

“(b) in case of a question concerning . . . the law of . . . (*idem.*)

“(c) *idem.*”¹³⁸

59. Austria suggested that article 17 should be deleted from the text of the Uniform Law; the text adopted by the Working Group would be better placed in a preamble, a protocol of signature or any other instrument not forming an integral part of the text.¹³⁹

¹³⁸ Annex IV.

¹³⁹ A/CN.9/SR.77, p. 14.

60. France recommended that in order to promote uniformity in interpretation, the Commission should set up a standing working group with the task to publish commentaries every five years, setting out and criticizing judgements involving interpretation of the Uniform Law.¹⁴⁰ Belgium¹⁴¹ and Poland¹⁴² supported the proposal.

¹⁴⁰ A/CN.9/SR.78, p. 4.

¹⁴¹ *Ibid.*

¹⁴² *Ibid.*, p. 6.

5. Progress report of the Working Group on the International Sale of Goods on the work of its third session, held in Geneva from 17 to 28 January 1972 (A/CN.9/62*, Add.1 and Add.2***)**

CONTENTS

	<i>Paragraphs</i>
Introduction	1-10
Action with respect to the Uniform Law	11-14
Future work	15-17

Annexes

	<i>Page</i>
I. Decisions of the Working Group	79
II. Reasons for decisions of the Working Group	82
III. Revised text of articles 1-55 of the Uniform Law	90

INTRODUCTION

1. The Working Group on the International Sale of Goods was established by the United Nations Commission on International Trade Law at its second session, held in March 1969. The Working Group consists of the following 14 members of the Commission: Austria,* Brazil, France, Ghana, Hungary, India, Iran, Japan, Kenya, Mexico, Tunisia, Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Under paragraph 3 of the resolution adopted by the Commission at its second session,¹ the Working Group shall:

“(a) Consider the comments and suggestions by States as analysed in the documents to be prepared by the Secretary-General . . . in order to ascertain which modifications of the existing texts [the Hague Conventions of 1964 relating to a Uniform Law on the International Sale of Goods and to a Uniform Law on the Formation of Contracts for the International Sale of Goods (ULIS)] might render them capable of wider acceptance by countries of dif-

ferent legal, social and economic systems, or whether it will be necessary to elaborate a new text for the same purpose, or what other steps might be taken to further the harmonization or unification of the law of the international sale of goods;

“(b) Consider ways and means by which a more widely acceptable text might best be prepared and promoted, taking also into consideration the possibility of ascertaining whether States would be prepared to participate in a Conference;”

2. The Working Group held its first session at the United Nations Headquarters in New York from 5 January to 26 January 1970, and its second session at the United Nations Office at Geneva from 7 December to 18 December 1970. Reports of the Working Group on its first and second sessions² were submitted, respectively, to the third and fourth sessions of the Commission.

3. The Commission, at its fourth session, decided, “1. . . . :

“(a) The Working Group on the International Sale of Goods should continue its work under the terms of reference set forth in paragraph 3 (a) of the resolution adopted by the Commission at its second session;

“(b) The Working Group should determine and improve where necessary its own working methods and programme of work;

² A/CN.9/35 and A/CN.9/52; UNCITRAL Yearbook, vol. I: 1968-1970, part three, I, A, 2, and UNCITRAL Yearbook, vol. II: 1971, part two, I, A, 2.

* Appointed by the Commission at its fourth session following the relinquishment by Norway of its membership in the Working Group in order to accommodate the inclusion of a new member of the Commission.

¹ Report of the United Nations Commission on International Trade Law on the work of its second session (1969), *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 18 (A/7618)* (hereafter referred to as UNCITRAL report on second session (1969)), para. 38; UNCITRAL Yearbook, vol. I: 1968-1970, part two, II, A.

* 24 February 1972.

** 21 March 1972.

*** 3 March 1972.

"(c) Until the new text of a uniform law or the revised text of ULIS has been completed, the Working Group should submit a progress report on its work to each session of the Commission, and any comments or recommendations which representatives may make at the sessions on issues set out in the progress reports shall be considered by the Working Group in the preparation of the final draft; the Commission will take its decisions on the substantive issues which may arise in connexion with provisions of a new uniform law or the revised text of ULIS when it has before it, for approval, the final text and accompanying commentary prepared by the Working Group;

"(d) In accordance with paragraph (c) above, the Working Group, when preparing its final draft, should take into consideration the comments and opinions voiced by representatives in connexion with the items considered at the fourth session of the Commission.

