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**United Nations Commission on
International Trade Law
Working Group I (MSMEs)
Thirty-second session
New York, 25–29 March 2019**

Annotated provisional agenda

I. Provisional agenda

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Preparation of legal standards in respect of micro, small and medium-sized enterprises.
5. Consideration of the findings of the colloquium on contractual networks and other forms of inter-firm cooperation.
6. Other business.
7. Adoption of the report.

II. Composition of the Working Group

1. The Working Group is composed of all States members of the Commission, which are the following: Argentina (2022), Armenia (2019), Australia (2022), Austria (2022), Belarus (2022), Brazil (2022), Bulgaria (2019), Burundi (2022), Cameroon (2019), Canada (2019), Chile (2022), China (2019), Colombia (2022), Côte d'Ivoire (2019), Czechia (2022), Denmark (2019), Ecuador (2019), El Salvador (2019), France (2019), Germany (2019), Greece (2019), Honduras (2019), Hungary (2019), India (2022), Indonesia (2019), Iran (Islamic Republic of) (2022), Israel (2022), Italy (2022), Japan (2019), Kenya (2022), Kuwait (2019), Lebanon (2022), Lesotho (2022), Liberia (2019), Libya (2022), Malaysia (2019), Mauritania (2019), Mauritius (2022), Mexico (2019), Namibia (2019), Nigeria (2022), Pakistan (2022), Panama (2019), Philippines (2022), Poland (2022), Republic of Korea (2019), Romania (2022), Russian Federation (2019), Sierra Leone (2019), Singapore (2019), Spain (2022), Sri Lanka (2022), Switzerland (2019), Thailand (2022), Turkey (2022), Uganda (2022), United Kingdom of Great Britain and Northern Ireland (2019), United States of America (2022), Venezuela (Bolivarian Republic of) (2022) and Zambia (2019). The term of the membership expires on the last day prior to the beginning of the annual session of the Commission in the year indicated in parentheses.



2. States not members of the Commission and international governmental organizations may attend the session as observers and participate in the deliberations. In addition, invited international non-governmental organizations may attend the session as observers and represent the views of their organizations on matters where the organization concerned has expertise or international experience so as to facilitate the deliberations at the session.

III. Annotations to agenda items

Item 1. Opening of the session

3. The thirty-second session of Working Group I is scheduled to be held at the United Nations Headquarters in New York from 25 to 29 March 2019, in conjunction with a colloquium on contractual networks and other forms of inter-firm cooperation. The colloquium will be held on 25 and 26 March and the Working Group will convene from 27 to 29 March. The meeting hours for the colloquium will be from 10 a.m. to 1 p.m. and from 3 p.m. to 6 p.m. except on Monday, 25 March 2019, when the colloquium will commence at 10.30 a.m. Details of the programme will be available from the UNCITRAL website (see <https://uncitral.un.org/en/gateway/meetings/events>). Working Group meeting hours from 27 March till the end of the session will be from 10 a.m. to 1 p.m. and from 3 p.m. to 6 p.m.

Item 2. Election of officers

4. In accordance with its practice at previous sessions, the Working Group may wish to elect a Chair and a Rapporteur.

Item 4. Preparation of legal standards in respect of micro, small and medium-sized enterprises

1. Background information

(a) Colloquia on microfinance and mandate of Working Group I

5. At its forty-second session, in 2009, the Commission requested the Secretariat to prepare a study including an assessment of the legal and regulatory issues at stake in the field of microfinance.¹ Following discussion of the study at its forty-third session, in 2010, the Commission agreed that the Secretariat should convene a colloquium to explore the legal and regulatory issues surrounding microfinance that fell within the mandate of UNCITRAL. The colloquium, held in January 2011, resulted in a number of findings for future consideration² as well as recommendations on work that UNCITRAL might usefully undertake in the field of microfinance.³ The Commission, at its forty-fourth session, in 2011, chose the following topics for in-depth study by the Secretariat: secured finance, dispute resolution and electronic currency (e-money). At that session, the Commission also agreed to include microfinance as an item for its future work.⁴

6. Following discussion of the study⁵ at its forty-fifth session, in 2012, the Commission agreed to hold one or more colloquia on microfinance and related matters, as a matter of priority, with a focus on several topics related to creating an

¹ *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 17 (A/64/17)*, paras. 432–433.

