

**Register of Texts
of
CONVENTIONS
AND OTHER
INSTRUMENTS
CONCERNING
INTERNATIONAL
TRADE LAW**

Volume I



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Register of texts

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Introduction

The United Nations Commission on International Trade Law (UNCITRAL) at its first session, in 1968, decided to establish a compilation of texts of conventions and similar instruments dealing with certain areas of the law of international trade.¹

At its second session, in 1969, the Commission specified the areas the Register would cover at this stage. The Commission requested the Secretary-General to publish the relevant texts of conventions and similar instruments in the fields of the international sale of goods, negotiable instruments, bankers' commercial credits, and guarantees and securities. The Commission also requested the Secretary-General to include in the Register the titles and sources of instruments in the fields of international commercial arbitration and international shipping legislation.²

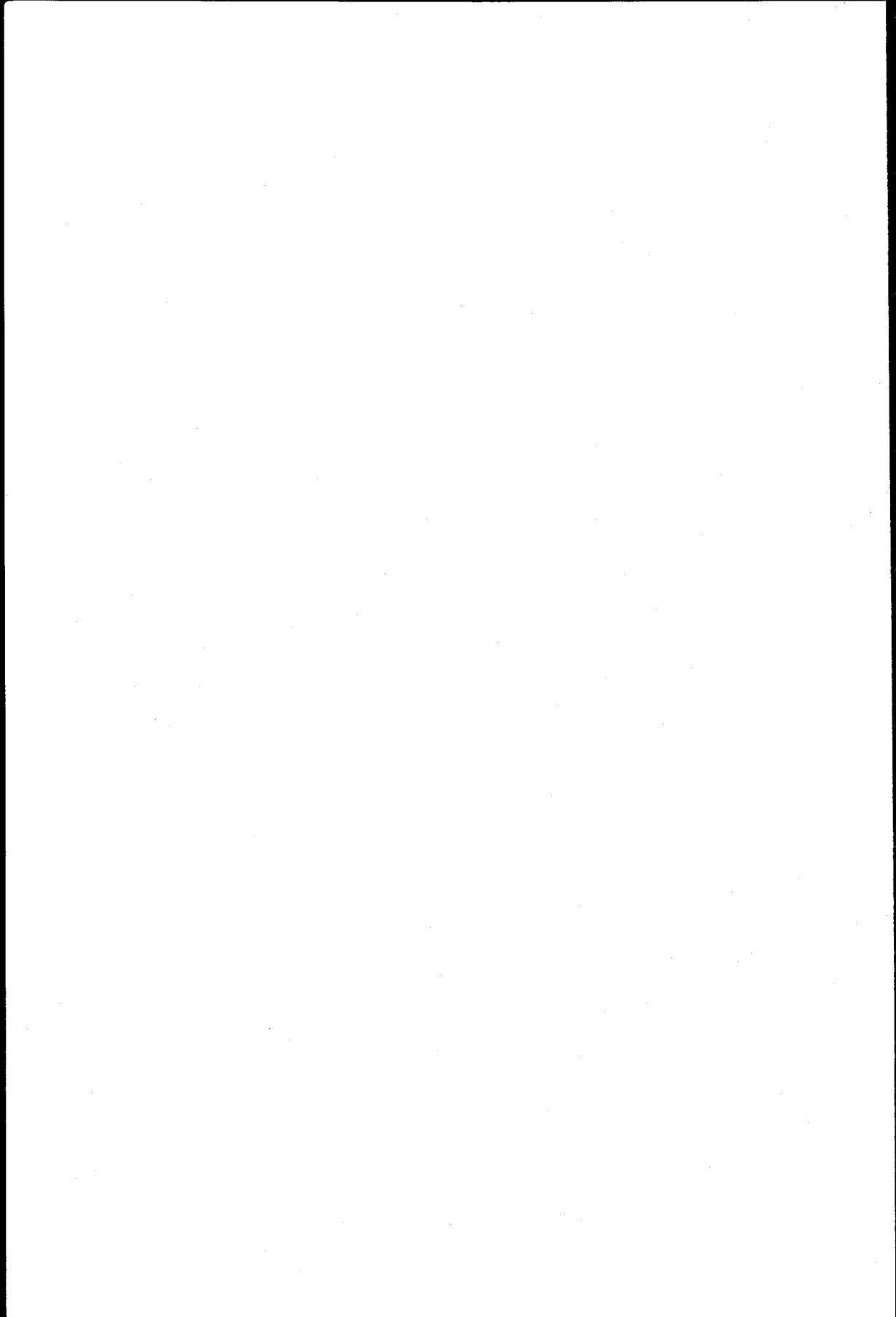
Pursuant to a decision taken by the Commission at its first session, the Register, which is published in English, French, Russian and Spanish, sets forth the full texts of international instruments that are in a final form, but only a brief summary of proposed international instruments.

Where no official translation exists, unofficial translations are included in the Register. In this connexion the Secretary-General expresses his gratitude to the Governments of Spain and of the Union of Soviet Socialist Republics, and to the Council of Mutual Economic Assistance for providing the Secretariat with translations. The Secretary-General also thanks those authors who have kindly given permission for the use of their translations; the names of these authors are mentioned in footnotes to the respective translations.

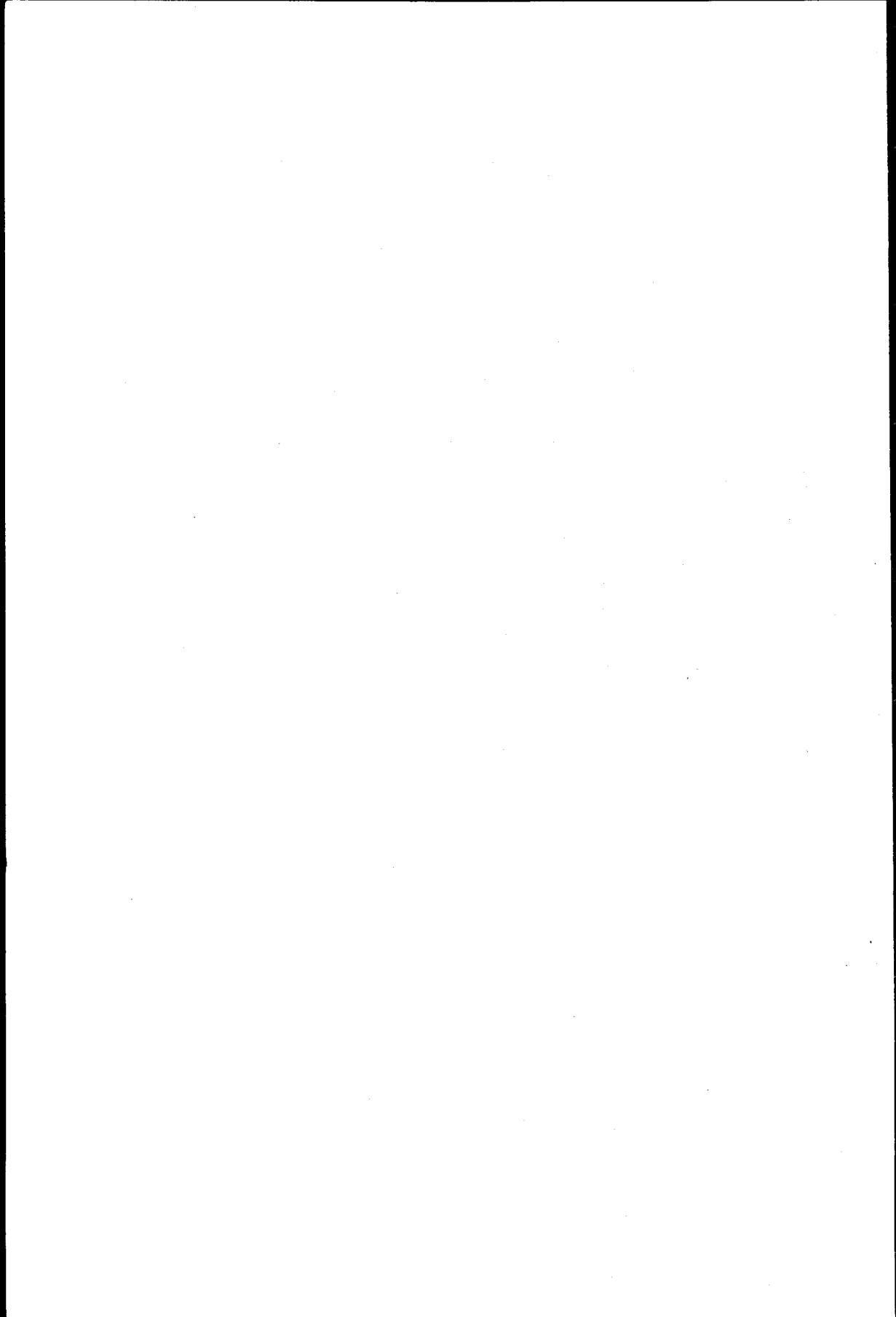
It is hoped that this publication will be useful in commercial practice and that it will also help to achieve the goal stated by the General Assembly when it established UNCITRAL, namely, the unification and harmonization of the law of international trade.

¹ Report of UNCITRAL on the work of its first session, *Official Records of the General Assembly, Twenty-third session, Supplement No. 16 (A/7216)*, para. 60.

² Report of UNCITRAL on the work of its second session, *Official Records of the General Assembly, Twenty-fourth session, Supplement No. 18 (A/7618)*, para. 189 E.



Chapter I
INTERNATIONAL SALE OF GOODS



1. CONVENTIONS AND SIMILAR INSTRUMENTS

CONVENTION ON THE LAW APPLICABLE TO INTERNATIONAL SALES OF GOODS ¹

Done at The Hague, 15 June 1955

[Translation ²]

The States signatory to this Convention;

Desiring to establish common provisions concerning the law applicable to sales of goods;

Have resolved to conclude a Convention for this purpose and have agreed on the following provisions:

Article 1

This Convention shall apply to international sales of goods.

It shall not apply to sales of securities, to sales of ships and of registered boats or aircraft, or to sales upon judicial order or by way of execution. It shall apply to sales based on documents.

For the purposes of this Convention, contracts to deliver goods to be manufactured or produced shall be placed on the same footing as sales, provided the party who assumes delivery is to furnish the necessary raw materials for their manufacture or production.

The mere declaration of the parties, relative to the application of a law or the competence of a judge or arbitrator, shall not be sufficient to confer upon a sale the international character provided for in the first paragraph of this article.

Article 2

A sale shall be governed by the domestic law of the country designated by the Contracting Parties.

Such designation must be contained in an express clause, or unambiguously result from the provisions of the contract.

¹ The Convention entered into force on 3 May 1964.

The following States have deposited their ratifications with the Government of the Netherlands:

Belgium	—	29 October	1962
Denmark	—	3 July	1964
Finland	—	3 July	1964
France	—	30 July	1963
Italy	—	17 March	1958
Norway	—	3 July	1964
Sweden	—	8 July	1964

The following States have signed the Convention: Luxembourg, Netherlands, Spain.

² United Nations, *Treaty Series*, vol. 510, p. 149, No. 7411 (1964).

Conditions affecting the consent of the parties to the law declared applicable shall be determined by such law.

Article 3

In default of a law declared applicable by the parties under the conditions provided in the preceding article, a sale shall be governed by the domestic law of the country in which the vendor has his habitual residence at the time when he receives the order. If the order is received by an establishment of the vendor, the sale shall be governed by the domestic law of the country in which the establishment is situated.

Nevertheless, a sale shall be governed by the domestic law of the country in which the purchaser has his habitual residence, or in which he has the establishment that has given the order, if the order has been received in such country, whether by the vendor or by his representative, agent or commercial traveller.

In case of a sale at an exchange or at a public auction, the sale shall be governed by the domestic law of the country in which the exchange is situated or the auction takes place.

Article 4

In the absence of an express clause to the contrary, the domestic law of the country in which inspection of goods delivered pursuant to a sale is to take place shall apply in respect of the form in which and the periods within which the inspection must take place, the notifications concerning the inspection and the measures to be taken in case of refusal of the goods.

Article 5

This Convention shall not apply to:

1. The capacity of the parties;
2. The form of the contract;
3. The transfer of ownership, provided that the various obligations of the parties, and especially those relating to risks, shall be subject to the law applicable to the sale pursuant to this Convention;
4. The effects of the sale as regards all persons other than the parties.

Article 6

In each of the Contracting States, the application of the law determined by this Convention may be excluded on a ground of public policy.

Article 7

The Contracting States have agreed to incorporate the provisions of articles 1-6 of this Convention in the national law of their respective countries.

Article 8

This Convention shall be open for signature by the States represented at the seventh session of The Hague Conference on Private International Law.

It shall be ratified, and the instruments of ratification shall be deposited with the Ministry of Foreign Affairs of the Netherlands.

A record shall be made of each deposit of instruments of ratification, a certified copy of which shall be transmitted through the diplomatic channel to each of the signatory States.

Article 9

This Convention shall enter into force on the sixtieth day following the deposit of the fifth instrument of ratification in accordance with the provisions of article 8, second paragraph.

For each signatory State subsequently ratifying the Convention, it shall enter into force on the sixtieth day following the date of deposit of the instrument of ratification of that State.

Article 10

This Convention shall apply to the metropolitan territories of the Contracting States as a matter of course.

If a Contracting State wishes the Convention to be applicable to all its other territories, or to those of its other territories for the international relations of which it is responsible, it shall give notice of its intention in this regard by an instrument which shall be deposited with the Ministry of Foreign Affairs of the Netherlands. The latter shall transmit through the diplomatic channel a certified copy thereof to each of the Contracting States. The Convention shall enter into force as regards such territories on the sixtieth day following the date of deposit of the above-mentioned instrument of notification.

It is understood that the notification provided for in the second paragraph of this article shall not take effect until after the entry into force of the Convention pursuant to article 9, first paragraph.

Article 11

Any State not represented at the seventh session of The Hague Conference on Private International Law may accede to this Convention. A State desiring to accede shall give notice of its intention by an instrument which shall be deposited with the Ministry of Foreign Affairs of the Netherlands. The latter shall transmit through the diplomatic channel a certified copy thereof to each of the Contracting States. The Convention shall enter into force as regards the acceding State on the sixtieth day following the date of deposit of the instrument of accession.

It is understood that the deposit of the instrument of accession may not take place until after the entry into force of the Convention pursuant to article 9, first paragraph.

Article 12

This Convention shall have a duration of five years from the date specified in article 9, first paragraph. This period shall begin to run as from that date even for the States which ratify or accede to the Convention subsequently.

The Convention shall be renewed by tacit agreement for successive periods of five years unless it is denounced.

Notice of denunciation must be given, at least six months before the expiration of the period, to the Ministry of Foreign Affairs of the Netherlands, which shall notify all the other Contracting States thereof.

The denunciation may be limited to the territories, or to certain of the territories, specified in a notification made pursuant to article 10, second paragraph.

The denunciation shall have effect only as regards the State effecting it. The Convention shall remain in force for the other Contracting States.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed the present Convention.

DONE at The Hague, on 15 June 1955, in a single copy, which shall be deposited in the archives of the Government of the Netherlands and of which a certified copy shall be transmitted, through the diplomatic channel, to each of the States represented at the seventh session of The Hague Conference on Private International Law.

CONVENTION ON THE JURISDICTION OF THE SELECTED FORUM IN THE CASE OF INTERNATIONAL SALES OF GOODS¹

Done at The Hague, 15 April 1958

[Translation²]

The States signatory to the present Convention;

Desiring to establish common provisions concerning the effects of the designation of a contractual forum in the case of international sales of goods;

Have resolved to conclude a Convention for this purpose and have agreed to the following provisions:

Article 1

The present Convention applies to international sales of goods.

It does not apply to sales of securities, to sales of ships or of registered boats or aircraft, to sales upon judicial order. It applies to sales based on documents.

For the purposes of application hereof, contracts to deliver goods to be manufactured or produced are assimilated to sales, if the party who assumes delivery is to furnish the necessary raw materials for the manufacture or production.

The mere declaration of the parties, relative to the application of a law or the jurisdiction of a judge or arbitrator, is not sufficient to confer upon a sale international character in the sense of the first paragraph of this article.

Article 2

If the parties to a contract of sale expressly designate a court or courts of one of the contracting States as having jurisdiction to adjudicate disputes which have arisen or may arise from said contract between the contracting parties, the court thus designated shall have exclusive jurisdiction and any other court shall declare itself without jurisdiction, reservation made of the provisions of article 3.