"2. Authorizes the Working Group to request the Secretary-General to prepare studies and other documents which are necessary for the continuation of its work."³

4. Pursuant to the above decision, the Working Group met during the fourth session of the Commission and adopted certain organizational measures relating to its third session.

5. The Working Group held its third session at the United Nations Office at Geneva from 17 January to 28 January 1972. All members of the Working Group were represented except Tunisia.

6. The session was also attended by observers from Australia, Belgium, Norway and Spain, and from the following intergovernmental and international non-governmental organizations: Commission of the European Communities, The Hague Conference on Private International Law, International Institute for the Unification of Private Law (UNIDROIT), and International Chamber of Commerce (ICC).

7. The following documents were placed before the Working Group:

(a) Provisional agenda (A/CN.9/WG.2/WP.12)

(b) Note by the secretariat of UNIDROIT on the concept of "delivery", (*délivrance*) in the drafting of ULIS (A/CN.9/WG.2/WP.5)

(c) Report of the Secretary-General: "Delivery" in the Uniform Law on the International Sale of Goods (A/CN.9/WG.2/WP.8).

(d) Report of the Secretary-General: "*Ipsa facto* avoidance" in the Uniform Law on the International Sale of Goods (A/CN.9/WG.2/WP.9)

(e) Note by the Secretary-General: Analysis of comments and proposals relating to articles 18-55 of the Uniform Law on the International Sale of Goods (ULIS) (A/CN.9/WG.2/WP.10 and Add.1 and Add.2)

³ Report of the United Nations Commission on International Trade Law, *Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 17* (A/8417) para. 92; UNCITRAL Yearbook, vol. II, part one, II, A.

(f) Note by the Secretary-General: Analysis of comments and proposals relating to articles 1-17 of the Uniform Law on the International Sale of Goods (ULIS) (A/CN.9/WG.2/WP.11 and Corr.1)

(g) Note by Austria, Belgium, Egypt and France on the definition of an international sale of goods (A/CN.8/WG.2/WP.13).

8. The Working Group adopted the following agenda:

1. Election of officers
2. Adoption of the agenda
3. Consideration of articles 18-55 of ULIS
4. Consideration of articles 1-17 of ULIS
5. Future work
6. Adoption of the report.

9. At its first and seventh meetings, held on 17 and 20 January 1972, the Working Group, by acclamation, elected the following officers:

Chairman: Mr. Jorge Barrera Graf (Mexico)

Rapporteur: Mr. Dileep Anant Kamat (India)

10. In the course of its deliberations, the Working Group set up drafting parties to which various articles were assigned.

ACTION WITH RESPECT TO THE UNIFORM LAW

11. In accordance with the programme of work decided upon at a meeting of the Working Group held during the Commission's fourth session, the Working Group considered articles 1 to 6 and 18 to 55 of the Uniform Law on the International Sale of Goods.

12. The Working Group's conclusions with respect to these articles are shown in annex I.

13. The reasons for these conclusions as well as the general trends of opinions relating to particular articles of ULIS appear from annex II to this report, prepared by the Rapporteur subsequent to the session of the Working Group.⁴ Some members of the Working Group had reservations or doubts concerning certain of the conclusions; these views are also noted in annex II.⁵

14. The text of articles 1-55 as adopted or as deferred for further consideration appears in annex III.⁶

FUTURE WORK

15. The Working Group decided that at its next session it would continue consideration of those articles on the agenda of the present session on which no final decision was taken and would also consider articles 56-70.

16. The Working Group requested the Secretariat to submit to the next session of the Working Group a working paper that would consolidate the work done at the present session and suggest alternative solutions

⁴ Because of the relationship between the articles under consideration, decisions with respect to many of the articles were reached in the course of the last two days of the session. For this reason, it was not practicable during the session to prepare and adopt a report giving the reasons for these decisions.

⁵ Annex II appears in document A/CN.9/62/Add.1.

⁶ Annex III appears in document A/CN.9/62/Add.2.

for the problems raised during that session. The Secretariat might consult with such members of the Working Group and in such manner as it would find appropriate. The members of the Working Group expressed their willingness to co-operate with the Secretariat in this task.

17. The Working Group decided that it would hold a meeting during the fifth session of the Commission in order to consider the time and place of its next session and to give further consideration to the preparatory work to be done for that session.