² See [A/CN.9/727](#).

³ *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 17 (A/65/17)*, paras. 274–280.

⁴ *Official Records of the General Assembly, Sixty-sixth Session, Supplement No. 17 (A/66/17)*, paras. 241–246.

⁵ See [A/CN.9/756](#).

enabling legal environment for micro-businesses and small and medium-sized enterprises, including facilitating simplified business incorporation and registration.⁶

7. The second colloquium on microfinance⁷ was held in Vienna in January 2013. At its forty-sixth session, in 2013, the Commission took note of the broad consensus among participants at the colloquium to recommend that a Working Group be established to address the legal aspects of creating an enabling environment for micro, small and medium-sized enterprises (MSMEs). Participants in the colloquium identified five broad areas where it was thought the Commission could provide guidance, to be articulated so as to address the business cycle of MSMEs.⁸ The starting point could be guidance that allowed for simplified business start-up and operating procedures. Other topics to be taken up subsequently could include the following: (i) a system for resolving disputes between borrowers and lenders; (ii) effective access to financial services for MSMEs; (iii) guidance on ensuring access to credit; and (iv) insolvency of MSMEs, aimed at fast-track procedures and business rescue options. As to the form the Commission guidance could take, the Commission was further advised that a flexible tool, such as a legislative guide or a model law according to the topics, would contribute to harmonizing efforts in this sector and provide momentum for reforms which would further encourage micro-business participation in the economy.

8. At its forty-sixth session (2013), the Commission also heard a proposal from the Government of Colombia⁹ suggesting that the Commission could create a mandate for a new Working Group focused on the life cycle of a business, particularly in relation to micro and small-sized enterprises. It was suggested that the Working Group could begin with the facilitation of simplified business incorporation and registration, following which it could continue with other matters, such as those discussed at the 2013 colloquium, in order to create an enabling legal environment for this type of business activity. After discussion, the Commission agreed that work on reducing the legal obstacles faced by MSMEs throughout their life cycle, in particular, in developing economies, should be added to the work programme of the Commission, and that such work should begin with a focus on the legal questions surrounding the simplification of incorporation.¹⁰ That mandate was reaffirmed by the Commission at its forty-seventh to fifty-first sessions, in 2014 to 2018, respectively.¹¹

9. At its twenty-second session (New York, 10 to 14 February 2014), Working Group I (MSMEs) commenced its work according to the mandate received from the Commission. Based upon the issues raised in working paper [A/CN.9/WG.I/WP.82](#), the Working Group engaged in preliminary discussions in respect of a number of broad issues relating to the development of a legal text on simplified incorporation.¹² Business registration was also said to be of particular relevance in the future deliberations of the Working Group.¹³

(b) Previous deliberations on the current mandate of Working Group I

10. Since its twenty-third session (Vienna, 17–21 November 2014), the Working Group proceeded to consider the legal issues surrounding the simplification of

⁶ For a list of topics that were to be the focus of the colloquiums, see *Official Records of the General Assembly, Sixty-seventh Session, Supplement No. 17 (A/67/17)*, paras. 124–126.

⁷ See [A/CN.9/780](#); presentations made at the colloquium are available at https://uncitral.un.org/en/colloquia/microfinance/2013_colloquia.

⁸ See [A/CN.9/780](#), paras. 49–55.

⁹ See [A/CN.9/790](#).

¹⁰ *Official Records of the General Assembly, Sixty-eighth Session, Supplement No. 17 (A/68/17)*, para. 321.

¹¹ *Official Records of the General Assembly, Sixty-ninth Session, Supplement No. 17 (A/69/17)*, para. 134; *ibid.*, *Seventieth Session, Supplement No. 17 (A/70/17)*, paras. 225 and 340; *ibid.*, *Seventy-first Session, Supplement No. 17 (A/71/17)*, para. 347; and *ibid.*, *Seventy-second Session, Supplement No. 17 (A/72/17)*, para. 235; *Seventy-third session, Supplement No. 17 (A/73/17)*, para. 112.

¹² See [A/CN.9/800](#), paras. 34–38 and 42–46.

¹³ *Ibid.*, paras. 47–50.

incorporation as well as good practices in business registration,¹⁴ both of which were said to reduce the legal obstacles encountered by MSMEs throughout their life cycle and in particular at business start-up.