When an oral sale includes designation of the forum, such designation is valid only if it has been expressed or confirmed by a declaration in writing by one of the parties or by a broker, without having been contested.

Article 3

However, if a defendant appears before a court of one of the contracting States which has no jurisdiction on account of the designation of a forum contemplated

¹ The Convention has not entered into force.

The Government of the Netherlands exercises the depositary function.

The following States have signed the Convention: Austria, Belgium, Federal Republic of Germany, Greece.

² Translation in *American Journal of Comparative Law*, vol. 5, pp. 653-655. October 1956.

Translator: Prof. Kurt Nadelmann.

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in article 2, but which its own law permits to assume jurisdiction, he shall be deemed to have accepted the jurisdiction of this court, unless he has appeared either to contest this jurisdiction, or to safeguard goods attached, or in danger of being attached, or to have an attachment removed.

Article 4

The provisions which precede do not constitute an obstacle to the jurisdiction of the courts of the contracting States for provisional or protective measures.

Article 5

A judgment rendered in one of the contracting States by any court with jurisdiction under article 2 or article 3 shall be recognized and declared executory, without review of the merits (*révision au fond*) in the other contracting States, if the following conditions are satisfied:

1. the parties have been duly cited, or represented, or declared in default in accordance with the law of the State where the judgment was rendered, and, in case of a judgment by default, the defaulting party has had knowledge of the complaint in sufficient time to defend;
2. the judgment has become *res judicata* (*chose jugée*) and is enforceable according to the law of the State where it was rendered;
3. it is not contrary to a judgment already rendered, on the same subject matter, between the same parties, by a jurisdiction of the State where it is invoked, which has become *res judicata* (*chose jugée*);
4. it contains nothing contrary to the public policy of the State where it is invoked;
5. in the opinion of the court to which the request is made, the judgment is not the result of a fraud which the foreign judge was not asked to adjudicate;
6. under the law of the State, where the judgment was rendered, the certified copy thereof which is produced satisfies the conditions necessary for its authenticity.

Article 6

When recognition and execution are refused definitively because the judgment does not fulfil the conditions set out under No. 1 of article 5, without fault on the part of the plaintiff, the agreement concerning jurisdiction contemplated in article 2 does not preclude the plaintiff from instituting a new suit for the same cause before the courts of the contracting State where recognition and enforcement of the judgment have been refused.

Article 7

The present Convention applies as of course to the metropolitan territories of the contracting States.

If a contracting State desires extension hereof to all its other territories or to those of its other territories for the international relations of which it provides, it shall notify its intention to such effect by a document which shall be deposited with the Ministry of Foreign Affairs of The Netherlands. The latter shall transmit, by diplomatic channels, a duly certified copy thereof to each of the contracting States.

Such declaration shall have effect as respects nonmetropolitan territories only in the relations between the State which shall have made it and the States which shall have

declared acceptance thereof. The latter declaration shall be deposited with the Ministry of Foreign Affairs of The Netherlands, which shall transmit, by diplomatic channels, a duly certified copy to each of the contracting States.

Article 8

The Convention shall apply only to designations of forum made after its entry into effect.

Article 9

Each contracting State, on signing or ratifying the present Convention, or adhering hereto, may make reservation as respects the application of treaties on recognition and enforcement of foreign judgments in force with other States parties to the Convention.

Article 10

Each contracting State, on signing or ratifying the present Convention, or on adhering hereto, may exclude from its field of application:

- (a) contracts considered as noncommercial by its national law;
- (b) contracts considered as installment sales by its national law.

Article 11

The present Convention is open for the signature of the States represented at the Eighth Session of the Conference of The Hague on Private International Law.

It shall be ratified and the instruments of ratification shall be deposited with the Ministry of Foreign Affairs of The Netherlands.

A procès-verbal shall be made of every deposit of instruments of ratification, a duly certified copy whereof shall be transmitted, by diplomatic channels, to each of the signatory States.

Article 12

The present Convention shall enter into effect on the sixtieth day from the deposit of the fifth instrument of ratification contemplated by article 11.

As respects each signatory State, subsequently ratifying the Convention, it shall enter into effect on the sixtieth day from the date of the deposit of its instrument of ratification.

In the hypothesis contemplated by article 7, paragraph 2, of the present Convention, it shall be applicable on the sixtieth day from the date of the deposit of the declaration of acceptance.

Article 13

Any State not represented at the Eighth Session of the Conference of The Hague on Private International Law, may adhere to the present Convention. A State desiring to adhere shall notify its intention by a document which shall be deposited with the Ministry of Foreign Affairs of The Netherlands. The latter shall transmit, by diplomatic channels, a duly certified copy to each of the contracting States. The Convention shall enter into effect, for the adhering State, on the sixtieth day from the date of the deposit of the act of adhesion.

The adhesion shall have effect only in the relations between the adhering State and the contracting States which shall have declared acceptance of such adhesion. Such declaration shall be deposited with the Ministry of Foreign Affairs of The Netherlands.

It is understood that deposit of the act of adhesion may take place only after the coming into force of the present Convention pursuant to article 12.

Article 14

The present Convention shall have a duration of five years starting from the date indicated in article 12 of the present Convention. This period shall commence to run from such date, even for States which shall have ratified or adhered hereto subsequently.

The Convention shall be renewed tacitly every five years, in the absence of denunciation.

The denunciation must be notified, at least six months before the expiration of the period, to the Ministry of Foreign Affairs of The Netherlands, which shall give notice thereof to all the other contracting States.

The denunciation may be limited to the territories or certain of the territories indicated in a notification made pursuant to article 7, paragraph 2.

The denunciation shall take effect only as respects the State which shall have given notice thereof. The Convention shall remain in effect for the other contracting States.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed the present Convention.

DONE at The Hague, the 15 April 1958 in a single copy, which shall be deposited in the archives of the Government of The Netherlands, and of which a duly certified copy shall be transmitted, by diplomatic channels, to each of the States represented at the Eighth Session of the Conference of The Hague on Private International Law and to the States adhering subsequently.

CONVENTION ON THE LAW APPLICABLE TO THE TRANSFER OF TITLE IN INTERNATIONAL SALES OF GOODS¹

Done at The Hague, 15 April 1958

[Translation²]

The States signatory to the present Convention;

Desiring to establish common provisions concerning the law governing the transfer of title in international sales of goods;

Have resolved to conclude a Convention for this purpose and have agreed to the following provisions:

Article 1

The present Convention applies to international sales of goods. It does not apply to sales of securities, to sales of ships or of registered boats or aircraft to sales upon judicial order or by way of execution. It applies to sales based on documents.

For the purposes of application hereof, contracts to deliver goods to be manufactured or produced are assimilated to sales, if the party who assumes delivery is to furnish the necessary raw materials for the manufacture or production.

The mere declaration of the parties, relative to the application of a law or the jurisdiction of a judge or arbitrator, is not sufficient to confer upon a sale international character in the sense of the first paragraph of this article.

Article 2

The law governing the contract of sale determines as between the parties:

- (1) the time to which the seller is entitled to the products and fruits of the goods sold,
- (2) the time to which the seller bears the risks relating to the goods sold,
- (3) the time to which the seller is entitled to damages relating to the goods sold,
- (4) the validity of clauses reserving title to the goods in the seller.

Article 3

Subject to the provisions of Sections 4 and 5:

The transfer to the buyer of title to the goods sold with respect to all persons other than the parties to the contract of sale is governed by the internal law of the

¹ The Convention has not entered into force.

The following State has deposited its ratification with the Government of the Netherlands: Italy—24 March 1961.

The following State has signed the Convention: Greece.

² Translation in *American Journal of Comparative Law*, vol. 5, 650-653, October 1956.

Translators: Prof. Willis L. M. Reese and Dr. Charles Szladits.
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country where the goods were located at the time when a claim was made concerning them.

The buyer, however, retains a title which has been recognized as belonging to him by the internal law of one of the countries where the goods sold were previously located. Moreover, in the case of a sale based on documents where the documents represent the goods sold, the buyer retains a title which has been recognized as belonging to him by the internal law of the country where he received the documents.

Article 4

Whether the rights of an unpaid seller in the goods sold can be asserted against the creditors of the buyer, such as liens and the right to possession or ownership, particularly through an action of rescission or a clause of reservation of title, is governed by the internal law of the country where the goods sold were located at the time of the first claim or attachment concerning such goods.

In case of a sale based on documents where the documents represent the goods sold, whether the rights of an unpaid seller to such goods can be asserted against the creditors of the buyer is governed by the internal law of the country where the documents are located at the time when the first claim or attachment concerning them occurs.

Article 5

The rights which a buyer can assert against third persons who claim title or another real right in the goods sold are governed by the internal law of the country where the goods were located at the time of such claim.

The buyer, however, retains any rights which have been recognized as belonging to him by the internal law of the country where the goods sold were located at the time when he was put in possession.

In the case of a sale based on documents where the documents represent the goods sold, the buyer retains the rights which have been recognized as belonging to him by the internal law of the country where he received the documents, subject to the rights granted by the internal law of the country where the goods are located to third persons who are presently in possession of said goods.

Article 6

Except for the application of paragraphs 2 and 3 of the preceding article, goods sold which are in transit in the territory of a country, or outside the territory of the State, are considered to be located in the country from which they were sent.

Article 7

In each of the contracting States, the application of the law determined by the present Convention may be excluded on a ground of public policy (*ordre public*).

Article 8

The contracting States have agreed to incorporate the provisions of articles 1-7 of the present Convention in the national law of their respective countries.

Article 9

The present Convention does not affect Conventions concluded or which may be concluded by the contracting States concerning the recognition and the effects of a bankruptcy declared in one of the States a party to such a Convention.

Article 10

At the time of the signature or ratification of the present Convention or at the time of adhesion, the contracting States may reserve the faculty:

- (a) to restrict the application of article 3 to the rights of the buyer as against creditors of the seller, as well as to replace the words "at the time when a claim was made" by the words "at the time of a claim or an attachment";
- (b) not to apply the provisions of article 5.

Article 11

The present Convention is open for the signature of the States represented at the Eighth Session of The Hague Conference on Private International Law.

It shall be ratified and the instruments of ratification shall be deposited with the Ministry of Foreign Affairs of The Netherlands.

A procès-verbal shall be made of every deposit of instruments of ratification, a duly certified copy whereof shall be transmitted, by diplomatic channels, to each of the signatory States.

Article 12

The present Convention shall enter into effect on the sixtieth day from the deposit of the fifth instrument of ratification contemplated by article 11, paragraph 2.

As respects each signatory State, subsequently ratifying the Convention, it shall enter into effect on the sixtieth day from the date of the deposit of its instrument of ratification.

Article 13

The present Convention applies as of course to the metropolitan territories of the contracting States.

If a contracting State desires extension hereof to all its other territories, or to those of its other territories for the international relations of which it provides, it shall notify its intention to such effect by a document which shall be deposited with the Ministry of Foreign Affairs of the Netherlands. The latter shall transmit by diplomatic channels a duly certified copy thereof to each of the contracting States. The present Convention shall enter into effect for such territories on the sixtieth day after the date of the deposit of the act of notification above mentioned.

It is understood that the notification contemplated by paragraph 2 of the present article shall have effect only after the coming into force of the present Convention, pursuant to article 12, first paragraph.

Article 14

Any State not represented at the Eighth Session of The Hague Conference on Private International Law may adhere to the present Convention. A State desiring

to adhere shall notify its intention by a document which shall be deposited with the Ministry of Foreign Affairs of the Netherlands. The latter shall transmit by diplomatic channels a duly certified copy to each of the contracting States. The Convention shall enter into force for the adhering State on the sixtieth day after the date of the deposit of the act of adhesion.

It is understood that the deposit of the act of adhesion shall take effect only after the coming into force of the present Convention, pursuant to article 12, paragraph 1.

Article 15

The present Convention shall have a duration of five years starting from the date indicated in article 12, first paragraph, of the present Convention. This period shall commence to run from such date, even for States which shall have ratified it or adhered hereto subsequently.

The Convention shall be renewed tacitly every five years, in the absence of denunciation.

A denunciation must be notified, at least six months before the expiration of the period, to the Ministry of Foreign Affairs of The Netherlands, which shall give notice thereof to all the other contracting States.

The denunciation may be limited to the territories, or to certain of the territories, indicated in a notification made pursuant to article 13, paragraph 2.

The denunciation shall have effect only as respects the State which shall have given notice thereof. The Convention shall remain in effect for the other contracting States.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed the present Convention.

DONE at The Hague, the 15 April 1958, in a single copy, which shall be deposited in the archives of the Government of The Netherlands, and of which a duly certified copy shall be transmitted, by diplomatic channels, to each of the States represented at the Eighth Session of The Hague Conference on Private International Law, as well as to States adhering subsequently.

**GENERAL CONDITIONS OF ASSEMBLY AND PROVISION OF OTHER
TECHNICAL SERVICES IN CONNEXION WITH RECIPROCAL DE-
LIVERIES OF MACHINERY AND EQUIPMENT BETWEEN FOREIGN
TRADE ORGANIZATIONS OF MEMBER COUNTRIES OF THE
COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (CMEA GENERAL
CONDITIONS OF ASSEMBLY, 1962)¹**

[Translation²]

All assembly and specialized assembly work, adjustment and start-up of equipment and machinery and other technical services (inspection, supervision, etc.) in connexion with reciprocal deliveries of machinery and equipment between foreign trade organizations of member countries of CMEA, hereinafter called "assembly work", carried out by specialist personnel of the supplier in the country of the client shall be performed on the basis of these "General Conditions of Assembly".

All contracts for assembly work shall be concluded on the basis of the "General Conditions of Assembly".

If, when concluding a contract, the parties reach the conclusion that the assembly work to be carried out is of a special nature and that a departure from particular provisions of these "General Conditions of Assembly" is accordingly required, they may so agree in the contract.

I. DEFINITIONS

§ 1

The terms "client", "supplier" and "specialist" used in these "General Conditions of Assembly" shall have the following meaning:

"client"—a foreign trade organization which orders services for the performance of assembly work under a contract;

"supplier"—a foreign trade organization which assumes responsibility for performing assembly work under a contract;

"specialist"—a person possessing specific qualifications who is sent by the supplier to the country in which the assembly work is performed under the contract.

II. PROCEDURE FOR FORMATION AND CONTENTS OF CONTRACTS

§ 2

A contract shall be deemed to be concluded when it is signed by the two parties or, if it is concluded *inter absentes*, when the client or the offeror receives notification of

¹ The instrument entered into force on 1 June 1962.

The following States are Parties to the Instrument: Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, Union of Soviet Socialist Republics.

² Translation prepared by the Secretariat of the United Nations.

the confirmation of the order or the acceptance of the offer, without reservations, within the time-limit specified in the order or the offer; if no time-limit is specified in the order or the offer, the contract shall be deemed to be concluded thirty days after the date of dispatch of the notification.

The order and the offer, as well as the confirmation of the order or the acceptance of the offer, shall be valid on condition that they are in written form; written form shall be understood to include telegrams and teletype communications.

Annexes, additions and modifications to a contract shall be subject to the same procedure.

§ 3

After the conclusion of a contract, all previous correspondence and negotiations concerning the contract shall be without effect.

§ 4

A contract for assembly work shall specify, *inter alia*:

- (a) the names and addresses of the parties;
- (b) the subject of the contract;
- (c) the number and functional titles of specialists to be sent by the supplier;
- (d) the conditions of payment.

According to the nature of the assembly work to be performed, the contract may also specify:

- (a) the number and functional titles of specialists and auxiliary personnel to be provided by the client;
- (b) equipment, assembly tools, apparatus, auxiliary materials, work clothes and protective clothing, listed with an indication of which items shall be provided by the supplier and which by the client;
- (c) the dates for the commencement and completion of assembly work and the date on which the client must inform the supplier that the site has been prepared for the commencement of assembly work;
- (d) any special obligations of the supplier under the guarantee.

III. PREPARATION FOR ASSEMBLY WORK

§ 5

All preparatory work (foundations, construction, etc.) shall be carried out by the client at his own expense and on his own responsibility, unless otherwise provided in the contract, within a period of time such that the assembly work may be started immediately upon the arrival of the supplier's specialists, at an agreed date, and may be carried out without any hindrances or delays.

The client shall inform the supplier when the equipment and the assembly site have been prepared for the commencement of assembly work.

Such information shall be communicated not less than thirty days before the commencement date of assembly work as specified in the contract.