ANNEX I

Decisions of the Working Group

SPHERE OF APPLICATION OF THE LAW: ARTICLES 1-6

1. The Working Group approved the following text to replace articles 1-6 of ULIS subject to the viewpoints and reservations reflected in annex II:

Article 1

1. The present Law shall apply to contracts of sale of goods entered into by parties whose places of business are in different States:

(a) When the States are both Contracting States; or

(b) When the rules of private international law lead to the application of the law of a Contracting State.

2. The fact that the parties have their places of business in different States shall be disregarded whenever this fact does not appear either from the contract or from any dealings between, or from information disclosed by the parties at any time before or at the conclusion of the contract.

3. The present Law shall also apply where it has been chosen as the law of the contract by the parties.

Article 2

The present Law shall not apply to sales:

1. (a) Of goods of a kind and in a quantity ordinarily bought by an individual for personal, family or household use, unless it appears from the contract [or from any dealings between, or from information disclosed by the parties at any time before or at the conclusion of the contract] that they are bought for a different use;

(b) By auction;

(c) On execution or otherwise by authority of law.

2. Neither shall the present Law apply to sales:

(a) Of stocks, shares, investment securities, negotiable instruments or money;

(b) Of any ship, vessel or aircraft [which is registered or is required to be registered];

(c) Of electricity.

Article 3

1. The present Law shall not apply to contracts where the obligations of the parties are substantially other than the delivery of and payment for goods.

2. Contracts for the supply of goods to be manufactured or produced shall be considered to be sales within the meaning of the present Law, unless the party who orders the goods undertakes to supply an essential and substantial part of the materials necessary for such manufacture or production.

Article 4

For the purpose of the present Law:

(a) Where a party has places of business in more than one State, his place of business 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;

(b) Where a party does not have a place of business, reference shall be made to his habitual residence;

(c) Neither the nationality of the parties nor the civil or commercial character of the parties or the contract shall be taken into consideration;

(d) A "Contracting State" means a State which is Party to the Convention dated . . . relating to . . . and has adopted the present Law without any reservation [declaration] that would preclude its application to the contract;

(e) Any two or more States shall not be considered to be different States if a declaration to that effect made under article [II] of the Convention dated . . . relating to . . . is in force in respect of them.

Article 5

The parties may exclude the application of the present Law or derogate from or vary the effect of any of its provisions.

GENERAL OBLIGATIONS OF THE SELLER; OBLIGATIONS AS REGARDS THE DATE AND PLACE OF DELIVERY: ARTICLES 18-32

ARTICLE 18

2. The Working Group decided that in order to make it clear that all obligations of the seller should be performed as required by the contract and the law, the French text of this article should read as follows:

Le vendeur s'oblige, dans les conditions prévues au contrat et à la présente loi, à effectuer la délivrance, à remettre les documents s'il y a lieu, et à transférer la propriété.

It was held that the English text was clear enough and did not need to be redrafted.

3. In view of the comments made on the substance of the article, the Working Group deferred final action on this article until its next session.

ARTICLES 19-23

4. The Working Group decided to take as a basis for its consideration of these articles the text of articles 19 to 21 set forth in document A/CN.9/WG.2/III/CRP.16 and, as article 22, the text of article 21 contained in document A/CN.9/WG.2/III/CRP.3. The texts of these articles read as follows:

Article 19

Delivery consists in the seller's doing all such acts as are necessary in order to enable the buyer to take over the goods.

Article 20

1. Delivery shall be effected:

(a) Where the contract of sale involves the carriage of goods and no other place for delivery has been agreed upon, by handing the goods over to the carrier for transmission to the buyer;

(b) Where, in cases not within the preceding paragraph, the contract relates to specific goods or to unascertained goods to be drawn from a specific stock to be manufactured or produced and the parties knew that the goods were at or were to be manufactured or produced at a particular place at the time of the conclusion of the contract, by placing the goods at the buyer's disposal at that place;

(c) In all other cases by placing the goods at the buyer's disposal at the place where the seller carried on business at the time of the conclusion of the contract or, in the absence of a place of business, at his habitual residence.

Article 21

1. If the seller is bound to deliver the goods to a carrier, he shall make, in the usual way and on the usual terms, such contracts as are necessary for the carriage of the goods to the place fixed.¹ Where the goods are not clearly marked with an address or otherwise appropriated to the contract, the seller shall send the buyer notice of the consignment and, if necessary, some document specifying the goods.

2. [Article 54(2) unchanged.]

Article 22

The seller shall [hand the goods over, or place them at the buyer's disposal]:

(a) If a date is fixed or determinable by agreement or usage, on that date; or

(b) If a period (such as a stated month or season) is fixed or determinable by agreement or usage, within that period on a date chosen by the seller unless the circumstances indicate that the buyer is to choose the date; or

(c) In any other case, within a reasonable time after the conclusion of the contract.