11. The Working Group engaged in deliberations on good practices in business registration at its twenty-fifth and twenty-sixth sessions, and twenty-eighth to thirtieth sessions. At its twenty-fifth session, the Working Group decided that such work should proceed along the lines of a concise legislative guide on key principles in business registration, without prejudice to considering other possible legislative texts at a later stage.¹⁵

12. The Working Group conducted three subsequent reviews of a draft legislative guide on key principles of a business registry on the basis of documents prepared by the Secretariat.¹⁶ At its thirtieth session, in 2018, the Working Group agreed to transmit to the Commission for potential adoption and consideration at its fifty-first session (New York, 25 June to 13 July 2018) the text of the draft legislative guide (included in [A/CN.9/WG.I/WP.109](#)) and an introductory document entitled “Reducing the legal obstacles faced by micro, small and medium-sized enterprises (MSMEs)” (included in [A/CN.9/WG.I/WP.110](#))¹⁷ intended to provide the overall context for work prepared by UNCITRAL in respect of MSMEs.¹⁸

13. At its fifty-first session, the Commission commended the Working Group on the work it had done on the preparation of a draft legislative guide on key principles of a business registry and adopted the guide with a few revisions.¹⁹

(c) The draft legislative guide on an UNCITRAL Limited Liability Organization

14. At its twenty-third session, the Working Group set the context for its discussion of the legal questions surrounding the simplification of incorporation. The Working Group heard a presentation by the Secretariat of the Financial Action Task Force (FATF) on its standard-setting activity to combat money-laundering, terrorist financing and other illicit activity,²⁰ as well as presentations by States on possible alternative legislative models to assist MSMEs (working paper [A/CN.9/WG.I/WP.87](#)).²¹ The Working Group then proceeded to explore the legal questions surrounding the simplification of incorporation by considering the issues outlined in the framework set out in working paper [A/CN.9/WG.I/WP.86](#).²²

15. At its twenty-fourth session (New York, 13 to 17 April 2015), after resuming consideration of the issues outlined in working paper [A/CN.9/WG.I/WP.86](#), the Working Group decided that it should continue its work by considering the first

¹⁴ With regard to business registration, at its twenty-third session the Working Group considered working paper [A/CN.9/WG.I/WP.85](#) on best practices in business registration and presentations by the Corporate Registers Forum, the European Business Register and the European Commerce Register’s Forum.

¹⁵ See [A/CN.9/860](#), para. 72.

¹⁶ Preliminary documents prepared by the Secretariat on business registration included working papers [A/CN.9/WG.I/WP.93](#), Add.1 and Add.2 and [A/CN.9/WG.I/WP.96](#) and Add.1. At its twenty-sixth session, the Working Group agreed to combine those two sets of documents into a single draft legislative guide (working paper [A/CN.9/WG.I/WP.101](#)) which was reviewed at the Working Group’s twenty-eighth session. The Working Group considered document [A/CN.9/WG.I/WP.106](#), including a revised version of the draft guide, at its twenty-ninth session.

¹⁷ Working papers [A/CN.9/WG.I/WP.109](#) and [A/CN.9/WG.I/WP.110](#) were further revised by the Secretariat to reflect the deliberations of the Working Group at its thirtieth session and were transmitted to the Commission as documents [A/CN.9/940](#) and [A/CN.9/941](#) respectively.

¹⁸ The Working Group had agreed at its twenty-sixth session that its MSME work should be accompanied by an introductory document that would provide an overarching framework for current and future work on MSMEs. An early draft of that document was included in working paper [A/CN.9/WG.I/WP.92](#) and later on revised in working paper [A/CN.9/WG.I/WP.107](#).

¹⁹ *Official Records of the General Assembly, Seventy-third session, Supplement No. 17 (A/73/17)*, para. 111.

²⁰ See [A/CN.9/825](#), paras. 47–55.

²¹ *Ibid.*, paras. 56–61.

²² *Ibid.*, paras. 62–79.

six articles of the draft model law and commentary thereon contained in working paper [A/CN.9/WG.I/WP.89](#), without prejudice to the final form of the legislative text, which had not yet been decided. Further to a proposal from several delegations, the Working Group agreed to discuss the issues included in [A/CN.9/WG.I/WP.89](#) bearing in mind the general principles outlined in the proposal, including the “think small first” approach, and to prioritize those aspects of the draft text in [A/CN.9/WG.I/WP.89](#) that were the most relevant for simplified business entities. The Working Group also agreed that it would discuss the alternative models introduced in [A/CN.9/WG.I/WP.87](#) at a later stage.