Before the commencement of assembly work the parties shall draw up a report indicating that the equipment and assembly site have been prepared for the commencement of assembly work.

§ 6

If, because the preparatory work has not been carried out, the supplier cannot commence or satisfactorily continue the assembly work, he shall have the right to postpone the commencement date or suspend the work. In such event, the parties shall fix a new date for the commencement of assembly work and shall take appropriate measures to overcome the delay.

§ 7

The client shall provide the supplier's specialists with suitable premises (with roof, lighting, heat and cleaning service and equipped with the necessary facilities) for storing tools, assembly equipment and clothing, for office work and for rest during work breaks.

§ 8

With a view to ensuring suitable preparation for the assembly work, the supplier and the client shall agree in the contract on the order in which the assembly operations are to be carried out.

The supplier shall deliver to the client any plans or other technical data and documentation needed for the preparatory work and shall do so sufficiently early for the client to be able to carry out the work in good time.

The client shall provide the supplier with a lay-out plan of the assembly site and with any other technical documentation required. He shall not be obliged to provide the said technical documentation where the supplier already has the documentation or must prepare it himself.

The time-limit for the transmission of technical documentation shall be agreed by the parties in the contract.

Unless otherwise provided in the contract, a party shall retain the exclusive right to technical documentation which he transmits.

Any technical documentation transmitted shall be used exclusively for the purpose for which it was transmitted and shall not be published without the supplier's consent.

IV. ASSEMBLY EQUIPMENT AND AUXILIARY MATERIAL

§ 9

The client shall provide, at his own cost, the equipment and tools necessary for the execution of the assembly work, in accordance with specifications drawn up by the supplier and the client and annexed to the contract.

These specifications shall not include the control apparatus used in acceptance tests or the personal tools of the supplier's specialists, which shall be provided by the supplier.

The assembly tools and all other equipment required for the assembly work (hereinafter called "assembly gear"), which cannot be provided by the client shall, if possible, be provided by the supplier for the temporary use of the client, in return for payment. The supplier shall draw up specifications for such assembly gear including the prices agreed with the client, which shall conform to the price-fixing principle laid down in the trade agreements in force between the countries concerned.

If the assembly gear provided for temporary use has previously been used, the supplier shall indicate the extent of wear, in percentages, which shall serve as a basis for payment in cases where the assembly gear is not returned to the supplier.

The assembly gear provided by the supplier may be used for purposes other than those specified in the contract only with the supplier's consent.

§ 10

In return for the use of the supplier's assembly gear, the client shall pay the supplier a rental fee, the amount of which shall be agreed in the contracts, in percentages, but which may not exceed:

- (a) for assembly tools and accessories 0.15 per cent per day
- (b) for assembly equipment, including mechanical
handling equipment 0.05 per cent per day

of the price of the assembly gear as established in accordance with § 9.

The amounts paid for the use of assembly gear shall in no case exceed the prices stipulated in the specifications.

The client shall be required to pay for the temporary use of only such assembly gear as is provided by the supplier under the contract.

Payment shall be calculated on the basis of each calendar day in the period running from the date the assembly gear is made available by the supplier for temporary use to the date of its return by the client (which dates are defined in § 11).

In cases where the supplier is responsible under the contract for keeping to the assembly time-table and where a delay in assembly work occurs through the supplier's fault, payment for the use of assembly gear shall not be calculated for the period of the delay.

§ 11

Transport costs, insurance fees and liability for loss or damage in respect of assembly gear provided for temporary use, and any customs duties in the client's country, shall be borne by the client from the date the gear is made available until the date of its return.

The date on which the supplier makes the assembly gear available to the client for temporary use (date of delivery) and the date on which the gear is returned to the supplier by the client shall be deemed to be:

(a) in the case of the transportation of assembly gear by rail from the supplier to the client, the date on which the railway bill of lading is stamped by the frontier station at which the assembly gear is transferred from the railway of the supplier's country to the railway accepting the assembly gear for onward transport to the site of the assembly work, and, on return of the gear, the date on which the railway bill of lading is stamped by the frontier station at which the assembly gear is transferred from the railway of the client's country, or the country of transit, to the railway of the supplier's country;

(b) in the case of the transportation of assembly gear by water from the supplier to the client, the time when the gear passes the ship's rail in the port of loading of the supplier's country, and, on return of the gear, the time when it passes the ship's rail in the port of unloading of the supplier's country;

(c) in the case of the transportation of assembly gear by air from the supplier to the client, the date of the air waybill issued by the air carrier in the supplier's country,

and, on return of the gear, the time of unloading from the aircraft at the airport of the supplier's country;

(d) in the case of the transportation of assembly gear by road from the supplier to the client, the date on which the assembly gear is loaded on to the client's vehicles, and, if the assembly gear is transported by the supplier's vehicles beyond the frontiers of the supplier's country, the date on which the assembly gear is inspected by the customs authorities at the frontier of the country bordering on the supplier's country; and, on return of the gear, the date on which the gear is inspected by the customs authorities in the supplier's country.

Where assembly gear is to be transported from the supplier to the client, the supplier shall agree with the client on the mode of transport and on the frontier points at which the supplier will deliver the assembly gear to the client.

The client shall return the assembly gear received from the supplier for temporary use as soon as the gear is no longer required for the assembly work.

§ 12

If assembly gear is lost or destroyed through no fault of the supplier or his specialists, the client shall pay the price indicated in the specifications, with allowance made for the extent of wear at the time of loss or destruction or with a deduction for the amount paid by the client to the supplier for the temporary use of the assembly gear up to that time.

The client shall not be liable for the loss or destruction of gear occurring through the fault of the supplier or his specialists (where, for example, at the end of the working day the supplier's specialists do not observe the rules for transferring gear to the custody of the client). The client shall not be liable for the destruction or loss of assembly gear if it is in the custody of the supplier's specialists.

§ 13

The client shall, at his own cost and risk, store the assembly gear made available to him by the supplier and protect it from the effects of weather and against damage.

The client shall have the same responsibilities in storing tools and instruments belonging to the supplier's specialists which are handed over to him for safe keeping.

If the assembly gear made available to the client is kept in the custody of the supplier's specialists, the supplier shall be liable for loss of or damage to the gear.

§ 14

Unless otherwise provided in the contract, the client shall provide at his own expense all auxiliary materials, water, electricity, oxygen, carbide, compressed air, etc., required for the assembly work. The client shall provide the necessary lighting and, where possible or where the nature of the machinery and equipment so requires, heating of the assembly site.

§ 15

The client shall deliver to the assembly site, in good time and at his own expense, the necessary machinery, tools, auxiliary materials and assembly gear.

V. CONDITIONS OF WORK OF THE SUPPLIER'S SPECIALISTS

§ 16

The supplier's specialists engaged in assembly work shall retain their contractual labour relations with the supplier.

The client shall, at his own expense, settle all necessary formalities in his own country associated with the stay of the supplier's specialists and any customs formalities in connexion with the import and export of tools, instruments and assembly gear belonging to the supplier.

The supplier's specialists shall comply with all rules applicable to them under the laws of the client's country and shall scrupulously preserve any State or official secrets known to them or communicated to them in connexion with the performance of the work.

§ 17

The client shall provide the supplier's specialists with furnished lodgings, free of charge, near the site of the assembly work (with lighting, heat and service).

If the lodgings provided for the supplier's specialists are situated at a distance of more than two kilometres from the site of the assembly work, the client shall provide the specialists with free transport to and from the site.

§ 18

If there is a works canteen at the assembly site or at the place of residence of the specialists, the client shall afford the specialists an opportunity of using it.

If there is no canteen or other communal eating facility at the assembly site or at the place of residence of the specialists, the client shall make other eating arrangements for the specialists.

In addition, the client shall provide an opportunity for the specialists to purchase food-stuffs and consumer goods.

The supplier's specialists shall bear the cost of their subsistence and of any purchase of goods.

§ 19

The client shall ensure, as far as possible, that cultural facilities are made available to the specialists (films, theatre, cultural activities, lectures, excursions, etc.).

§ 20

If any of the supplier's specialists or any members of their families become ill or suffer an injury during their stay in the client's country, the client shall ensure that the sick or injured person receives free medical treatment and drugs under the State health insurance system.

Payment for the time a specialist is ill shall be made in the amount and manner prescribed in § 32.

If the illness of a specialist entails an interruption in work, the client shall so inform the supplier either directly or through the trade mission of the supplier's country in

the client's country. Where a physician states that the specialist's illness will last more than four weeks, the supplier shall, at the request of the client, replace him by another specialist possessing the same qualifications.

In the event of epidemic disease, the client shall take the necessary precautionary measures to protect the specialists from such disease.

Before the commencement of the assembly work, the client shall install at the assembly site special medical posts equipped with all the necessary treatment and dressing facilities for the provision of first-aid (bandages, drugs and the like). At separate work sites situated at a considerable distance from the above-mentioned posts, first-aid kits shall be provided.

§ 21

The supplier shall have the right, at his own expense and with the consent of the client, to replace a specialist before he has completed one year at the assembly site.

After one year, the supplier shall have the right to replace a specialist at his own discretion, on condition that the quality and duration of the assembly work will not be affected thereby. The specialist who is replaced may leave the site of the assembly work only after the arrival of his successor.

If there are serious grounds for so doing, the client may request the supplier to recall or replace a specialist.

§ 22

Before dispatching his specialists, the supplier shall acquaint them with the present "General Conditions of Assembly" and with the other conditions for the performance of the assembly work as specified in the contract, as well as with the daily work schedule and the climatic and other conditions under which the specialists are to carry out the assembly work. The supplier shall send to the client's country specialists who have accepted the aforementioned conditions for the conduct of assembly work.

§ 23

After eleven months of work in the client's country, the supplier's specialists shall be eligible for leave for a period consistent with the laws of the supplier's country but not exceeding thirty calendar days.

By agreement with the client, the supplier may send a specialist on leave after six months of continuous work in the client's country, on condition that the specialist's stay in that country will total not less than twelve months.

In the following year, even where the period of service is to be less than twelve months, the supplier may send a specialist on leave after six months, for the time which is due to him.

The time required for the specialist to travel from the assembly site to his place of residence in his own country and back to the assembly site shall not be included in the leave. Departure on leave shall be agreed between the client and the supplier in such a way that the specialist's departure will not in any way affect the assembly work.

§ 24

A specialist whose length of stay in the client's country is planned for not less than one year may bring his wife and his children of school and pre-school age, if living

conditions at the site of the assembly work are appropriate and favourable to their presence.

If such conditions do not prevail at the time of arrival of the specialist, the client shall fulfil his obligations in this respect within a maximum of three months of the date of arrival of the specialist, unless the contract provides otherwise.

The family of the specialist shall live with him in the lodgings provided free of charge, whether or not there is a local school.

§ 25

The client shall afford the specialist the opportunity of carrying out such of his civic duties as may arise during his stay in the client's country (for example, elections and referendums).

§ 26

The client shall provide within an agreed time-limit the auxiliary and skilled personnel specified in the contract, and if necessary additional personnel as agreed between the representatives of the supplier and the client.

Where justified by the circumstances, the head of the assembly work on the supplier's side may call for the replacement of unsuitable auxiliary and skilled personnel of the client.

If necessary, the client shall place a translator at the disposal of the head of the assembly work on the supplier's side.

The authorized representatives of the client and the supplier shall jointly determine the allocation of work to auxiliary and skilled personnel.

The client shall bear all expenses associated with the work of the aforesaid personnel.

§ 27

The working hours of specialists at the assembly site shall be established in accordance with the regulations in force in the client's country.

If a specialist of the supplier is unable to work for reasons beyond his control, the client shall pay the supplier for the idle time as for work during normal working hours.

The public holidays of the supplier's country shall be regarded as non-working days for the specialists.

The client shall endeavour to ensure that the supplier's specialists do not work on public holidays of the supplier's country, on Sundays or at night (from 10 p.m. to 6 a.m.), and that they do not work overtime.

If necessary, specialists may work at such times where the authorized representatives of the supplier and the client so agree at the assembly site. In such cases the client shall pay the supplier in accordance with § 33 of these "General Conditions of Assembly".

§ 28

The client shall inform the supplier or his representative in detail of the regulations in force in the client's country regarding occupational safety and health, of fire regulations

and the like; the supplier shall be obliged to take all necessary steps to ensure that his specialists observe such regulations. Action taken in this regard shall be noted in the assembly log-book.

The client shall place at the disposal of the supplier's specialists, free of charge, the equipment and supplies required to meet the occupational safety and health requirements and shall explain to the specialists their mode of employment.

A supplier who is also the supplier of the machinery and equipment shall inform the client in detail of any special danger associated with the execution of the assembly work.

If the supplier's specialists fail to observe directions of the client which are known to them, the client shall not be liable for accidents which may occur as a result of non-observance.

§ 29

If the client becomes aware of an infringement by the supplier's specialists of the regulations referred to in § 28, he shall promptly so inform the supplier in writing.

If, despite notice by the client, the supplier's specialists persist in infringing the occupational safety and health regulations, or the fire or other regulations, the client may deny the specialists infringing such regulations entry to the assembly site and may call for their replacement by the supplier.

If the client fails to observe the occupational safety and health regulations, the supplier's specialists shall so inform the client in writing. If the client fails to take the appropriate action, the specialists may stop work.

The specialists may stop work immediately where conditions arise which threaten their life or health, and they shall report on their action to the client.

VI. RELATIONS BETWEEN THE REPRESENTATIVES OF THE CLIENT AND THE SUPPLIER

§ 30

At the site of the assembly work, the supplier shall be represented in all matters relating to the assembly work and to the specialists by the head of the assembly work, unless another person has been authorized in writing to perform this function.

The client shall likewise appoint an authorized representative for the entire period during which the assembly work is conducted.

The authorized representative of the client shall discuss, at the assembly site, all matters relating to the assembly work and the specialists solely with the authorized representatives of the supplier.

From the commencement of assembly work and until its completion the authorized representative of the supplier shall keep an assembly log-book, with a copy for the client, in a language understood by both parties. Each entry in the log-book shall be signed by the authorized representatives of the client and the supplier.

If the client or his authorized representative is not satisfied with the progress of the assembly work or with the entries made by the authorized representative of the supplier, each of the authorized representatives shall enter his opinion in the log-book.

Entries in the log-book signed by the authorized representatives of both parties shall constitute proof of the facts stated therein.

The log-book shall be kept from the day on which assembly work begins until the time of its final completion. The log-book shall indicate the progress of the assembly work and also all circumstances and facts relating to the assembly work which have a significant bearing upon the relations between the client and the supplier (for example, the date of commencement of assembly work, comments on compliance with particular assembly dead-lines, the date of completion of assembly work, hours worked by the specialists, particulars concerning work by specialists on public holidays and Sundays or on overtime, the number of specialists and auxiliary personnel made available to the supplier by the client).

§ 31

Any understanding reached by the authorized representatives of the supplier and the client which entails new obligations shall be confirmed in writing by the supplier and the client.

VII. PAYMENT FOR ASSEMBLY WORK

§ 32

For the execution of assembly work by the supplier's specialists, the client shall pay the supplier the amounts agreed among the competent organs of the member countries of CMEA with reference to the following categories of personnel:

1. Expert consultant;
2. Chief engineer;
3. Senior engineer;
4. Engineer;
5. Technician, foreman, fitter;
6. Skilled worker.

The said amounts shall be paid from the date of the specialist's departure from his country to the date of his return to his country. The date of departure and return shall be taken to be the date on which the specialist crosses the State frontier of the supplier's country.

Where it is necessary to calculate payment by the hour, the sum of 1/200 of the monthly rate shall be used.

§ 33

Remuneration for overtime and for work on Sundays and public holidays shall be made only to specialists of the following categories:

Skilled worker;
Technician, foreman, fitter.

Supplementary remuneration shall be given over and above the established basic rates for overtime and for work on Sundays and public holidays and shall be determined as a percentage of the rates established in accordance with § 32:

for work on working days from 6 p.m. to 10 p.m.	15 per cent
for work on working days from 10 p.m. to 6 a.m.	27 per cent
for Sunday work, first eight hours	27 per cent
for Sunday work, subsequent hours	55 per cent
for work on public holidays	55 per cent

In the case of a specialist working a permanent night shift from 10 p.m. to 6 a.m., the client shall pay supplementary remuneration in the amount of 15 per cent of the established basic rate.

§ 34

The supplier and client shall agree in the contracts that a supplementary payment in the amount of 25 per cent of the rate shall be made for assembly work carried out in conditions which are particularly dangerous or harmful to health.

