

reiterated that had been voiced in the context of the discussion of "extend-or-pay" requests (see paragraphs 71-72). The concern was, in short, that the draft text disregarded the existing difference in terms of firmness between stand-by letters of credit and European-style bank guarantees and that it might be inappropriate to aim for a unitary set of rules that would do justice to neither type of undertakings, for both of which there was a demand on the market. A suggestion was made therefore to envisage some separate provisions that applied only to firm undertakings, whether or not labelled in the uniform law as stand-by letters of credit, and it was promised, for that purpose, to provide the Secretariat with a list of such provisions and relevant information.

149. It was stated in reply that the degree of firmness was not a valid criterion to distinguish between stand-by letters

of credit and bank guarantees as such; differences in firmness existed within each of these two categories that were developed separately for historical reasons. It was also recalled that, during the similar discussion referred to above, suggestions had been made for taking into account practical differences of undertakings according to their purpose and payment conditions and, above all, that it had been agreed to continue with the effort of formulating rules of general application.

IV. OTHER BUSINESS

150. The Working Group decided to hold its next session from 30 November to 11 December 1992 at Vienna, subject to confirmation by the Commission at its twenty-fifth session.

D. Working paper submitted to the Working Group on International Contract Practices at its seventeenth session: independent guarantees and stand-by letters of credit: tentative draft of a uniform law on international guaranty letters: note by the Secretariat

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