16. At its twenty-fifth session (Vienna, 19 to 23 October 2015), Working Group I resumed its deliberations on working paper [A/CN.9/WG.I/WP.89](#) and considered Chapter VI on organization of the simplified business entity, Chapter VIII on dissolution and winding up, Chapter VII on restructuring, and draft article 35 on financial statements (contained in Chapter IX on miscellaneous matters).²³

17. At its twenty-sixth session (New York, 4 to 8 April 2016), the Working Group first reviewed Chapter III on shares and capital, followed by Chapter V on shareholders’ meetings of [A/CN.9/WG.I/WP.89](#).²⁴ Following its discussion of the issues contained in those chapters, the Working Group decided that the legislative text on a simplified business entity should be in the form of a legislative guide, and requested the Secretariat to prepare for discussion at a future session a draft legislative guide (consisting of recommendations and commentary) that reflected its policy discussions to date.²⁵

18. At its twenty-seventh session (Vienna, 3 to 7 October 2016), the Working Group considered the issues outlined in working papers [A/CN.9/WG.I/WP.99](#) and [Add.1](#) on an UNCITRAL limited liability organization (UNLLO), beginning with section A on general provisions (draft recommendations 1 to 6), section B on the formation of an UNLLO (draft recommendations 7 to 10), and section C on the organization of an UNLLO (draft recommendations 11 to 13). The Working Group also heard a short presentation of working paper [A/CN.9/WG.I/WP.94](#) on the French legislative approach known as an “Entrepreneur with Limited Liability” (or EIRL), which represented a possible alternative legislative model applicable to micro and small businesses.

19. At its twenty-eighth session (New York, 1 to 9 May 2017), the Working Group considered the following recommendations (and related commentary) of the draft legislative guide on an UNLLO: section D on managers (draft recommendations 14 to 16), section E on contributions (draft recommendations 17 and 18), and section F on distributions (draft recommendations 19 to 21). The Working Group also heard two proposals made by States: the first was a proposal for future work on contractual networks ([A/CN.9/WG.I/WP.102](#)), that was later presented to the Commission at its fiftieth session ([A/CN.9/925](#)); and the second being a proposal that the Working Group should attach model provisions on the dissolution and liquidation of MSMEs ([A/CN.9/WG.I/WP.104](#)) as an annex to the legislative guide on an UNLLO. In respect of the latter proposal, the Working Group agreed that any consideration by it of that proposal should first be subject to domestic consultations and that it could be considered at a future session of the Working Group in conjunction with its deliberations regarding recommendation 24 (and commentary) of the draft legislative guide on an UNLLO concerning issues related to dissolution and winding-up of UNLLO.

20. The Working Group resumed its discussion on the draft legislative guide on an UNLLO at its thirty-first session (Vienna, 8 to 12 October 2018) at which it considered a revised draft of the guide (contained in [A/CN.9/WG.I/WP.112](#)) including changes arising from its deliberations at its twenty-seventh and twenty-eighth sessions. The following selected recommendations (and relevant

²³ See [A/CN.9/860](#), paras. 76 to 96.

²⁴ See [A/CN.9/866](#), paras. 22 to 47.

²⁵ *Ibid.*, paras. 48 to 50.

commentary) were discussed: recommendations 7 to 12 (Sections B on formation and C on organization); recommendation 15 (Section D on management) and recommendations 16 and 17 (Section E on ownership of the UNLLO and contributions by members).

2. Documentation

21. The Working Group will have before it, and may wish to use as a basis for its consideration the following documents: (a) a note prepared by the Secretariat for the current session of the Working Group containing a draft legislative guide on an UNCITRAL limited liability organization ([A/CN.9/WG.I/WP.114](#)); and (b) such other documents as may be officially submitted by States after the date of this provisional agenda.