§ 35

The payments for assembly work laid down in § 32, § 33 and § 34 shall be made into clearing accounts opened in accordance with the bilateral trade and payments agreements in force.

§ 36

Payment for the travel expenses of specialists and members of their families and for the transport of their personal effects shall be determined in the contract by the parties.

VIII. PROCEDURE FOR PAYMENT

§ 37

Payments provided for in these "General Conditions of Assembly" shall be made in accordance with the provisions of section XII of the CMEA "General Conditions of Delivery, 1958" and shall be based on the supplier's accounts, to which shall be attached a record of the assembly work confirmed by the client or his authorized representative, and on any other documents specified in the contract.

The record of the assembly work shall indicate the number of hours worked (specifying night work, work on Sundays and public holidays, etc.).

Accounts covering assembly work performed and the use of assembly gear shall be produced at the end of the month in which the assembly work was carried out, unless other payment periods are specified in the contract.

IX. COMPLETION OF ASSEMBLY WORK

§ 38

The terms of completion of the assembly work shall be laid down by the parties in the contract.

X. GUARANTEES

§ 39

The supplier shall be responsible for the proper conduct of the assembly work in accordance with the terms of the contract.

The supplier shall eliminate, at his own expense and within the time-limits agreed with the client, any defects disclosed during the guarantee period arising from the improper conduct of the assembly work, from errors in the assembly documentation or from the use of improper materials in the course of assembly.

A supplier who assembles machinery and equipment on the basis of documentation provided by the client shall not be liable for defects resulting from errors in that documentation.

§ 40

In specialized assembly work (*shefmontazh*), the supplier shall be responsible for the accuracy of his instructions and the technical precision of the assembly work, and also for the accuracy of the recommendations and directions given to the client's specialists, provided that the client fulfils all the conditions laid down in the contract for specialized assembly work.

If the supplier gives recommendations and directions on the basis of documentation obtained from the client, he shall not be responsible for the consequences which may result from errors in that documentation.

The supplier shall eliminate, at his own expense and within the time-limits agreed with the client, any defects disclosed during the guarantee period arising from errors in the assembly documentation provided by the supplier or from improper supervision by the supplier's specialists.

§ 41

Unless otherwise provided in the contract, the guarantee period for assembly and specialized assembly shall terminate with the expiration of the machinery and equipment guarantee under the contract for delivery of goods.

A further period of guarantee for assembly and specialized assembly in respect of machinery and equipment whose guarantee period under the agreement for delivery of goods has expired or will expire during the period of assembly work may be established by the parties in the assembly work contract. Such further period shall not exceed twelve months.

If the supplier does not eliminate declared defects in good time, the client may eliminate them himself at the supplier's expense, without prejudice to his rights under the guarantee, and the supplier shall be obliged to pay for the repair work in the amount of normal actual expenses. Minor deficiencies whose correction cannot be postponed and whose elimination does not require the supplier's participation shall be corrected by the client with recourse to the supplier for normal actual expenses.

§ 43

The supplier shall not be liable under the guarantee where the disclosed defects did not arise through the supplier's fault, but occurred through such circumstances as work improperly conducted by the client, non-observance of instructions regarding operation and maintenance, or changes made in the machinery or equipment by the client without the supplier's consent.

§ 44

Claims in connexion with improperly conducted assembly work shall be presented in writing immediately upon detection of the deficiency and in any case not later than

thirty days after the expiration of the guarantee period, on condition that the deficiency was detected within that period.

XI. RELIEFS

§ 45

The parties shall be relieved of responsibility for partial or total non-performance of obligations under the contract if such non-performance is the result of *force majeure* ("circumstances of insuperable force").

Circumstances of insuperable force shall be understood to mean circumstances which arose after the formation of the contract as a result of events of an extraordinary character which were unforeseen and unavoidable by the party concerned.

The party for whom it has become impossible to perform obligations under the contract shall notify the other party in writing without delay on the intervention and on the cessation of the aforementioned circumstances.

§ 46

Where the delay in the commencement or completion of the assembly work owing to circumstances of insuperable force is more than three months, the parties shall agree on new time-limits.

XII. ARBITRATION

§ 47

Any dispute arising out of or in connexion with the contract shall be subject to arbitration—the jurisdiction of general courts being excluded—conducted by an arbitral tribunal in the country of the respondent established to consider disputes arising out of foreign trade transactions.

Counter-claims shall be subject to consideration in the arbitral tribunal in which the original claim is considered.

Disputes shall be considered in accordance with the rules of procedure in effect in the arbitral tribunal in which the case is heard.

The decisions of the arbitral tribunal shall be final and binding on the parties.

XIII. OTHER CONDITIONS

§ 48

The substantive law of the supplier's country shall apply to relations between the parties in such matters regarding the execution of assembly work as are not regulated, or are not fully regulated, by the contracts or by these "General Conditions of Assembly".

§ 49

Neither party shall have the right to transfer his rights and obligations under the contracts to third persons without the written consent of the other party.

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These "General Conditions of Assembly", of 29 March 1962, were approved by the Meeting of Representatives of countries in the Council for Mutual Economic Assistance, which recommended to member countries of the Council that they bring these "General Conditions of Assembly" into force on 1 June 1962 in accordance with the established national procedures.

GENERAL CONDITIONS FOR THE TECHNICAL SERVICING OF MACHINERY, EQUIPMENT AND OTHER ITEMS DELIVERED BETWEEN FOREIGN TRADE ORGANIZATIONS OF MEMBER COUNTRIES OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (GENERAL CONDITIONS OF TECHNICAL SERVICING, 1962)¹

[Translation²]

Technical servicing of articles delivered by foreign trade organizations of member countries of CMEA shall be conducted on the basis of the present General Conditions, hereinafter referred to as the "General Conditions of Technical Servicing".

All contracts for technical servicing shall be concluded on the basis of the General Conditions of Technical Servicing.

If, when concluding a contract for the performance of technical servicing, the parties reach the conclusion that the articles for which the contract for technical servicing is being concluded are of a specific nature and/or that the special characteristics of the technical servicing require a departure from particular provisions of these General Conditions of Technical Servicing, they may so agree in the contract.

I. GENERAL PROVISIONS

§ 1

The term "articles", "seller", "buyer", "parties" and "contract" used in these General Conditions of Technical Servicing shall have the following meaning:

- articles — machinery, equipment and instruments manufactured in series and mechanical engineering goods for consumer use, which are delivered in significant quantities and for which technical servicing is arranged;
- seller — the foreign trade organization delivering the articles for export;
- buyer — the foreign trade organization receiving the articles from the seller;
- parties — the seller and the buyer;
- contract — the contract for technical servicing.

§ 2

1. Technical servicing of the articles shall be performed during the period of guarantee of the articles and after the expiration of that period.

Arrangements for technical servicing shall mean the establishment and operation in the buyer's country of the required number of permanent and/or mobile technical service shops and stations provided with the necessary equipment and with special and

¹ The instrument entered into force on 1 November 1962.

The following States are parties to the instrument: Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, Union of Soviet Socialist Republics.

² Translation prepared by the Secretariat of the United Nations.

assembly tools and accessories, and supplied with spare parts. The shops and stations shall be staffed by skilled personnel, specially trained in technical servicing.

Arrangements for technical servicing shall be made in the light of the seller's recommendations and in accordance with requirements in the buyer's country.

2. Technical servicing during the guarantee period shall include the following particular services:

- (a) preparation and putting into operation of the delivered articles;
- (b) performance of the required range of preventive inspection and repair operations at prescribed intervals in accordance with the seller's recommendations;
- (c) elimination of any defects which arise and replacement of defective components;
- (d) technical supervision of the articles' entry into operation and of their servicing and use.

3. Technical servicing after the expiration of the guarantee shall include the following particular services:

- (a) conduct of preventive inspection and repair at the intervals and in the range recommended by the seller;
- (b) performance of running and major repairs;
- (c) spare parts supply.

4. The range of technical servicing operations to be carried out during the guarantee period shall be laid down in detail in the contract and/or in the delivery contract. The range of technical servicing operations to be carried out after the expiration of the guarantee shall be laid down in detail in the contract.

II. FORMATION OF THE CONTRACT

§ 3

1. Contracts shall be concluded by the parties in respect of articles included in a nomenclature and/or schedule to be established bilaterally.

2. Contracts shall be concluded as soon as possible following agreement of the nomenclature and/or schedule of articles.

3. The parties may, if they deem it advisable, conclude contracts in respect of other articles, not included in the agreed nomenclature and/or schedule.

§ 4

1. The contract shall prescribe the obligations of the buyer in arranging and conducting in his country the technical servicing of particular articles delivered by the seller, and the obligations of the seller in providing the buyer with the advice and technical assistance required for that purpose; it shall also prescribe other obligations in accordance with these General Conditions of Technical Servicing.

2. In exceptional cases the parties may agree that technical servicing of articles in the buyer's country will be arranged and conducted by the seller.

§ 5

1. The contract shall be drawn up by the seller.

2. The contract shall be deemed to be concluded when it is signed by the two parties. Annexes, additions and modifications to the contract shall be made in

writing. All annexes to the contract which are mentioned in the contract or which make reference to the contract shall form an integral part thereof.

3. After the conclusion of the contract, all previous correspondence and negotiations concerning the contract shall be without effect.

§ 6

1. Unless it provides otherwise, the contract shall be deemed to be concluded for a period of three years.

2. If within six months of the expiration of the contract neither party has declared in writing that it wishes to terminate the contract or modify its terms, the contract shall be automatically extended, on each occasion, for the succeeding period of twelve months.

III. OBLIGATIONS OF THE BUYER

§ 7

The buyer shall:

1. Ensure that the articles reach the user in perfect condition and fit for use.

2. See that the proper arrangements are made for technical servicing of articles delivered by the seller, both during and on the expiration of the guarantee period.

3. Ensure, in the manner he deems convenient, that a list of technical service shops and stations and the terms for the use of their services are brought to the knowledge of users.

4. Submit to the seller, at previously agreed times, orders for the delivery of spare parts for the articles and ensure the supply of spare parts to technical service shops and stations in the first instance.

5. Ensure the availability in his country of spare parts in the number and range corresponding to the volume of deliveries and to the requirements.

6. Make available to the seller, in the agreed volume, manner and time, information on the status of technical servicing conducted in connexion with articles delivered by the seller.

7. Ensure the training in his own country of specialists from technical service shops and stations on the basis of an understanding reached with the seller, or the dispatch of such specialists for training in the seller's country. The training of specialists shall be conducted by means of courses and seminars and also by the transfer of the experience of specialists from certain technical service shops and stations in the buyer's country to specialists in other shops and stations.

IV. OBLIGATIONS OF THE SELLER

§ 8

The seller shall:

1. Ensure delivery to the buyer of articles having the quality and components specified in the delivery contract.

2. Deliver for the agreed period of time, under a spare parts delivery contract, spare parts for previously or currently delivered articles in quantities required to maintain the articles in operating condition.

In special circumstances (such as mechanical breakdown), the seller shall arrange to fill as quickly as possible spare parts orders placed by the buyer.

3. Advise the buyer on the range and number of spare parts which on the basis of his experience he would recommend the buyer to order with a view to ensuring the uninterrupted operation of the articles.

4. Provide the buyer with the necessary technical documentation, in an agreed language, including:

(a) with the articles, servicing instructions or each article delivered in an agreed quantity for circulation to technical service shops and stations;

(b) such other necessary technical material as spare parts catalogues, repair manuals and the like, according to an agreed list and in an agreed quantity.

5. Promptly inform the buyer of any technical modifications which have a bearing on the technical servicing of previously or currently delivered articles.

6. Deliver to the buyer, under a delivery contract, special tools and accessories and/or provide him with drawings and other technical documentation required to manufacture special tools where the seller's obligations to third persons does not preclude the transfer of such drawings and documentation. The said drawings and other technical documentation shall be transferred in accordance with § 19 of the "CMEA General Conditions, 1958".

7. Submit to the buyer, on request, suggestions for arranging technical servicing.

8. Send his specialists to the buyer's country to advise on arrangements for technical servicing, the terms of the assignment to be agreed in writing.

9. Send his specialists to carry out such major repair work on delivered articles as cannot be performed by specialists of the technical service shops and stations in the buyer's country, the terms of the assignment to be agreed in writing.

10. Conduct, through his specialists, training of specialists from technical service shops and stations of the buyer's country. The training site, number of specialists to be trained and duration of the training shall be agreed in writing by the parties.

V. SUPERVISION WHEN ARTICLES DELIVERED FOR THE FIRST TIME ARE PUT INTO OPERATION

§ 9

At the buyer's request, and where the parties have so agreed in the delivery contract, when articles are delivered by the seller for the first time or when the design of the delivered articles differs substantially from that of articles of the same kind delivered previously, the seller shall at his own expense provide in the buyer's country, at an agreed place and time, advisory and supervisory services when the first model of a delivered article is put into operation.

VI. EXPENSES IN TECHNICAL SERVICING

§ 10

1. Expenses in arranging technical servicing in the buyer's country, in leasing or constructing premises for technical service shops and stations and in their equipment, maintenance and supply with spare parts (excluding sets delivered by the seller under the

terms of the guarantee), and the costs of remunerating servicing personnel and storing spare parts, shall be borne by the buyer.

2. If the seller offers to set up his own technical service shops or stations in the country of the buyer, and the latter accepts, the various expenses referred to in paragraph 1 above shall be borne by the seller, unless the contract provides otherwise.

3. Termination of the activity of technical service shops or stations set up by the seller in the buyer's country shall be effected in the manner and at a time agreed between the parties.

§ 11

Expenses associated with informing users of the location of technical service shops and stations and of the terms for the use of their services shall be borne by the buyer.

§ 12

1. Expenses associated with the transfer of technical documentation to the buyer in accordance with § 8, paragraph 4, and expenses associated with the notification of technical modifications which have a bearing on operation and technical servicing (§ 8, para. 5), shall be borne by the seller.

2. If the seller must provide documentation in the language of the buyer under the terms of the contract, the buyer when so requested by the seller shall arrange at his own expense for the verification of the translation's accuracy.

3. By agreement between the parties the buyer may produce the translation and issue in his own language the technical documents supplied by the seller, at the expense of the seller.

§ 13

1. The buyer shall supply to technical service shops and stations in his country, at his own expense, the customary repair and assembly tools and accessories and also information charts indicating the particular articles to be serviced.

Expenses involved in equipping technical service shops and stations in the buyer's country with special repair and assembly tools and accessories shall be borne by the buyer, unless the contract provides otherwise for the guarantee period.

2. The seller shall transmit to the buyer, on request, the drawings and other documentation referred to in § 8, paragraph 6, free of charge. The number of copies of such documentation shall be agreed by the parties in the contract.

§ 14

Expenses associated with the preparation and transmittal to the buyer of suggestions for arranging technical servicing in accordance with § 8, paragraph 7, shall be borne by the seller.

§ 15

Expenses associated with the assignment of specialists of the seller to the buyer's country for the purpose of advising on arrangements for technical servicing shall be borne by the seller. The number of specialists, the length of stay and other conditions of the assignment shall be specified in the contract.

§ 16

Expenses in the training of specialists from the technical service organizations of the buyer shall be apportioned as follows:

(a) where the training is conducted in the buyer's country, the buyer shall bear all associated costs with the exception of the cost of special visual teaching aids and expenses connected with the assignment of specialists of the seller to the buyer's country for the purpose of conducting training;

(b) where the training is conducted in the seller's country, the seller shall bear all costs directly related to the training.

The seller shall defray the expenses of the buyer's specialists for training-connected travel within the country of the seller (excluding the cost of travel to and from the country) and shall provide them free of charge with furnished lodgings, including, heat, light and service.

§ 17

The procedure for the mutual reimbursement of expenses which the buyer and the seller may incur during the life of the contract in connexion with the contract's performance shall be established in the contract by the parties. In so far as matters in this regard are not covered by these General Conditions of Technical Servicing, the parties shall be guided by the "CMEA General Conditions, 1958" and the "General Conditions of Assembly, 1962".

VII. SERVICES UNDER THE GUARANTEE

§ 18

The buyer shall be responsible for ensuring that the guarantee given by the seller is extended in full scope to the user, unless requirements in the buyer's country prescribe otherwise.

§ 19

1. Where a user in the buyer's country gives notice of defects covered by the guarantee extended by the seller, the said defects shall be promptly eliminated, at the seller's expense, in the technical service shops or stations of the buyer's country, either through the defects' correction or through the replacement of the defective articles or components with new ones.