5. Various comments were made in respect of these articles.

6. The Working Group deferred final action on articles 19 to 23 until its next session.

ARTICLES 24-32

7. The Working Group took as a basis for its consideration of these articles the text set forth in the report of Drafting Party II (A/CN.9/WG.2/III/CRP.9), reading as follows:

Article 24

1. Where the seller fails to perform his obligations as regards the date or place of delivery, the buyer may exercise the rights provided in articles 25 to 27.

2. The buyer may also claim damages as provided in article 82 or in articles 84 to 87.

3. In no case shall the seller be entitled to apply to a court or arbitral tribunal to grant him a period of grace.

Article 25

1. Where the failure to deliver the goods at the date or place fixed amounts to a fundamental breach of the contract, the buyer may either retain the right to performance of the contract by the seller or by notice to the seller declare the contract [avoided].

[2. If the seller requests the buyer to make known his decision under paragraph 1 of this article and the buyer does not comply promptly, the seller may effect delivery of the goods within a reasonable time, unless the request indicates otherwise.]

[2. If the seller requests the buyer to make known his decision under paragraph 1 of this article and the buyer does not comply promptly, the seller may effect delivery of the goods before the expiration of any time indicated in the request, or if no time is indicated, before the expiration of a reasonable time.]

¹ Note that article 54, paragraph 1 of ULIS, which served as basis for this sentence, has been later revised by the Working Group to read as set out in paragraph 34 below.

3. If, before he has made known to the seller his decision under paragraph 1 of this article, the buyer is informed that the seller has effected delivery and he does not exercise promptly his right to declare the contract [avoided] the contract cannot be [avoided].

4. If after the date fixed for delivery the buyer requests the seller to perform the contract, the buyer cannot declare the contract [avoided] before the expiration of any time indicated in the request, or, if no time is indicated, before the expiration of a reasonable time, unless the seller refuses to deliver within that time.

Article 26

1. Where the failure to deliver the goods at the date or place fixed does not amount to a fundamental breach of the contract, the seller shall retain the right to effect delivery and the buyer shall retain the right to performance of the contract by the seller.

2. The buyer may however grant the seller an additional period of time of reasonable length. If the seller fails to perform his obligations within this period, the buyer may by notice to the seller declare the contract [avoided].

Article 27

Where the seller tenders delivery of the goods before the date fixed, the buyer may take delivery or refuse to take delivery.

ARTICLES 28 TO 32

[Deleted]

8. The Working Group requested the representative of Hungary to submit a study on the two alternatives of paragraph 2 of article 25 recommended by Drafting Party II (A/CN.9/WG.2/III/CRP.9) and, if necessary, on questions covered by articles 24-32, taking into consideration the proposals contained in document A/CN.9/WG.2/III/CRP.9 and the comments made thereon. The study would be circulated by the Secretariat among members of the Working Group before the next session of the Working Group.

9. In view of the above decision the Working Group decided to defer final action on these articles until its next session.

OBLIGATIONS OF THE SELLER AS REGARDS CONFORMITY OF THE GOODS: ARTICLES 33-49

ARTICLE 33

10. The Working Group took note of the proposals contained in documents A/CN.9/WG.2/III/CRP.4/Rev.1 and A/CN.9/WG.2/III/CRP.14 relating to paragraph 1 of this article and decided to defer final action on this paragraph until its next session.

11. With respect to paragraph 2 of this article, the Working Group decided that in the French version of that paragraph the word *manifestement* should be inserted immediately before the words *sans importance*. The representatives of the United States and of the United Kingdom were requested to produce an equivalent English version to replace the words "not material" in the English text of this paragraph and they suggested the words "clearly insignificant".

ARTICLE 34

12. The Working Group decided to delete this article.

ARTICLE 35

13. The Working Group adopted the first sentence of paragraph 1 of this article and decided to defer consideration of the second sentence of this paragraph pending future action in connexion with the articles on passing of risk.

14. With respect to paragraph 2 of this article, the Working Group tentatively adopted a proposal that would make the paragraph read as follows:

The seller shall be liable for the consequences of any lack of conformity even though they occur after the time fixed in paragraph 1 of this article.

15. In view of the comments made in respect of this text, the Working Group decided to defer final action on paragraph 2 until the next session.

16. The Working Group further requested the representative of the USSR to submit for future consideration a text on the seller's liability for the breach of a guarantee in respect of the goods.