22. In planning the attendance of their representatives, States and interested organizations may also wish to consider the following background documents:

(a) Reports of Working Group I (MSMEs) on the work of its twenty-second to twenty-eighth sessions and of its thirty-first session ([A/CN.9/800](#), [A/CN.9/825](#), [A/CN.9/831](#), [A/CN.9/860](#), [A/CN.9/866](#), [A/CN.9/895](#), [A/CN.9/900](#), and [A/CN.9/963](#) under preparation);

(b) Notes of the Secretariat on Features of simplified business incorporation regimes in selected States ([A/CN.9/WG.I/WP.82](#)); Legal questions surrounding the simplification of incorporation ([A/CN.9/WG.I/WP.86](#)); Draft model law on a single-member business entity ([A/CN.9/WG.I/WP.86/Add.1](#)); Draft model law on a simplified business entity ([A/CN.9/WG.I/WP.89](#)); Draft legislative guide on an UNCITRAL limited liability organization ([A/CN.9/WG.I/WP.99](#) and Add.1, and [A/CN.9/WG.I/WP.112](#));

(c) Observations by Colombia concerning the Colombian simplified corporation ([A/CN.9/WG.I/WP.83](#)); by Italy and France on Possible alternative legislative models for micro and small businesses ([A/CN.9/WG.I/WP.87](#)); by Germany ([A/CN.9/WG.I/WP.90](#)) providing additional information for the deliberations of the Working Group and by France ([A/CN.9/WG.I/WP.94](#)) on the individual entrepreneur with limited liability scheme; and

(d) Reports of the Commission (concerning the work of Working Group I) as follows: *Official Records of the General Assembly, Sixty-eighth Session, Supplement No. 17* ([A/68/17](#)), paragraphs 316–322; *Sixty-ninth Session* ([A/69/17](#)), paragraphs 131–134; *Seventieth Session* ([A/70/17](#)), paragraphs 220–225 and 339–340; *Seventy-first Session* ([A/71/17](#)), paragraphs 219–224; *Seventy-second Session* ([A/72/17](#)), paragraphs 230–235; and *Seventy-third Session* ([A/73/17](#)), paragraphs 69–112.

23. UNCITRAL documents are posted on the UNCITRAL website (www.uncitral.un.org) upon their issuance in all the official languages of the United Nations. Delegates may wish to check the availability of the documents by accessing the Working Group's page in the "Working Groups" section of the UNCITRAL website.

Item 5. Consideration of the findings of the colloquium on contractual networks and other forms of inter-firm cooperation

24. At its fifty-first session,²⁶ the Commission heard a proposal on possible future work on contractual networks ([A/CN.9/954](#)) which clarified aspects of an earlier proposal²⁷ presented at its fiftieth session, in 2017 (see also para. 19 above). It was noted that those networks provided an opportunity to organize cooperation between businesses without a requirement for a legal entity to be formed and that work on such networks would complement the work on the UNLLO under consideration by

²⁶ *Official Records of the General Assembly, Seventy-third session, Supplement No. 17* ([A/73/17](#)), paras. 241 to 253.

²⁷ See [A/CN.9/925](#).

Working Group I. The Commission agreed that a colloquium should be held in the context of a future session of the Working Group to further analyse the relevance of the contractual networks to the current work on developing an enabling legal environment for MSMEs and the desirability of taking up work of those networks. The colloquium should also explore legal tools that achieve goals similar to contractual networks that were being used in both civil and common law jurisdictions. The Working Group might wish to consider the finding of the colloquium in its deliberations.

Item 7. Adoption of the report

25. The Working Group may wish to adopt, at the close of its session, a report for submission to the fifty-second session of the Commission, scheduled to be held in Vienna, from 8 to 26 July 2019. The report will include a summary of the discussion in the colloquium and the main conclusions reached by the Working Group. The substance of the Working Group deliberations at its meeting on Friday morning will be summarily read out for the record and subsequently incorporated into the report.

IV. Scheduling of meetings

26. The Working Group's thirty-second session will last for five working days: two days will be taken up by the colloquium as noted above and three days for the Working Group. The Working Group may wish to note that, consistent with decisions made by the Commission at its thirty-fourth session,²⁸ the Working Group is expected to hold substantive deliberations in the allocated time. A draft report prepared by the Secretariat is to be adopted at the last meeting of the Working Group (on Friday afternoon).

27. The Working Group may wish to note that its thirty-third session will be held in Vienna and is tentatively scheduled from 7 to 11 October 2019.

²⁸ *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 17 and Corrigendum (A/56/17 and Corr.3)*, para. 381.