2. The seller shall reimburse the buyer for spare parts used in replacement of defective components on the basis of applications for compensation accepted by the seller. Any other direct costs in eliminating defects which are to be subject to compensation shall be specified in the contract.

§ 20

1. For the purpose of replacing defective components, the seller at his own expense, by agreement between the parties, shall send to the buyer the set of spare parts provided for in the guarantee, which shall remain the property of the seller and

shall be used by the buyer to replace defective components under applications for compensation accepted by the seller. By agreement between the parties, spare parts from the guarantee set which are not used during the guarantee period shall be transferred to the buyer under previously concluded contracts for the delivery of spare parts or shall be purchased under separate spare parts delivery contracts.

2. Where there is an insufficient number of particular spare parts in the guarantee set to replace defective components, the seller shall make immediate arrangements to replenish the guarantee set with the needed parts, at his own expense.

3. Replaced defective articles or components shall be returned to the seller at his request and expense within a maximum of six months of their replacement.

§ 21

The buyer shall not present claims of users in his country to the seller if the claims exceed the limits of the guarantee given by the seller.

§ 22

1. By agreement between the parties, where major repair of the delivered articles becomes necessary and where the specialists at the technical service shops and stations in the buyer's country are unable to carry out such repair without assistance, the seller shall send his specialists to execute the work.

2. Where an article becomes inoperative during the guarantee period owing to circumstances for which the seller is not responsible, the cost of sending specialists shall be defrayed by the buyer. Where an article becomes inoperative during the guarantee period owing to circumstances for which the seller is responsible, the cost of sending his specialists shall be defrayed by the seller.

3. Where an article becomes inoperative owing to circumstances for which the seller is not responsible, the engagement of specialists of the seller by the buyer shall be carried out at the latter's expense in accordance with the terms of the "CMEA General Conditions of Assembly, 1962".

§ 23

With a view to compensating expenses which the buyer may incur during the guarantee period in eliminating defects in delivered articles and replacing defective components with new ones, the parties may agree, in the light of the particular nature of the delivered articles, on the grant of a rebate to the buyer under the guarantee and in an agreed amount.

The rebate may cover the entire cost of eliminating defects and replacing defective components, including the price of spare parts, or only part of such cost.

§ 24

Save as otherwise provided in these General Conditions of Technical Servicing or in contracts concluded thereunder, relations between the seller and the buyer under the terms of guarantees shall be governed by the section entitled "Guarantees" in the "CMEA General Conditions, 1958".

VIII. CLAIMS AND ARBITRATION

§ 25

Any claim arising out of the contract shall be presented in writing, and in specific terms, forthwith and in any case not later than sixty days after the situation motivating the claim's presentation has arisen.

§ 26

1. The party receiving the claim shall proceed promptly, and in any case not later than forty-five days from the day of receipt, to examine the claim and respond to the other party on the substance of the claim or on the course of its consideration.

2. Where the party receiving the claim fails to respond within forty-five days of the day of receipt, the other party (the claimant) may have recourse to arbitration, in which case the cost of arbitration shall be borne by the party receiving the claim, irrespective of the outcome of the arbitration proceedings.

§ 27

Claims shall be presented by registered letter to which all supporting documents shall be attached. The date of presentation shall be deemed to be the date of the postmark stamped on the registered letter upon its acceptance by the postal administration of the claimant's country.

§ 28

The procedure for settling disputes which may arise out of or in connexion with the contract shall be governed by § 65 of the "CMEA General Conditions, 1958".

IX. OTHER CONDITIONS

§ 29

The "CMEA General Conditions, 1958" shall be applicable to the delivery contracts referred to in these General Conditions of Technical Servicing.

§ 30

All taxes, customs duties and charges in the territory of the seller's country associated with the performance of the contract shall be paid by the seller, and those in the territory of the buyer's country by the buyer.

§ 31

The substantive law of the country of the seller shall apply to relations between the parties in such matters regarding the provision of technical servicing as are not regulated, or are not fully regulated, by the contracts or by these General Conditions of Technical Servicing.

CONVENTION RELATING TO A UNIFORM LAW ON THE INTERNATIONAL SALE OF GOODS¹

Done at The Hague, 1 July 1964

Publication of the Ministry of Justice of the Netherlands

The States signatory to the present Convention,
Desiring to establish a uniform law on the international sale of goods,
Have resolved to conclude a convention to this effect and have agreed upon the following provisions:

Article I

1. Each Contracting State undertakes to incorporate into its own legislation, in accordance with its constitutional procedure, not later than the date of the entry into force of the present Convention in respect of that State, the Uniform Law on the International Sale of Goods (hereinafter referred to as "the Uniform Law") forming the Annex to the present Convention.

2. Each Contracting State may incorporate the Uniform Law into its own legislation either in one of the authentic texts or in a translation into its own language or languages.

3. Each Contracting State shall communicate to the Government of the Netherlands the texts which it has incorporated into its legislation to give effect to the present Convention.

Article II

1. Two or more Contracting States may declare that they agree not to consider themselves as different States for the purpose of the requirements as to place or business of habitual residence laid down in paragraphs 1 and 2 of Article 1 of the Uniform Law because they apply to sales which in the absence of such a declaration would be governed by the Uniform Law, the same or closely related legal rules.

2. Any Contracting State may declare that it does not consider one or more non-Contracting States as different States from itself for the purpose of the requirements of the Uniform Law, which are referred to in paragraph 1 of this Article, because such States apply to sales which in the absence of such a declaration would be governed by the Uniform Law, legal rules which are the same as or closely related to its own.

¹ The Convention has not entered into force.

The following States have deposited their ratifications with the Government of the Netherlands:

Belgium	— 12 December 1968
San Marino	— 24 May 1968
United Kingdom of Great Britain and Northern Ireland	— 31 August 1967

The following States have signed the Convention: France, Federal Republic of Germany, Greece, Holy See, Hungary, Israel, Italy, Luxembourg, Netherlands.

3. If a State which is the object of a declaration made under paragraph 2 of this Article subsequently ratifies or accedes to the present Convention, the declaration shall remain in effect unless the ratifying or acceding State declares that it cannot accept it.

4. Declarations under paragraphs 1, 2 or 3 of this Article may be made by the States concerned at the time of the deposit of their instruments of ratification of or accession to the present Convention or at any time thereafter and shall be addressed to the Government of the Netherlands. They shall take effect three months after the date of their receipt by the Government of the Netherlands or, if at the end of this period the present Convention has not yet entered into force in respect of the State concerned, at the date of such entry into force.

Article III

By way of derogation from Article 1 of the Uniform Law, any State may, at the time of the deposit of its instrument of ratification of or accession to the present Convention declare by a notification addressed to the Government of the Netherlands that it will apply the Uniform Law only if each of the parties to the contract of sale has his place of business or, if he has no place of business, his habitual residence in the territory of a different Contracting State, and in consequence may insert the word "Contracting" before the word "States" where the latter word first occurs in paragraph 1 of Article 1 of the Uniform Law.

Article IV

1. Any State which has previously ratified or acceded to one or more Conventions on conflict of laws in respect of the international sale of goods may, at the time of the deposit of its instrument of ratification of or accession to the present Convention, declare by a notification addressed to the Government of the Netherlands that it will apply the Uniform Law in cases governed by one of those previous Conventions only if that Convention itself requires the application of the Uniform Law.

2. Any State which makes a declaration under paragraph 1 of this Article shall inform the Government of the Netherlands of the Convention or the Conventions referred to in that declaration.

Article V

Any State may, at the time of the deposit of its instrument of ratification of or accession to the present Convention declare, by a notification addressed to the Government of the Netherlands, that it will apply the Uniform Law only to contracts in which the parties thereto have, by virtue of Article 4 of the Uniform Law, chosen that Law as the law of the contract.

Article VI

Any State which has made a declaration under paragraphs 1 or 2 of Article II, Article III, Article IV or Article V of the present Convention may withdraw it at any time by a notification addressed to the Government of the Netherlands. Such withdrawal shall take effect three months after the date of the receipt of the notification by the Government of the Netherlands and, in the case of a declaration made under paragraph 1 of Article II, shall also render inoperative, as from the date when the withdrawal takes effect, any reciprocal declaration made by another State.

Article VII

1. Where under the provisions of the Uniform Law one party to a contract of sale is entitled to require performance of any obligation by the other party, a court shall not be bound to enter or enforce a judgment providing for specific performance except in the cases in which it would do so under its law in respect of similar contracts of sale not governed by the Uniform Law.

2. The provisions of paragraph 1 of this Article shall not affect the obligations of a Contracting State resulting from any Convention, concluded or to be concluded, concerning the recognition and enforcement of judgments, awards and other formal instruments which have like force.

Article VIII

1. The present Convention shall remain open until the 31st day of December 1965 for signature by the States represented at the Hague Conference of 1964 on the Unification of Law governing the International Sale of Goods.

2. The present Convention shall be ratified.

3. The instruments of ratification shall be deposited with the Government of the Netherlands.

Article IX

1. The present Convention shall be open to accession by all States members of the United Nations or any of its Specialized Agencies.

2. The instruments of accession shall be deposited with the Government of the Netherlands.

Article X

1. The present Convention shall come into force six months after the date of the deposit of the fifth instrument of ratification or accession.

2. In respect of a State that ratifies or accedes to the present Convention after the deposit of the fifth instrument of ratification or accession, the Convention shall come into force six months after the date of the deposit of its instrument of ratification or accession.

Article XI

Each Contracting State shall apply the provisions incorporated into its legislation in pursuance of the present Convention to contracts of sale to which the Uniform Law applies and which are concluded on or after the date of the entry into force of the Convention in respect of that State.

Article XII

1. Any Contracting State may denounce the present Convention by notifying the Government of the Netherlands to that effect.

2. The denunciation shall take effect twelve months after receipt of the notification by the Government of the Netherlands.

Article XIII

1. Any State may, at the time of the deposit of its instrument of ratification or accession or at any time thereafter, declare, by means of a notification addressed to the Government of the Netherlands, that the present Convention shall be applicable to all or any of the territories for whose international relations it is responsible. Such a declaration shall take effect six months after the date of receipt of the notification by the Government of the Netherlands, or, if at the end of that period the Convention has not yet come into force, from the date of its entry into force.

2. Any Contracting State which has made a declaration pursuant to paragraph 1 of this Article may, in accordance with Article XII, denounce the Convention in respect of all or any of the territories concerned.

Article XIV

1. After the present Convention has been in force for three years, any Contracting State may, by a notification addressed to the Government of the Netherlands, request the convening of a conference for the purpose of revising the Convention or its Annex. Notice of this request shall be given to all Contracting States by the Government of the Netherlands, which shall convene a conference for the purpose of such revision if, within a period of six months from the date of such notice, at least one quarter of the Contracting States notify the said Government of their agreement with the request.

2. States invited to the conference, other than Contracting States, shall have the status of observers unless the Contracting States at the conference decide otherwise by a majority vote. Observers shall have all rights of participation except that of voting.

3. The Government of the Netherlands shall request all States invited to the conference to submit such proposals as they may wish the conference to examine. The Government of the Netherlands shall notify all States invited of the provisional agenda for the conference and of the texts of all the proposals which have been submitted.

4. The Government of the Netherlands shall communicate to the International Institute for the Unification of Private Law the proposals concerning revision which are submitted to it in accordance with paragraph 3 of this Article.

Article XV

The Government of the Netherlands shall notify the Signatory and Acceding States and the International Institute for the Unification of Private Law of:

- (a) the communications received in accordance with paragraph 3 of Article I;
- (b) the declarations and notifications made in accordance with Articles II, III, IV, V and VI;
- (c) the ratifications and accessions deposited in accordance with Articles VIII and IX;
- (d) the dates on which the present Convention will come into force in accordance with Article X;
- (e) the denunciations received in accordance with Article XII;
- (f) the notifications received in accordance with Article XIII.

IN WITNESS WHEREOF the undersigned, duly authorized, have signed the present Convention.

DONE at The Hague, this first day of July one thousand nine hundred and sixty-four, in the French and English languages, both texts being equally authentic.

The original of the present Convention shall be deposited with the Government of the Netherlands, which shall furnish certified copies to each of the Signatory and Acceding States and to the International Institute for the Unification of Private Law.

• *ANNEX*

Uniform Law on the International Sale of Goods

CHAPTER I

SPHERE OF APPLICATION OF THE LAW

Article 1

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

(a) where the contract involves the sale of goods which are at the time of the conclusion of the contract in the course of carriage or will be carried from the territory of one State to the territory of another;

(b) where the acts constituting the offer and the acceptance have been effected in the territories of different States;

(c) where delivery of the goods is to be made in the territory of a State other than that within whose territory the acts constituting the offer and the acceptance have been effected.

2. Where a party to the contract does not have a place of business, reference shall be made to his habitual residence.

3. The application of the present Law shall not depend on the nationality of the parties.

4. In the case of contracts by correspondence, offer and acceptance shall be considered to have been effected in the territory of the same State only if the letters, telegrams or other documentary communications which contain them have been sent and received in the territory of that State.

5. For the purpose of determining whether the parties have their places of business or habitual residences in "different States", any two or more States shall not be considered to be "different States" if a valid declaration to that effect made under Article II of the Convention dated the 1st day of July 1964 relating to a Uniform Law on the International Sale of Goods is in force in respect of them.

Article 2

Rules of private international law shall be excluded for the purposes of the application of the present Law, subject to any provision to the contrary in the said Law.

Article 3

The parties to a contract of sale shall be free to exclude the application thereto of the present Law either entirely or partially. Such exclusion may be express or implied.

Article 4

The present Law shall also apply where it has been chosen as the law of the contract by the parties, whether or not their places of business or their habitual residences are in different States and whether or not such States are Parties to the Convention dated the 1st day of July 1964 relating to a Uniform Law on the International Sale of Goods, to the extent that it does not affect the application of any mandatory provisions of law which would have been applicable if the parties had not chosen the Uniform Law.

Article 5

1. The present Law shall not apply to sales:
 - (a) of stocks, shares, investment securities, negotiable instruments or money;
 - (b) of any ship, vessel or aircraft, which is or will be subject to registration;
 - (c) of electricity;
 - (d) by authority of law or on execution or distress.
2. The present Law shall not affect the application of any mandatory provision of national law for the protection of a party to a contract which contemplates the purchase of goods by that party by payment of the price by instalments.

Article 6

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 7

The present Law shall apply to sales regardless of the commercial or civil character of the parties or of the contracts.

Article 8

The present Law shall govern only the obligations of the seller and the buyer arising from a contract of sale. In particular, the present Law shall not, except as otherwise expressly provided therein, be concerned with the formation of the contract, nor with the effect which the contract may have on the property in the goods sold, nor with the validity of the contract or of any of its provisions or of any usage.

CHAPTER II

GENERAL PROVISIONS

Article 9

1. The parties shall be bound by any usage which they have expressly or impliedly made applicable to their contract and by any practices which they have established between themselves.

2. They shall also be bound by usages which reasonable persons in the same situation as the parties usually consider to be applicable to their contract. In the event of conflict with the present Law, the usages shall prevail unless otherwise agreed by the parties.

3. Where expressions, provisions or forms of contract commonly used in commercial practice are employed, they shall be interpreted according to the meaning usually given to them in the trade concerned.

Article 10

For the purposes of the present Law, a breach of contract shall be regarded as fundamental wherever the party in breach knew, or ought to have known, at the time of the conclusion of the contract, that a reasonable person in the same situation as the other party would not have entered into the contract if he had foreseen the breach and its effects.

Article 11

Where under the present Law an act is required to be performed "promptly", it shall be performed within as short a period as possible, in the circumstances, from the moment when the act could reasonably be performed.

Article 12

For the purposes of the present Law, the expression "current price" means a price based upon an official market quotation, or, in the absence of such a quotation, upon those factors which, according to the usage of the market, serve to determine the price.

Article 13

For the purposes of the present Law, the expression "a party knew or ought to have known", or any similar expression, refers to what should have been known to a reasonable person in the same situation.

Article 14

Communications provided for by the present Law shall be made by the means usual in the circumstances.

Article 15

A contract of sale need not be evidenced by writing and shall not be subject to any other requirements as to form. In particular, it may be proved by means of witnesses.

Article 16

Where under the provisions of the present Law one party to a contract of sale is entitled to require performance of any obligation by the other party, a court shall not be bound to enter or enforce a judgment providing for specific performance except in accordance with the provisions of Article VII of the Convention dated the 1st day of July 1964 relating to a Uniform Law on the International Sale of Goods.

