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GENERAL CONDITIONS OF SALE AND STANDARD CONTRACTS

Report of the Secretary-General

1. The Commission at its eighth session, requested the Secretary-General to make inquiries about the practical need for "general" general conditions for use in a wide variety of trades and to report to the Commission at a future session on the progress made in respect of this project. This interim report is submitted in compliance with that request.
2. In order to make the inquiries as to the practical need for "general" general conditions requested by the Commission, the Secretariat arranged with the International Chamber of Commerce the convening of a meeting of experts to consider the question. This meeting, held under the co-sponsorship of the two Secretariats, took place at the headquarters of the International Chamber of Commerce on 16 December 1976.
3. After extended discussions the general consensus of the meeting was that general conditions prepared under the sponsorship of the United Nations could serve a beneficial function in that rules could be proposed which favoured neither party at the expense of the other. However, it was also noted that "general" general conditions would necessarily cover much of the ground already covered by the proposed Convention on the International Sale of Goods and would therefore either duplicate or contradict the provisions of the proposed Convention. In general, it was thought that neither result would be desirable.
4. There was a consensus among the participants that either of two approaches to the preparation of general conditions might be useful: (i) the preparation of technical provisions, on such matters as packing, which could be made uniform for different trades having similar problems, or (ii) the preparation of uniform provisions for the general clauses which typically appears in general conditions of sale, such as force majeure, hardship, and calculation of damages. If this latter approach, which is somewhat similar to the approach taken by the International Chamber of Commerce in the preparation of Incoterms, were to result in the preparation of sufficient uniform provisions to constitute a coherent package, they might then be consolidated into a set of "general" general conditions.

5. Although it was recognized that the first approach, i.e. the preparation of technical clauses, could be of value, on balance it was deemed to be preferable to concentrate on the second approach. However, it was also recognized that it would take further study to determine the extent to which and the means by which this approach could be implemented.

6. A Working Party of the ICC Commission on International Commercial Practice (Working Party "Contracts") has been established to single out the questions to be dealt with and to draw up model clauses that would offer practitioners various solutions depending on the type of contract envisaged. The Working Party "Contracts" held its first meeting on 24 March 1977.

Conclusion

7. In the light of the foregoing the Commission may wish to postpone its work on "general" general conditions and to review the matter when it considers, at its next session, the proposals of the Secretary-General for its long-term programme of work.
