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SUGGESTIONS FOR ARTICLES 3 AND 4 OF THE DRAFT UNIFORM LAW

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ARTICLE 3

The provisions of this law shall replace the municipal laws of each Contracting State in relation to the matters governed thereby and shall be applied without regard to the rules of private international law otherwise prevailing in that State.

ARTICLE 4

1. For the purposes of this law a contract of sale of goods shall be considered international if, at the time of the conclusion of the contract, the seller and buyer have their places of business in different States.
2. Where a party to the contract of sale has places of business in more than one State, his place of business for the purposes of paragraph 1 of this article shall be his principal place of business, unless another place of business has a closer relationship to the contract and its performance, having regard to the circumstances known to or contemplated by the parties at the time of the conclusion of the contract.

3. Where a party does not have a place of business, reference shall be made to his habitual residence.

4. Neither the nationality of the parties nor the civil or commercial character of the parties or of the contract shall be taken into consideration.

5.* A contract shall not be considered to be a contract of sale of goods if the obligations of the seller are substantially other than to effect delivery of the goods, hand over any documents relating thereto and transfer the property in the goods in return for payment of the price.

6. This law shall not apply to sales:

(a) of goods of a kind and in a quantity ordinarily bought by an individual for personal, family, household or similar use, unless the seller at the time of the conclusion of the contract knows that the goods are bought for a different use;

(b) by auction;

(c) on execution or otherwise by authority of law;

(d) of stocks, shares, investment securities, negotiable instruments or money

(e) of any ship, vessel or aircraft;

(f) of electricity.

* This paragraph is, in my view, unsatisfactory. It attempts to follow the enigmatic and even more unsatisfactory draft of the new article 6 of ULIS formulated by the Working Group on Sales (see A/CN.9/52, para. 62), but to improve it by reference to the essential obligations of the seller contained in the present article 18 of ULIS with the addition of a reference to the price. The present article 6 of ULIS seems more satisfactory in every respect.