ARTICLE 36

17. The Working Group decided to defer consideration of this article until a final decision was taken in respect of article 33.

ARTICLE 37

18. The Working Group decided to delete the word "fixed" and to add at the end of this article the following sentence: "The buyer shall, however, retain the right to claim damages as provided in article 82", and it adopted the article as amended. The article as adopted reads:

If the seller has handed over goods before the date for delivery he may, up to that date, deliver any missing part or quantity of the goods or deliver other goods which are in conformity with the contract or remedy any defects in the goods handed over, provided that the exercise of this right does not cause the buyer either unreasonable inconvenience or unreasonable expense. The buyer shall, however, retain the right to claim damages as provided in article 82.

ARTICLE 38

19. The Working Group reiterated its approval of paragraphs 1, 2 and 3 of the text contained in paragraph 109 of document A/CN.9/35.

20. In view of the comments made in respect of paragraph 4 of this text, the Working Group decided to defer final action on this paragraph to its next session.

ARTICLE 39

21. The Working Group decided to substitute the expression "within a reasonable time" for the word "promptly" where it appears in paragraph 1 and to delete the language commencing with "and invite the seller . . ." to the end of the sentence in paragraph 2.

22. The Working Group decided to adopt this article as amended. The article as adopted reads as follows:

1. The buyer shall lose the right to rely on a lack of conformity of the goods if he has not given the seller notice thereof within a reasonable time after he has discovered the lack of conformity or ought to have discovered it. If a defect which could not have been revealed by the examination of the goods provided for in article 38 is found later, the buyer may none the less rely on that defect, provided that he gives the seller notice thereof within a reasonable time after its discovery. In any event, the buyer shall lose the right to rely on a lack of conformity of the goods if he has not given notice thereof to the seller within a period of two years from the date on which the goods were handed over, unless the lack of conformity constituted a breach of a guarantee covering a longer period.

2. In giving notice to the seller of any lack of conformity, the buyer shall specify its nature.

3. Where any notice referred to in paragraph 1 of this article has been sent by letter, telegram or other appropriate means, the fact that such notice is delayed or fails to arrive at its destination shall not deprive the buyer of the right to rely thereon.

ARTICLE 40

23. The Working Group decided to adopt this article without change.

ARTICLE 41

24. The Working Group adopted the text proposed by Drafting Party VI. The article as adopted reads:

Where the buyer has given due notice to the seller of the failure of the goods to conform with the contract, the buyer may:

- (a) exercise the rights provided in articles 42 to 46;
- (b) claim damages as provided in article 82 or articles 84 to 87.

ARTICLE 42

25. The Working Group adopted the text proposed by Drafting Party V. The article as adopted reads:

The buyer shall retain the right to performance of the contract, unless he has declared the contract avoided under this Law.

ARTICLES 43-44

26. The Working Group deferred consideration of these articles until its next session and decided to use as a basis for future consideration of these articles the alternative proposals in document A/CN.9/WG.2/III/CRP.17/Add.1, as amended. The proposals read:

ALTERNATIVE A

Article 43

[Where the buyer requires the seller to perform the contract or] where the contract has not been declared avoided under article 44, the seller may deliver any missing part or quantity of the goods or deliver other goods which are in conformity with the contract or remedy any defect in the goods handed over.

Article 44

1. The buyer may declare the contract avoided if the delivery of goods which do not conform to the contract amounts to a fundamental breach of the contract. The buyer shall lose his right to declare the contract avoided if he does not exercise it promptly after giving the seller notice of the lack of conformity.

2. The buyer may also declare the contract avoided when he has fixed an additional period of time of reasonable length for the further delivery or for the remedying of the defect and the seller has failed to comply therewith, provided the buyer exercises this right promptly after the expiration of the period referred to in this paragraph.

ALTERNATIVE B

Article 43 (ULIS article 44)

1. The seller shall retain, even after the date fixed for the delivery of the goods, the right to deliver any missing part or quantity of the goods or to deliver other goods which are in conformity with the contract or to remedy any defect in the goods handed over, provided that the exercise of this right does not cause the buyer either unreasonable inconvenience or unreasonable expense.

2. The buyer may however grant the seller an additional period of time of reasonable length for the performance of the contract. If at the expiration of the additional period

the seller has not delivered the goods or remedied the defect, the buyer may choose between requiring performance of the contract in accordance with article 42 or reducing the price in accordance with article 46 or declaring the contract avoided in accordance with article 44.

