INTERNATIONAL SALE OF GOODS

Observations of the German Democratic Republic

Note by the Secretary-General

1. The German Democratic Republic submitted the observations contained in the annex to this note.
Annex

OBSERVATIONS OF THE GERMAN DEMOCRATIC REPUBLIC

On the basis of the draft Convention on the Formation of Contracts for the International Sale of Goods considered or deferred for further consideration by the Working Group on the International Sale of Goods of UNCITRAL at its eighth session from 4 to 14 January 1977 in New York, the German Democratic Republic experts, in preparation for the ninth session of the Working Group, are submitting the following proposals for further improving the above-mentioned draft:

1. The present article 6 should be supplemented by a second and third paragraph of the following text:

"(2) A contract of sale is concluded only at the moment the contracting parties have agreed upon all items upon which agreement was to be achieved according to the will of one party.

"(3) A contract of sale is concluded also in case that various contractual conditions are invalid, if it is to be supposed that the parties would have concluded the contract even without these conditions."

2. It is recommended that the following new articles be inserted between articles 10 and 11:

"Article 10 bis

"(1) If a contract of sale has been concluded under a suspensive condition, it will become effective at the moment the condition occurs.

"(2) If a contract has been concluded under a resolutive condition, it will become ineffective at the moment the condition occurs.

"Article 10 ter

"(1) If a contract has been concluded subject to the approval of a third party, it will become effective at the moment this approval is given.

"(2) This will apply also in case the contract was concluded by a representative with reservation as to be approved by the person represented.

"Article 10 quater

"(1) In case a contract of sale is subject to authorization by a state organ, it will become effective only at the moment this authorization has been given.

"(2) In case a contract of sale contravenes a legal prohibition or is aimed at an impossible service, it will be void.

/...
"Article 10 quinques

"(1) In the cases referred to under article 10 ter and article 10 quater the other party shall be immediately informed of the granting of the approval or authorization.

"(2) If the information is not given within two months after conclusion of the contract the contract shall be regarded as not concluded."

3. The Hungarian proposal under A/CN.9/WG.2/VIII/CPR.8 should be supplemented by another principle and adopted into the draft Convention:

"In case a party violates the duties of care customary in the preparation and formation of a contract of sale, the other party may claim compensation for the costs borne by it."