Article 17

Questions concerning matters governed by the present Law which are not expressly settled therein shall be settled in conformity with the general principles on which the present Law is based.

CHAPTER III

OBLIGATIONS OF THE SELLER

Article 18

The seller shall effect delivery of the goods, hand over any documents relating thereto and transfer the property in the goods, as required by the contract and the present Law.

SECTION I. DELIVERY OF THE GOODS

Article 19

1. Delivery consists in the handing over of goods which conform with the contract.
2. Where the contract of sale involves carriage of the goods and no other place or delivery has been agreed upon, delivery shall be effected by handing over the goods to the carrier for transmission to the buyer.
3. Where the goods handed over to the carrier are not clearly appropriated to performance of the contract by being marked with an address or by some other means, the seller shall, in addition to handing over the goods, send to the buyer notice of the consignment and, if necessary, some document specifying the goods.

SUB-SECTION 1

OBLIGATIONS OF THE SELLER AS REGARDS THE DATE AND PLACE OF DELIVERY

A. Date of delivery

Article 20

Where the parties have agreed upon a date for delivery or where such date is fixed by usage, the seller shall, without the need for any other formality, be bound to deliver the goods at that date, provided that the date thus fixed is determined or determinable by the calendar or is fixed in relation to a definite event, the date of which can be ascertained by the parties.

Article 21

Where by agreement of the parties or by usage delivery shall be effected within a certain period (such as a particular month or season), the seller may fix the precise date of delivery, unless the circumstances indicate that the fixing of the date was reserved to the buyer.

Article 22

Where the date of delivery has not been determined in accordance with the provisions of Articles 20 or 21, the seller shall be bound to deliver the goods within a reasonable time after the conclusion of the contract, regard being had to the nature of the goods and to the circumstances.

*B. Place of delivery**Article 23*

1. Where the contract of sale does not involve carriage of the goods, the seller shall deliver the goods at the place where he 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.

2. If the sale relates to specific goods and the parties knew that the goods were at a certain place at the time of the conclusion of the contract, the seller shall deliver the goods at that place. The same rule shall apply if the goods sold are unascertained goods to be taken from a specified stock or if they are to be manufactured or produced at a place known to the parties at the time of the conclusion of the contract.

*C. Remedies for the seller's failure to perform his obligations as regards the date and place of delivery**Article 24*

1. Where the seller fails to perform his obligations as regards the date or the place of delivery, the buyer may, as provided in Articles 25 to 32:

- (a) require performance of the contract by the seller;
- (b) declare the contract avoided.

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

The buyer shall not be entitled to require performance of the contract by the seller, if it is in conformity with usage and reasonably possible for the buyer to purchase goods to replace those to which the contract relates. In this case the contract shall be *ipso facto* avoided as from the time when such purchase should be effected.

*(a) Remedies as regards the date of delivery**Article 26*

1. Where the failure to deliver the goods at the date fixed amounts to a fundamental breach of the contract, the buyer may either require performance by the seller or declare the contract avoided. He shall inform the seller of his decision within a reasonable time; otherwise the contract shall be *ipso facto* 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 contract shall be *ipso facto* avoided.

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

4. Where the buyer has chosen performance of the contract and does not obtain it within a reasonable time, he may declare the contract avoided.

Article 27

1. Where failure to deliver the goods at the date 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 require performance of the contract by the seller.

2. The buyer may however grant the seller an additional period of time of reasonable length. Failure to deliver within this period shall amount to a fundamental breach of the contract.

Article 28

Failure to deliver the goods at the date fixed shall amount to a fundamental breach of the contract whenever a price for such goods is quoted on a market where the buyer can obtain them.

Article 29

Where the seller tenders delivery of the goods before the date fixed, the buyer may accept or reject delivery; if he accepts, he may reserve the right to claim damages in accordance with Article 82.

(b) Remedies as regards the place of delivery

Article 30

1. Where failure to deliver the goods at the place fixed amounts to a fundamental breach of the contract, and failure to deliver the goods at the date fixed would also amount to a fundamental breach, the buyer may either require performance of the contract by the seller or declare the contract avoided. The buyer shall inform the seller of his decision within a reasonable time; otherwise the contract shall be *ipso facto* 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 contract shall be *ipso facto* avoided.

3. If the seller has transported the goods to the place fixed before the buyer has made known his decision under paragraph 1 of this Article and the buyer does not exercise promptly his right to declare the contract avoided, the contract cannot be avoided.

Article 31

1. In cases not provided for in Article 30, the seller shall retain the right to effect delivery at the place fixed and the buyer shall retain the right to require performance of the contract by the seller.

2. The buyer may however grant the seller an additional period of time of reasonable length. Failure to deliver within this period at the place fixed shall amount to a fundamental breach of the contract.

Article 32

1. If delivery is to be effected by handing over the goods to a carrier and the goods have been handed over at a place other than that fixed, the buyer may declare the contract avoided, whenever the failure to deliver the goods at the place fixed amounts to a fundamental breach of the contract. He shall lose this right if he has not promptly declared the contract avoided.

2. The buyer shall have the same right, in the circumstances and on the conditions provided in paragraph 1 of this Article, if the goods have been despatched to some place other than that fixed.

3. If despatch from a place or to a place other than that fixed does not amount to a fundamental breach of the contract, the buyer may only claim damages in accordance with Article 82.

SUB-SECTION 2

OBLIGATIONS OF THE SELLER AS REGARDS THE CONFORMITY OF THE GOODS

A. Lack of conformity

Article 33

1. The seller shall not have fulfilled his obligation to deliver the goods where he has handed over:

(a) part only of the goods sold or a larger or a smaller quantity of the goods than he contracted to sell;

(b) goods which are not those to which the contract relates or goods of a different kind;

(c) goods which lack the qualities of a sample or model which the seller has handed over or sent to the buyer, unless the seller has submitted it without any express or implied undertaking that the goods would conform therewith;

(d) goods which do not possess the qualities necessary for their ordinary or commercial use;

(e) goods which do not possess the qualities for some particular purpose expressly or impliedly contemplated by the contract;

(f) in general, goods which do not possess the qualities and characteristics expressly or impliedly contemplated by the contract.

2. No difference in quantity, lack of part of the goods or absence of any quality or characteristic shall be taken into consideration where it is not material.

Article 34

In the cases to which Article 33 relates, the rights conferred on the buyer by the present Law exclude all other remedies based on lack of conformity of the goods.

Article 35

1. Whether the goods are in conformity with the contract shall be determined by their condition at the time when risk passes. However, if risk does not pass because of a declaration of avoidance of the contract or of a demand for other goods in replacement, the conformity of the goods with the contract shall be determined by their condition at the time when risk would have passed had they been in conformity with the contract.

2. The seller shall be liable for the consequences of any lack of conformity occurring after the time fixed in paragraph 1 of this Article if it was due to an act of the seller or of a person for whose conduct he is responsible.

Article 36

The seller shall not be liable for the consequences of any lack of conformity of the kind referred to in sub-paragraphs *d*), *e*) or *f*) of paragraph 1 of Article 33, if at the time of the conclusion of the contract the buyer knew, or could not have been unaware of, such lack of conformity.

Article 37

If the seller has handed over goods before the date fixed 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.

*B. Ascertainment and notification of lack of conformity**Article 38*

1. The buyer shall examine the goods, or cause them to be examined, promptly.
2. In case of carriage of the goods the buyer shall examine them at the place of destination.
3. If the goods are redespached by the buyer without transshipment and the seller knew or ought to have known, at the time when the contract was concluded, of the possibility of such redespach, examination of the goods may be deferred until they arrive at the new destination.
4. The methods of examination shall be governed by the agreement of the parties or, in the absence of such agreement, by the law or usage of the place where the examination is to be effected.

Article 39

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 promptly 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 nonetheless rely on that defect, provided that he gives the seller notice thereof promptly 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 and invite the seller to examine the goods or to cause them to be examined by his agent.

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

The seller shall not be entitled to rely on the provisions of Articles 38 and 39 if the lack of conformity relates to facts of which he knew, or of which he could not have been unaware, and which he did not disclose.

C. Remedies for lack of conformity

Article 41

1. Where the buyer has given due notice to the seller of the failure of the goods to conform with the contract, the buyer may, as provided in Articles 42 to 46:

- (a) require performance of the contract by the seller;
- (b) declare the contract avoided;
- (c) reduce the price.

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

Article 42

1. The buyer may require the seller to perform the contract:

(a) if the sale relates to goods to be produced or manufactured by the seller, by remedying defects in the goods, provided the seller is in a position to remedy the defects;

(b) if the sale relates to specific goods, by delivering the goods to which the contract refers or the missing part thereof;

(c) if the sale relates to unascertained goods, by delivering other goods which are in conformity with the contract or by delivering the missing part or quantity, except where the purchase of goods in replacement is in conformity with usage and reasonably possible.

2. If the buyer does not obtain performance of the contract by the seller within a reasonable time, he shall retain the rights provided in Articles 43 to 46.

Article 43

The buyer may declare the contract avoided if the failure of the goods to conform to the contract and also the failure to deliver on the date fixed amount to fundamental breaches 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 or, in the case to which paragraph 2 of Article 42 applies, after the expiration of the period referred to in that paragraph.

Article 44

1. In cases not provided for in Article 43, 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, provided that the exercise of this right does not cause the buyer either unreasonable inconvenience or unreasonable expense.

2. The buyer may however 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

1. Where the seller has handed over part only of the goods or an insufficient quantity or where part only of the goods handed over is in conformity with the contract, the provisions of Articles 43 and 44 shall apply in respect of the part or quantity which is missing or which does not conform with the contract.

2. The buyer may declare the contract avoided in its entirety only if the failure to effect delivery completely and in conformity with the contract amounts to a fundamental breach of the contract.

Article 46

Where the buyer has neither obtained performance of the contract by the seller nor declared the contract avoided, the buyer may reduce the price in the same proportion as the value of the goods at the time of the conclusion of the contract has been diminished because of their lack of conformity with the contract.

Article 47

Where the seller has proffered to the buyer a quantity of unascertained goods greater than that provided for in the contract, the buyer may reject or accept the excess quantity. If the buyer rejects the excess quantity, the seller shall be liable only for damages in accordance with Article 82. If the buyer accepts the whole or part of the excess quantity, he shall pay for it at the contract rate.

Article 48

The buyer may exercise the rights provided in Articles 43 to 46, even before the time for delivery, if it is clear that goods which would be handed over would not be in conformity with the contract.

Article 49

1. The buyer shall lose his right to rely on lack of conformity with the contract at the expiration of a period of one year after he has given notice as provided in Article 39, unless he has been prevented from exercising his right because of fraud on the part of the seller.

2. After the expiration of this period, the buyer shall not be entitled to rely on the lack of conformity, even by way of defence to an action. Nevertheless, if the buyer has not paid for the goods and provided that he has given due notice of the lack of conformity promptly, as provided in Article 39, he may advance as a defence to a claim for payment of the price a claim for a reduction in the price or for damages.

SECTION II. HANDING OVER OF DOCUMENTS

Article 50

Where the seller is bound to hand over to the buyer any documents relating to the goods, he shall do so at the time and place fixed by the contract or by usage.

Article 51

If the seller fails to hand over documents as provided in Article 50 at the time and place fixed or if he hands over documents which are not in conformity with those which he was bound to hand over, the buyer shall have the same rights as those provided under Articles 24 to 32 or under Articles 41 to 49, as the case may be.

SECTION III. TRANSFER OF PROPERTY

Article 52

1. Where the goods are subject to a right or claim of a third person, the buyer, unless he agreed to take the goods subject to such right or claim, shall notify the seller of such right or claim, unless the seller already knows thereof, and request that the goods should be freed therefrom within a reasonable time or that other goods free from all rights and claims of third persons be delivered to him by the seller.

2. If the seller complies with a request made under paragraph 1 of this Article and the buyer nevertheless suffers a loss, the buyer may claim damages in accordance with Article 82.

3. If the seller fails to comply with a request made under paragraph 1 of this Article and a fundamental breach of the contract results thereby, the buyer may declare the contract avoided and claim damages in accordance with Articles 84 to 87. If the buyer does not declare the contract avoided or if there is no fundamental breach of the contract, the buyer shall have the right to claim damages in accordance with Article 82.

4. The buyer shall lose his right to declare the contract avoided if he fails to act in accordance with paragraph 1 of this Article within a reasonable time from the moment when he became aware or ought to have become aware of the right or claim of the third person in respect of the goods.

Article 53

The rights conferred on the buyer by Article 52 exclude all other remedies based on the fact that the seller has failed to perform his obligation to transfer the property in the goods or that the goods are subject to a right or claim of a third person.

SECTION IV. OTHER OBLIGATIONS OF THE SELLER

Article 54

1. If the seller is bound to despatch the goods to the buyer, 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.

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.

Article 55

1. If the seller fails to perform any obligation other than those referred to in Articles 20 to 53, the buyer may:

(a) where such failure amounts to a fundamental breach of the contract, declare the contract avoided, provided that he does so promptly, and claim damages in accordance with Articles 84 to 87, or

(b) in any other case, claim damages in accordance with Article 82.

2. The buyer may also require performance by the seller of his obligation, unless the contract is avoided.

CHAPTER IV

OBLIGATIONS OF THE BUYER

Article 56

The buyer shall pay the price for the goods and take delivery of them as required by the contract and the present Law.

SECTION I. PAYMENT OF THE PRICE

A. *Fixing the price*

Article 57

Where a contract has been concluded but does not state a price or make provision for the determination of the price, the buyer shall be bound to pay the price generally charged by the seller at the time of the conclusion of the contract.

Article 58

Where the price is fixed according to the weight of the goods, it shall, in case of doubt, be determined by the net weight.

*B. Place and date of payment**Article 59*

1. The buyer shall pay the price to the seller at the seller's place of business or, if he does not have a place of business, at his habitual residence, or, where the payment is to be made against the handing over of the goods or of documents, at the place where such handing over takes place.

2. Where, in consequence of a change in the place of business or habitual residence of the seller subsequent to the conclusion of the contract, the expenses incidental to payment are increased, such increase shall be borne by the seller.

Article 60

Where the parties have agreed upon a date for the payment of the price or where such date is fixed by usage, the buyer shall, without the need for any other formality, pay the price at that date.

*C. Remedies for non-payment**Article 61*

1. If the buyer fails to pay the price in accordance with the contract and with the present Law, the seller may require the buyer to perform his obligation.

2. The seller shall not be entitled to require payment of the price by the buyer if it is in conformity with usage and reasonably possible for the seller to resell the goods. In that case the contract shall be *ipso facto* avoided as from the time when such resale should be effected.

Article 62

1. Where the failure to pay the price at the date fixed amounts to a fundamental breach of the contract, the seller may either require the buyer to pay the price or declare the contract avoided. He shall inform the buyer of his decision within a reasonable time; otherwise the contract shall be *ipso facto* avoided.

2. Where the failure to pay the price at the date fixed does not amount to a fundamental breach of the contract, the seller may grant to the buyer an additional period of time of reasonable length. If the buyer has not paid the price at the expiration of the additional period, the seller may either require the payment of the price by the buyer or, provided that he does so promptly, declare the contract avoided.

Article 63

1. Where the contract is avoided because of failure to pay the price, the seller shall have the right to claim damages in accordance with Articles 84 to 87.

2. Where the contract is not avoided, the seller shall have the right to claim damages in accordance with Articles 82 and 83.

Article 64

In no case shall the buyer be entitled to apply to a court or arbitral tribunal to grant him a period of grace for the payment of the price.

SECTION II. TAKING DELIVERY

Article 65

Taking delivery consists in the buyer's doing all such acts as are necessary in order to enable the seller to hand over the goods and actually taking them over.

Article 66

1. Where the buyer's failure to take delivery of the goods in accordance with the contract amounts to a fundamental breach of the contract or gives the seller good grounds for fearing that the buyer will not pay the price, the seller may declare the contract avoided.

2. Where the failure to take delivery of the goods does not amount to a fundamental breach of the contract, the seller may grant to the buyer an additional period of time of reasonable length. If the buyer has not taken delivery of the goods at the expiration of the additional period, the seller may declare the contract avoided, provided that he does so promptly.

Article 67

1. If the contract reserves to the buyer the right subsequently to determine the form, measurement or other features of the goods (sale by specification) and he fails to make such specification either on the date expressly or impliedly agreed upon or within a reasonable time after receipt of a request from the seller, the seller may declare the contract avoided, provided that he does so promptly, or make the specification himself in accordance with the requirements of the buyer in so far as these are known to him.