Article 44 (ULIS article 43)

1. The buyer may declare the contract avoided if the delivery of goods which do not conform to the contract, amounts to a fundamental breach of the contract.

2. However, unless the seller has refused to perform, the contract cannot be avoided:

(a) In any case where the seller under paragraph 1 of article 43 retains the right to deliver goods or remedy defects, before the seller has had a reasonable time to exercise that right, or

(b) In any case where the buyer has requested performance of the contract, before the expiry of any period specified in the request, or, if no period has been specified, before the expiry of a reasonable time.

3. The buyer shall lose his right to declare the contract avoided if he does not exercise it promptly after he has discovered or ought to have discovered the lack of conformity, or in cases to which paragraph 2 of this article applies, after the expiration of the relevant period of time referred to in that paragraph.

ALTERNATIVE C

Article 43 (merger of articles 43 and 44 of ULIS)

1. Where the non-conformity or goods delivered by the seller amounts to a fundamental breach of contract, the buyer, by notice to the seller, may declare the contract [avoided]. The buyer shall lose his right to declare the contract avoided if he does not exercise it promptly after he discovered or ought to have discovered the lack of conformity.

2. The seller shall retain, after the date fixed for the delivery of the goods, the right to deliver any missing part or quantity of the goods or to deliver other goods which are in conformity with the contract or to remedy any defect in the goods handed over. This right may not be exercised if the delay in taking such action constitutes a fundamental breach of contract or if such action causes the buyer either unreasonable inconvenience or unreasonable expense.

3. Although the non-conformity of the goods does not constitute a fundamental breach the buyer may fix an additional period of time of reasonable length for the further delivery or for the remedying of the defect. If at the expiration of the additional period the seller has not delivered the goods or remedied the defect, the buyer may choose between requiring the performance of the contract or reducing the price in accordance with article 46 or, provided that he does so promptly, declare the contract avoided.

ARTICLE 45

27. The Working Group decided to adopt this article without change.

ARTICLE 46

28. The Working Group requested the Secretariat to submit to the next session of the Working Group a study on this article.

ARTICLE 47

29. The Working Group decided to adopt this article without change.

ARTICLE 48

30. The Working Group decided to give further attention to this article. It was concluded that the problem of "anticipatory breach" posed by this article should be studied in connexion with the related provisions on this problem that appear in later sections of ULIS.

ARTICLE 49

31. The Working Group took note of the decision of the Commission at its third session to the effect that "the subject-matter of article 49 of ULIS would come within the scope of a convention on prescription and should be omitted from the Uniform Law on Sales". (A/8017, para. 34)

HANDING OVER OF DOCUMENTS: ARTICLES 50-51

32. The Working Group decided to defer final action on these articles and requested the representative of Japan, in consultation with the representatives of Austria, India and the United Kingdom, to submit to the next session of the Working Group a study on these articles. The Secretariat was requested to circulate this study among members of the Working Group.

TRANSFER OF PROPERTY: ARTICLES 52-53

33. The Working Group decided to defer final action on these articles until its next session. It invited the representative of Mexico to submit a proposal for a separate paragraph to deal with the question of restrictions by public authority.

OTHER OBLIGATIONS OF THE SELLER: ARTICLES 54-55

ARTICLE 54

34. The Working Group decided to substitute the expression "on the terms normally used for the transport of goods of the contract description" for "on the usual terms" in paragraph 1 of this article, and adopted the article as amended. The article as adopted reads as follows:

1. If the seller is bound to despatch the goods to the buyer, he shall make, in the usual way and on the terms normally used for the transport of goods of the contract description, such contracts as are necessary for the carriage of the goods to the place fixed.

2. If the seller is not bound by the contract to effect insurance in respect of the carriage of the goods, he shall provide the buyer, at his request, with all information necessary to enable him to effect such insurance.

35. The Working Group decided to defer final action on the proposal contained in document A/CN.9/WG.2/III/CRP.16 suggesting that this article should be transferred to article 21.

ARTICLE 55

36. The Working Group decided to defer final action on this article, and requested the representative of Japan to extend his study on articles 50 and 51 of ULIS to cover this article.

ANNEX II

Reasons for decisions of the Working Group

SPHERE OF APPLICATION OF THE UNIFORM LAW: ARTICLES 1-6

1. The provisions of ULIS defining its sphere of application was one of the principal subjects of consideration at the second session of the Working Group, held in December 1970. At that session the Working Group, *inter alia*, recommended modifications of the rules of articles 1 and 2 as well as other provisions of ULIS relating to its sphere of application. The