs, cargo insurers and legal experts, is hoped to be completed towards the end of 1974.

79. The ICC is also organizing a three-day Conference entitled "International shipping—a commercial view" in New Delhi in October, at which time certain broad aspects of international shipping legislation will be considered.

Uniform Rules for a Combined Transport Document

80. The ICC's Uniform Rules for a Combined Transport (CT) Document, published in November 1973, comprise a set of minimum rules that are intended to govern an acceptable and easily recognizable combined transport document. They are suited to being given a legal effect by their incorporation into private contracts for combined transport. By issuing a CT document, subject to ICC Rules, the combined transport operator accepts full responsibility for performance of the complete transport operation, including liability for loss, damage, and delay.

81. Work on these rules began in October 1972 by the ICC's Joint Committee on Containerization, which includes representatives of the various modes of transport and of transport users, bankers, insurers, trade facilitation bodies and forwarders from countries throughout the world. The Rules were developed with the co-operation of the International Federation of Forwarding Agents' Associations (FIATA), the International Maritime Committee (CMI), the International Union of Railways (UIC), the International Road Transport Union (IRU), the International Chamber of Shipping (ICS), the International Union of Marine Insurance (IUMI) and several other international organizations.

82. The Rules are not meant to prejudice the results which may be achieved by UNCTAD in the development of an international intermodal transport convention but to fill the gap until such a convention can be agreed upon and implemented, and to provide a basis for standardizing CT documents and the rights and responsibilities of the parties to a contract for combined transport.

Multinational enterprises

83. The questionnaire received from UNCITRAL on this subject was considered by the ICC Commission on International Commercial Practice. The reply to this questionnaire, *inter alia*, drew attention to the ICC Guidelines on International Investment.

84. In relation to multinational enterprises, the ICC also made a submission through Mr. Renato Lombardi, its President, to the group of eminent persons set up by the United Nations Economic and Social Council to examine their role and impact.

B. INTERNATIONAL MARITIME COMMITTEE (CMI)*International legislation on shipping*

85. The International Maritime Committee is primarily engaged in the preparation of international legislation on shipping. In addition, work has been initiated with respect to international commercial arbitration in maritime affairs. The present working programme includes the following:

Revision of the 1957 International Convention relating to the liability of owners of seagoing ships;

Revision of the International Convention for the unification of certain rules of law relating to bills of lading (1924) and the Protocol to amend that Convention (1968);

Revision of the York/Antwerp Rules relating to general average shipbuilding contracts;

Combined transports and documentation relating thereto.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) (Addendum 1)*International shipping legislation**Code of conduct for liner conferences*

1. The Preparatory Committee established by General Assembly resolution 3035 (XXVII), requesting the Secretary-General of the United Nations to convene, under the auspices of UNCTAD, a conference of plenipotentiaries as early as possible in 1973 to consider and adopt a convention or any other multilateral legally binding instrument on a code of conduct for liner conferences held its first session from 8 to 26 January 1973 and its second session from 4 to 29 June 1973 in Geneva.¹ The Preparatory Committee had before it, among other documents, the draft code of conduct for liner conferences annexed to UNCTAD resolution 66 (III). At the second session, 16 developed market-economy countries submitted counter-proposals for a draft code of conduct for liner conferences.² The Preparatory Committee annexed to the report on its second session its proposed text of a code of conduct for consideration by the United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences.³

2. The United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences held two sessions in Geneva from 12 November to 15 December 1973 and from 11 March to 6 April 1974. Altogether 92 States members of UNCTAD participated in the Conference.

3. The members of the Joint UNCTAD/United Nations Office of Legal Affairs shipping Legislation Unit serviced both the meetings of the Preparatory Committee and the Conference.

4. The Conference completed its task on 6 April 1974 when it adopted the Convention on a Code of Conduct for Liner Conferences. The Convention was adopted by a roll-call vote of 72 votes in favour, 7 against, and 5 abstentions. The final Act of the United Nations Conference of Plenipotentiaries was adopted by the Conference and signed by all but eight participating States, at the conclusion of the Conference.

5. The Convention will be open for signature at United Nations Headquarters from 1 July 1974 to 30 June 1975 inclusive and will thereafter remain open for accession.

International intermodal transport

6. A 58-member Intergovernmental Preparatory Group on a Convention on International Intermodal Transport was established by the Trade and Development Board, in its decision 96 (XII) of 10 May 1973, to elaborate a preliminary draft of a convention on international intermodal transport, in response to the request by the Economic and Social Council in paragraph 2 of its resolution 1734 (LIV) of 10 January 1973.

7. In that decision, the Board requested the UNCTAD secretariat to prepare the studies referred to in paragraph 1 of Economic and Social Council resolution 1734 (LIV), taking into account any additional guidance which the Intergovernmental Preparatory Group, at its first session, might give to the secretariat concerning the studies.

8. The Intergovernmental Preparatory Group held its first session in Geneva, from 29 October to 2 November 1973.

¹ The reports of the first and second sessions of the Preparatory Committee are contained in document TD/CODE/1 and TD/CODE/PC/5 and TD/CODE/2 and TD/CODE/PC/9.

² For the text of the counter-proposals, see document TD/CODE/2, annex III.

³ *Ibid.*, annex I.