2. If the seller makes the specification himself, he shall inform the buyer of the details thereof and shall fix a reasonable period of time within which the buyer may submit a different specification. If the buyer fails to do so the specification made by the seller shall be binding.

Article 68

1. Where the contract is avoided because of the failure of the buyer to accept delivery of the goods or to make a specification, the seller shall have the right to claim damages in accordance with Articles 84 to 87.

2. Where the contract is not avoided, the seller shall have the right to claim damages in accordance with Article 82.

SECTION III. OTHER OBLIGATIONS OF THE BUYER

Article 69

The buyer shall take the steps provided for in the contract, by usage or by laws and regulations in force, for the purpose of making provision for or guaranteeing

payment of the price, such as the acceptance of a bill of exchange, the opening of a documentary credit or the giving of a banker's guarantee.

Article 70

1. If the buyer fails to perform any obligation other than those referred to in Sections I and II of this Chapter, the seller may:

(a) where such failure amounts to a fundamental breach of the contract, declare the contract avoided, provided that he does so promptly, and claim damages in accordance with Articles 84 to 87; or

(b) in any other case, claim damages in accordance with Article 82.

2. The seller may also require performance by the buyer of his obligation, unless the contract is avoided.

CHAPTER V**PROVISIONS COMMON TO THE OBLIGATIONS OF THE SELLER AND OF THE BUYER****SECTION I. CONCURRENCE BETWEEN DELIVERY OF THE GOODS AND PAYMENT OF THE PRICE***Article 71*

Except as otherwise provided in Article 72, delivery of the goods and payment of the price shall be concurrent conditions. Nevertheless, the buyer shall not be obliged to pay the price until he has had an opportunity to examine the goods.

Article 72

1. Where the contract involves carriage of the goods and where delivery is, by virtue of paragraph 2 of Article 19, effected by handing over the goods to the carrier, the seller may either postpone despatch of the goods until he receives payment or proceed to despatch them on terms that reserve to himself the right of disposal of the goods during transit. In the latter case, he may require that the goods shall not be handed over to the buyer at the place of destination except against payment of the price and the buyer shall not be bound to pay the price until he has had an opportunity to examine the goods.

2. Nevertheless, when the contract requires payment against documents, the buyer shall not be entitled to refuse payment of the price on the ground that he has not had the opportunity to examine the goods.

Article 73

1. Each party may suspend the performance of his obligations whenever, after the conclusion of the contract, the economic situation of the other party appears to have become so difficult that there is good reason to fear that he will not perform a material part of his obligations.

2. If the seller has already despatched the goods before the economic situation of the buyer described in paragraph 1 of this Article becomes evident, he may prevent the handing over of the goods to the buyer even if the latter holds a document which entitles him to obtain them.

3. Nevertheless, the seller shall not be entitled to prevent the handing over of the goods if they are claimed by a third person who is a lawful holder of a document which entitles him to obtain the goods, unless the document contains a reservation concerning the effects of its transfer or unless the seller can prove that the holder of the document, when he acquired it, knowingly acted to the detriment of the seller.

SECTION II. EXEMPTIONS

Article 74

1. Where one of the parties has not performed one of his obligations, he shall not be liable for such non-performance if he can prove that it was due to circumstances which, according to the intention of the parties at the time of the conclusion of the contract, he was not bound to take into account or to avoid or to overcome; in the absence of any expression of the intention of the parties, regard shall be had to what reasonable persons in the same situation would have intended.

2. Where the circumstances which gave rise to the non-performance of the obligation constituted only a temporary impediment to performance, the party in default shall nevertheless be permanently relieved of his obligation if, by reason of the delay, performance would be so radically changed as to amount to the performance of an obligation quite different from that contemplated by the contract.

3. The relief provided by this Article for one of the parties shall not exclude the avoidance of the contract under some other provision of the present Law or deprive the other party of any right which he has under the present Law to reduce the price, unless the circumstances which entitled the first party to relief were caused by the act of the other party or of some person for whose conduct he was responsible.

SECTION III. SUPPLEMENTARY RULES CONCERNING THE AVOIDANCE OF THE CONTRACT

A. Supplementary grounds for avoidance

Article 75

1. Where, in the case of contracts for delivery of goods by instalments, by reason of any failure by one party to perform any of his obligations under the contract in respect of any instalment, the other party has good reason to fear failure of performance in respect of future instalments, he may declare the contract avoided for the future, provided that he does so promptly.

2. The buyer may also, provided that he does so promptly, declare the contract avoided in respect of future deliveries or in respect of deliveries already made or both, if by reason of their interdependence such deliveries would be worthless to him.

Article 76

Where prior to the date fixed for performance of the contract it is clear that one of the parties will commit a fundamental breach of the contract, the other party shall have the right to declare the contract avoided.

Article 77

Where the contract has been avoided under Article 75 or Article 76, the party declaring the contract avoided may claim damages in accordance with Articles 84 to 87.

*B. Effects of avoidance**Article 78*

1. Avoidance of the contract releases both parties from their obligations thereunder, subject to any damages which may be due.

2. If one party has performed the contract either wholly or in part, he may claim the return of whatever he has supplied or paid under the contract. If both parties are required to make restitution, they shall do so concurrently.

Article 79

1. The buyer shall lose his right to declare the contract avoided where it is impossible for him to return the goods in the condition in which he received them.

2. Nevertheless, the buyer may declare the contract avoided:

(a) if the goods or part of the goods have perished or deteriorated as a result of the defect which justifies the avoidance;

(b) if the goods or part of the goods have perished or deteriorated as a result of the examination prescribed in Article 38;

(c) if part of the goods have been consumed or transformed by the buyer in the course of normal use before the lack of conformity with the contract was discovered;

(d) if the impossibility of returning the goods or of returning them in the condition in which they were received is not due to the act of the buyer or of some other person for whose conduct he is responsible;

(e) if the deterioration or transformation of the goods is unimportant.

Article 80

The buyer who has lost the right to declare the contract avoided by virtue of Article 79 shall retain all the other rights conferred on him by the present Law.

Article 81

1. Where the seller is under an obligation to refund the price, he shall also be liable for the interest thereon at the rate fixed by Article 83, as from the date of payment.

2. The buyer shall be liable to account to the seller for all benefits which he has derived from the goods or part of them, as the case may be:

(a) where he is under an obligation to return the goods or part of them; or

(b) where it is impossible for him to return the goods or part of them, but the contract is nevertheless avoided.

SECTION IV. SUPPLEMENTARY RULES CONCERNING DAMAGES

A. *Damages where the contract is not avoided**Article 82*

Where the contract is not avoided, damages for a breach of contract by one party shall consist of a sum equal to the loss, including loss of profit, suffered by the other party. Such damages shall not exceed the loss which the party in breach ought to have foreseen at the time of the conclusion of the contract, in the light of the facts and matters which then were known or ought to have been known to him, as a possible consequence of the breach of the contract.

Article 83

Where the breach of contract consists of delay in the payment of the price, the seller shall in any event be entitled to interest on such sum as is in arrear at a rate equal to the official discount rate in the country where he has his place of business or, if he has no place of business, his habitual residence, plus 1 %.

B. *Damages where the contract is avoided**Article 84*

1. In case of avoidance of the contract, where there is a current price for the goods, damages shall be equal to the difference between the price fixed by the contract and the current price on the date on which the contract is avoided.

2. In calculating the amount of damages under paragraph 1 of this Article, the current price to be taken into account shall be that prevailing in the market in which the transaction took place or, if there is no such current price or if its application is inappropriate, the price in a market which serves as a reasonable substitute, making due allowance for differences in the cost of transporting the goods.

Article 85

If the buyer has bought goods in replacement or the seller has resold goods in a reasonable manner, he may recover the difference between the contract price and the price paid for the goods bought in replacement or that obtained by the resale.

Article 86

The damages referred to in Articles 84 and 85 may be increased by the amount of any reasonable expenses incurred as a result of the breach or up to the amount of any loss, including loss of profit, which should have been foreseen by the party in breach, at the time of the conclusion of the contract, in the light of the facts and matters which were known or ought to have been known to him, as a possible consequence of the breach of the contract.

Article 87

If there is no current price for the goods, damages shall be calculated on the same basis as that provided in Article 82.

*C. General provisions concerning damages**Article 88*

The party who relies on a breach of the contract shall adopt all reasonable measures to mitigate the loss resulting from the breach. If he fails to adopt such measures, the party in breach may claim a reduction in the damages.

Article 89

In case of fraud, damages shall be determined by the rules applicable in respect of contracts of sale not governed by the present Law.

SECTION V. EXPENSES

Article 90

The expenses of delivery shall be borne by the seller; all expenses after delivery shall be borne by the buyer.

SECTION VI. PRESERVATION OF THE GOODS

Article 91

Where the buyer is in delay in taking delivery of the goods or in paying the price, the seller shall take reasonable steps to preserve the goods; he shall have the right to retain them until he has been reimbursed his reasonable expenses by the buyer.

Article 92

1. Where the goods have been received by the buyer, he shall take reasonable steps to preserve them if he intends to reject them; he shall have the right to retain them until he has been reimbursed his reasonable expenses by the seller.

2. Where goods despatched to the buyer have been put at his disposal at their place of destination and he exercises the right to reject them, he shall be bound to take possession of them on behalf of the seller, provided that this may be done without payment of the price and without unreasonable inconvenience or unreasonable expense. This provision shall not apply where the seller or a person authorised to take charge of the goods on his behalf is present at such destination.

Article 93

The party who is under an obligation to take steps to preserve the goods may deposit them in the warehouse of a third person at the expense of the other party provided that the expense incurred is not unreasonable.

Article 94

1. The party who, in the cases to which Articles 91 and 92 apply, is under an obligation to take steps to preserve the goods may sell them by any appropriate means,

provided that there has been unreasonable delay by the other party in accepting them or taking them back or in paying the cost of preservation and provided that due notice has been given to the other party of the intention to sell.

2. The party selling the goods shall have the right to retain out of the proceeds of sale an amount equal to the reasonable costs of preserving the goods and of selling them and shall transmit the balance to the other party.

Article 95

Where, in the cases to which Articles 91 and 92 apply, the goods are subject to loss or rapid deterioration or their preservation would involve unreasonable expense, the party under the duty to preserve them is bound to sell them in accordance with Article 94.

CHAPTER VI

PASSING OF THE RISK

Article 96

Where the risk has passed to the buyer, he shall pay the price notwithstanding the loss or deterioration of the goods, unless this is due to the act of the seller or of some other person for whose conduct the seller is responsible.

Article 97

1. The risk shall pass to the buyer when delivery of the goods is effected in accordance with the provisions of the contract and the present Law.

2. In the case of the handing over of goods which are not in conformity with the contract, the risk shall pass to the buyer from the moment when the handing over has, apart from the lack of conformity, been effected in accordance with the provisions of the contract and of the present Law, where the buyer has neither declared the contract avoided nor required goods in replacement.

Article 98

1. Where the handing over of the goods is delayed owing to the breach of an obligation of the buyer, the risk shall pass to the buyer as from the last date when, apart from such breach, the handing over could have been made in accordance with the contract.

2. Where the contract relates to a sale of unascertained goods, delay on the part of the buyer shall cause the risk to pass only when the seller has set aside goods manifestly appropriated to the contract and has notified the buyer that this has been done.

3. Where unascertained goods are of such a kind that the seller cannot set aside a part of them until the buyer takes delivery, it shall be sufficient for the seller to do all acts necessary to enable the buyer to take delivery.

Article 99

1. Where the sale is of goods in transit by sea, the risk shall be borne by the buyer as from the time at which the goods were handed over to the carrier.

2. Where the seller, at the time of the conclusion of the contract, knew or ought to have known that the goods had been lost or had deteriorated, the risk shall remain with him until the time of the conclusion of the contract.

Article 100

If, in a case to which paragraph 3 of Article 19 applies, the seller, at the time of sending the notice or other document referred to in that paragraph, knew or ought to have known that the goods had been lost or had deteriorated after they were handed over to the carrier, the risk shall remain with the seller until the time of sending such notice or document.

Article 101

The passing of the risk shall not necessarily be determined by the provisions of the contract concerning expenses.

Reservations and declarations

Belgium

In accordance with the provisions of article V of the Convention, the Kingdom of Belgium will apply the Uniform Law only to contracts in which the parties thereto have, by virtue of article 4 of the Uniform Law, chosen that Law as the law of the contract.

In accordance with article IV of the Convention, the Kingdom of Belgium will apply the Uniform Law only if the Hague Convention of 15 June 1955 on the Law Applicable to the International Sale of Goods leads to the application of the Uniform Law. The latter notification shall become operative when the Kingdom of Belgium withdraws the declaration made in accordance with article V of the Convention.

San Marino

In accordance with the provisions of article III of the Convention relating to a Uniform Law on the International Sale of Goods, the Republic of San Marino will apply the Uniform Law only if the parties to the contract of sale have their place of business or, if they have no place of business, their habitual residence, in the territory of different contracting States. The Republic of San Marino will in consequence insert the word "contracting" before the word "States" where the latter word first occurs in paragraph 1 of article I of the Uniform Law.

United Kingdom of Great Britain and Northern Ireland

(a) In accordance with the provisions of article III of the Convention, the United Kingdom will apply the Uniform Law only if each of the parties to the contract of sale has his place of business, or, if he has no place of business, his habitual residence in the territory of a different contracting State. The United Kingdom will in consequence insert the word "contracting" before the word "States" where the latter word first occurs in paragraph 1 of article 1 of the Uniform Law.

(b) In accordance with the provisions of article V of the Convention, the United Kingdom will apply the Uniform Law only to contracts in which the parties thereto have, by virtue of article IV of the Uniform Law, chosen that Law as the law of the contract.

**CONVENTION RELATING TO A UNIFORM LAW ON THE FORMATION
OF CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS¹**

Done at The Hague, 1 July 1964

Publication of the Ministry of Justice of the Netherlands

The States signatory to the present Convention,

Desiring to establish a uniform law on the formation of contracts for the international sale of goods,

Have resolved to conclude a convention to this effect and have agreed upon the following provisions:

Article I

1. Each Contracting State undertakes to incorporate into its own legislation, in accordance with its constitutional procedure, not later than the date of the entry into force of the present Convention in respect of that State, the Uniform Law on the Formation of Contracts for the International Sale of Goods (hereinafter referred to as "the Uniform Law") forming Annex I to the present Convention.

2. Each Contracting State may incorporate the Uniform Law into its own legislation either in one of the authentic texts or in a translation into its own language or languages.

3. Each Contracting State which is also a Contracting State to the Convention dated the 1st day of July 1964 relating to a Uniform Law on the International Sale of Goods shall incorporate into its legislation the Articles set forth in Annex II to the present Convention in place of Articles 1 and 4 as set forth in Annex I to the present Convention.

4. Each Contracting State shall communicate to the Government of the Netherlands the texts which it has incorporated into its legislation to give effect to the present Convention.

Article II

1. Two or more Contracting States may declare that they agree not to consider themselves as different States for the purpose of the requirements as to place of business or habitual residence laid down in paragraphs 1 and 2 of Article 1 of the Uniform Law, because they apply to the formation of contracts of sale which in the absence of such a declaration would be governed by the Uniform Law the same or closely related legal rules.

¹ The Convention has not entered into force.

The following States have deposited their ratifications with the Government of the Netherlands:

San Marino — 24 May 1968

United Kingdom of Great Britain and Northern Ireland — 31 August 1967

The following States have signed the Convention: Belgium, France, Federal Republic of Germany, Greece, Holy See, Hungary, Israel, Luxembourg, Netherlands.

2. Any Contracting State may declare that it does not consider one or more non-Contracting States as different States from itself for the purpose of the requirements of the Uniform Law which are referred to in paragraph 1 of this Article, because such States apply to the formation of contracts of sale which in the absence of such a declaration would be governed by the Uniform Law legal rules which are the same as or closely related to its own.

3. If a State which is the object of a declaration made under paragraph 2 of this Article subsequently ratifies or accedes to the present Convention, the declaration shall remain in effect unless the ratifying or acceding State declares that it cannot accept it.

4. Declarations under paragraphs 1, 2 or 3 of this Article may be made by the State concerned at the time of the deposit of its instrument of ratification of or accession to the present Convention or at any time thereafter and shall be addressed to the Government of the Netherlands. The declaration shall take effect three months after the date of its receipt by the Government of the Netherlands or, if at the end of this period the present Convention has not yet entered into force in respect of the State concerned, at the date of such entry into force.

Article III

By way of derogation from Article 1 of the Uniform Law, any State may, at the time of the deposit of its instrument of ratification of or accession to the present Convention, declare by a notification addressed to the Government of the Netherlands that it will apply the Uniform Law only if each of the parties to the contract of sale has his place of business or, if he has no place of business, his habitual residence in the territory of a different Contracting State, and in consequence may insert the word "Contracting" before the word "States" where the latter word first occurs in paragraph 1 of Article 1 of the Uniform Law.

Article IV

1. Any State which has previously ratified or acceded to one or more Conventions on conflict of laws in respect of the formation of contracts for the international sale of goods may, at the time of the deposit of its instrument of ratification of or accession to the present Convention, declare by a notification addressed to the Government of the Netherlands that it will apply the Uniform Law in cases governed by one of those previous Conventions only if that Convention itself requires the application of the Uniform Law.

2. Any State which makes a declaration under paragraph 1 of this Article, shall inform the Government of the Netherlands of the Convention or the Conventions referred to in that declaration.

Article V

Any State which has made a declaration under paragraphs 1 or 2 of Article II, Article III or Article IV of the present Convention may withdraw it at any time by a notification addressed to the Government of the Netherlands. Such withdrawal shall take effect three months after the date of the receipt of the notification by the Government of the Netherlands and, in the case of a declaration made under paragraph 1 of Article II, shall also render inoperative, as from the date when the withdrawal takes effect, any reciprocal declaration made by another State.

Article VI

1. The present Convention shall remain open for signature until the 31st day of December 1965 by the States represented at the Hague Conference of 1964 on the Unification of Law governing the International Sale of Goods.
2. The present Convention shall be ratified.
3. The instruments of ratification shall be deposited with the Government of the Netherlands.

Article VII

1. The present Convention shall be open to accession by all States members of the United Nations or any of its Specialized Agencies.
2. The instruments of accession shall be deposited with the Government of the Netherlands.

Article VIII

1. The present Convention shall come into force six months after the date of the deposit of the fifth instrument of ratification or accession.
2. In respect of a State that ratifies or accedes to the present Convention after the deposit of the fifth instrument of ratification or accession, the Convention shall come into force six months after the date of the deposit of its instrument of ratification or accession.

Article IX

Each Contracting State shall apply the provisions incorporated into its legislation in pursuance of the present Convention to offers, replies and acceptances to which the Uniform Law applies and which are made on or after the date of the entry into force of the Convention in respect of that State.

Article X

1. Any Contracting State may denounce the present Convention by notifying the Government of the Netherlands to that effect.
2. The denunciation shall take effect twelve months after receipt of the notification by the Government of the Netherlands.

Article XI

1. Any State may, at the time of the deposit of its instrument of ratification or accession or at any time thereafter, declare, by means of a notification addressed to the Government of the Netherlands, that the present Convention shall be applicable to all or any of the territories for whose international relations it is responsible. Such a declaration shall take effect six months after the date of receipt of the notification by the Government of the Netherlands, or, if at the end of that period the Convention has not yet come into force, from the date of its entry into force.
2. Any Contracting State which has made a declaration pursuant to paragraph 1 of this Article may, in accordance with Article X, denounce the Convention in respect of all or any of the territories concerned.

Article XII

1. After the present Convention has been in force for three years, any Contracting State may, by a notification addressed to the Government of the Netherlands, request the convening of a conference for the purpose of revising the Convention or its Annexes. Notice of this request shall be given to all Contracting States by the Government of the Netherlands which shall convene a conference for the purpose of such revision if, within a period of six months from the date of such notice, at least one quarter of the Contracting States notify the said Government of their agreement with the request.

2. States invited to the conference, other than Contracting States, shall have the status of observers unless the Contracting States at the conference decide otherwise by a majority vote. Observers shall have all rights of participation except that of voting.

3. The Government of the Netherlands shall request all States invited to the conference to submit such proposals as they may wish the conference to examine. The Government of the Netherlands shall notify all States invited of the provisional agenda for the conference and of the texts of all the proposals which have been submitted.

4. The Government of the Netherlands shall communicate to the International Institute for the Unification of Private Law the proposals concerning revision submitted to it in accordance with paragraph 3 of this Article.

Article XIII

The Government of the Netherlands shall notify the Signatory and Acceding States and the International Institute for the Unification of Private Law of:

- (a) the communications received in accordance with paragraph 4 of Article I;
- (b) the declarations and notifications made in accordance with Articles II, III, IV and V;
- (c) the ratifications and accessions deposited in accordance with Articles VI and VII;
- (d) the dates on which this Convention will come into force in accordance with Article VIII;
- (e) the denunciations received in accordance with Article X;
- (f) the notifications received in accordance with Article XI.

IN WITNESS WHEREOF the undersigned, duly authorized, have signed the present Convention.

DONE at The Hague, this first day of July one thousand nine hundred and sixty-four, in the French and English languages, both texts being equally authentic.

The original of the present Convention shall be deposited with the Government of the Netherlands, which shall furnish certified copies to each of the Signatory and Acceding States and to the International Institute for the Unification of Private Law.

*ANNEX I**Uniform Law on the Formation of Contracts for the International Sale of Goods**Article 1*

1. The present Law shall apply to the formation of contracts of sale of goods entered into by parties whose places of business are in the territories of different States, in each of the following cases:

(a) where the offer or the reply relates to goods which are in the course of carriage or will be carried from the territory of one State to the territory of another;

(b) where the acts constituting the offer and the acceptance are effected in the territories of different States;

(c) where delivery of the goods is to be made in the territory of a State other than that within whose territory the acts constituting the offer and the acceptance are effected.

2. Where a party does not have a place of business, reference shall be made to his habitual residence.

3. The application of the present Law shall not depend on the nationality of the parties.

4. Offer and acceptance shall be considered to be effected in the territory of the same State only if the letters, telegrams or other documentary communications which contain them are sent and received in the territory of that State.

5. For the purpose of determining whether the parties have their places of business or habitual residences in "different States", any two or more States shall not be considered to be "different States" if a valid declaration to that effect made under Article II of the Convention dated the 1st day of July 1964 relating to a Uniform Law on the Formation of Contracts for the International Sale of Goods is in force in respect of them.

6. The present Law shall not apply to the formation of contracts of sale:

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

(b) of any ship, vessel or aircraft, which is or will be subject to registration;

(c) of electricity;

(d) by authority of law or on execution or distress.

7. 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.

8. The present Law shall apply regardless of the commercial or civil character of the parties or of the contracts to be concluded.

9. Rules of private international law shall be excluded for the purpose of the application of the present Law, subject to any provision to the contrary in the said Law.

Article 2

1. The provisions of the following Articles shall apply except to the extent that it appears from the preliminary negotiations, the offer, the reply, the practices which the parties have established between themselves or usage, that other rules apply.

2. However, a term of the offer stipulating that silence shall amount to acceptance is invalid.

Article 3

An offer or an acceptance need not be evidenced by writing and shall not be subject to any other requirement as to form. In particular, they may be proved by means of witnesses.

Article 4

1. The communication which one person addresses to one or more specific persons with the object of concluding a contract of sale shall not constitute an offer unless

it is sufficiently definite to permit the conclusion of the contract by acceptance and indicates the intention of the offeror to be bound.

2. This communication may be interpreted by reference to and supplemented by the preliminary negotiations, any practices which the parties have established between themselves, usage and any applicable legal rules for contracts of sale.

Article 5

1. The offer shall not bind the offeror until it has been communicated to the offeree; it shall lapse if its withdrawal is communicated to the offeree before or at the same time as the offer.

2. After an offer has been communicated to the offeree it can be revoked unless the revocation is not made in good faith or in conformity with fair dealing or unless the offer states a fixed time for acceptance or otherwise indicates that it is firm or irrevocable.

3. An indication that the offer is firm or irrevocable may be express or implied from the circumstances, the preliminary negotiations, any practices which the parties have established between themselves or usage.

4. A revocation of an offer shall only have effect if it has been communicated to the offeree before he has despatched his acceptance or has done any act treated as acceptance under paragraph 2 of Article 6.

Article 6

1. Acceptance of an offer consists of a declaration communicated by any means whatsoever to the offeror.

2. Acceptance may also consist of the despatch of the goods or of the price or of any other act which may be considered to be equivalent to the declaration referred to in paragraph 1 of this Article either by virtue of the offer or as a result of practices which the parties have established between themselves or usage.

Article 7

1. An acceptance containing additions, limitations or other modifications shall be a rejection of the offer and shall constitute a counter-offer.

2. However, a reply to an offer which purports to be an acceptance but which contains additional or different terms which do not materially alter the terms of the offer shall constitute an acceptance unless the offeror promptly objects to the discrepancy; if he does not so object, the terms of the contract shall be the terms of the offer with the modifications contained in the acceptance.

Article 8

1. A declaration of acceptance of an offer shall have effect only if it is communicated to the offeror within the time he has fixed or, if no such time is fixed, within a reasonable time, due account being taken of the circumstances of the transaction, including the rapidity of the means of communication employed by the offeror, and usage. In the case of an oral offer, the acceptance shall be immediate, if the circumstances do not show that the offeree shall have time for reflection.

2. If a time for acceptance is fixed by an offeror in a letter or in a telegram, it shall be presumed to begin to run from the day the letter was dated or the hour of the day the telegram was handed in for despatch.

3. If an acceptance consists of an act referred to in paragraph 2 of Article 6, the act shall have effect only if it is done within the period laid down in paragraph 1 of the present Article.

ANNEX II

Article 1

The present Law shall apply to the formation of contracts of sale of goods which, if they were concluded, would be governed by the Uniform Law on the International Sale of Goods.

...

Article 4

1. The communication which one person addresses to one or more specific persons with the object of concluding a contract of sale shall not constitute an offer unless it is sufficiently definite to permit the conclusion of the contract by acceptance and indicates the intention of the offeror to be bound.

2. This communication may be interpreted by reference to and supplemented by the preliminary negotiations, any practices which the parties have established between themselves, usage and the provisions of the Uniform Law on the International Sale of Goods.

Article 9

1. If the acceptance is late, the offeror may nevertheless consider it to have arrived in due time on condition that he promptly so informs the acceptor orally or by despatch of a notice.

2. If however the acceptance is communicated late, it shall be considered to have been communicated in due time, if the letter or document which contains the acceptance shows that it has been sent in such circumstances that if its transmission had been normal it would have been communicated in due time; this provision shall not however apply if the offeror has promptly informed the acceptor orally or by despatch of a notice that he considers his offer as having lapsed.

Article 10

An acceptance cannot be revoked except by a revocation which is communicated to the offeror before or at the same time as the acceptance.

Article 11

The formation of the contract is not affected by the death of one of the parties or by his becoming incapable of contracting before acceptance unless the contrary results from the intention of the parties, usage or the nature of the transaction.

Article 12

1. For the purposes of the present Law, the expression "to be communicated" means to be delivered at the address of the person to whom the communication is directed.

2. Communications provided for by the present Law shall be made by the means usual in the circumstances.

Article 13

1. Usage means any practice or method of dealing, which reasonable persons in the same situation as the parties usually consider to be applicable to the formation of their contract.

2. Where expressions, provisions or forms of contract commonly used in commercial practice are employed, they shall be interpreted according to the meaning usually given to them in the trade concerned.

Reservations and declarations

San Marino

In accordance with the provisions of article III of the Convention relating to a Uniform Law on the Formation of Contracts for the International Sale of Goods, the Republic of San Marino will apply the Uniform Law only if the parties to the contract of sale have their place of business or, if they have no place of business, their habitual residence, in the territory of different contracting States. The Republic of San Marino will in consequence insert the word "contracting" before the word "States" where the latter word first occurs in paragraph 1 of article I of the Uniform Law.

GENERAL CONDITIONS OF DELIVERY OF GOODS BETWEEN ORGANIZATIONS OF THE MEMBER COUNTRIES OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (GENERAL CONDITIONS OF DELIVERY, 1968)¹

[Translation²]

All deliveries of goods between organizations of the member-countries of the Council for Mutual Economic Assistance, authorized to engage in foreign trade operations, shall be made on the basis of the following General Conditions of Delivery.

In those instances when the parties in making a contract come to the conclusion that because of the specific nature of the goods and/or special characteristics of its delivery a departure from particular provisions of the present General Conditions of Delivery is required, they may so agree in the contract.

CHAPTER I

FORMATION OF CONTRACT

§ 1

1. The contract shall be deemed to have been concluded:
 - (a) between those present—at the moment it is signed by the contracting parties;
 - (b) between those absent—at the moment the offeror receives notification of acceptance of the offer, without reservations, within the limits of the period indicated in the offer; if no such period is specified in the offer, then within 30 days from the date of its dispatch.
2. If the offeror receives notification of acceptance of the offer with reservation or after the expiry of the period specified in the offer or in subparagraph 1 (b) of this Paragraph, such notification shall be deemed to be a new offer. If, however, it appears from the notification received with a delay that it was sent before the expiry of the period specified in the offer or in sub-paragraph 1 (b) of this Paragraph, it shall be considered as late notification only if the offeror immediately informs the other party that the notification has been received with a delay.
3. The offer is deemed to be binding on the offeror unless otherwise expressly specified in it, or unless notification of its revocation reaches the buyer before or simultaneously with the receipt of the offer.

¹ The instrument entered into force on 1 January 1969; with respect to Czechoslovakia on 15 January 1969.

The following States are parties to the instrument: Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, Union of Soviet Socialist Republics.

² Translation provided by the Ministry of Foreign Trade of the Union of Soviet Socialist Republics.

4. The word "offer" within the meaning of the present General Conditions of Delivery includes an order, and the words "acceptance of the offer" include confirmation of order.

§ 2

1. The offer and acceptance of the offer shall be valid on condition that they are in written form. Written form shall be understood to include telegrams and communications by teletype;

2. Appendices, additions to and changes in the contract shall also be accomplished in the form provided for in sub-paragraph 1 of this Paragraph.

§ 3

All appendices to the contract such as technical conditions, specifications, special conditions of testing, instructions for packing, marking, handling, and others, which are indicated in the contract or which contain a reference to the particular contract, shall form an integral part of the contract.

§ 4

From the moment the contract is concluded all previous correspondence and negotiations for the contract shall become null and void.

CHAPTER II

BASIS OF DELIVERY

§ 5

Where carriage is by rail, deliveries shall be made f.o.r. border of the seller's country, in which case:

(a) the seller shall bear expenses of transporting the goods to the state boundary of his country; expenses of transshipment and/or rewheeling shall be borne by the buyer;

(b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment of transfer of the goods from the railway of the seller's country to the railway which receives the goods;

(c) the date of delivery shall be the date of the stamp on the waybill of the border station at which the goods are transferred from the railway of the seller's country to the railway which receives the goods.

§ 6

Where carriage is by road, deliveries shall be made free to the place where the goods are loaded on the buyer's means of transport, and if the goods are delivered by the seller's means of transport past the state boundary of his country, then free to the place of examination of the goods at the border custom house of the country bordering on the seller's country, in which case:

(a) the seller shall bear the expenses of transporting the goods to the place at which the goods are loaded on the buyer's means of transport, and if goods are delivered by the seller's means of transport past the state boundary of his country, then to the place of examination of the goods at the border custom house of the country bordering on the seller's country;

(b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment of receipt of the goods from the seller's means of transport onto the buyer's means of transport, and if the goods are delivered by the seller's means of transport past the state boundary of his country, then at the moment of examination of the goods by the border custom house of the country bordering on the seller's country;

(c) the date of delivery shall be the date of the document confirming receipt of the goods by the buyer's means of transport, and in case the goods are delivered by the seller's means of transport past the state boundary of the seller's country, it shall be the date of examination of the goods by the border custom house of the country bordering on the seller's country.

§ 7

1. Where carriage is by water, deliveries shall be made f.o.b., c.i.f. or c.&f. the port provided for in the contract.

2. Where delivery is f.o.b.:

(a) the seller shall bear all expenses until the moment of loading the goods on board the vessel; the parties, however, may agree in the contract that the seller shall bear expenses also for loading the goods into the hold of the vessel, including expenses for stacking (stowing) the goods;

(b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment the goods pass the ship's rail at the port of loading;

(c) the date of delivery shall be the date of the on board bill of lading or the river waybill.

3. Where delivery is c.i.f. or c.&f.:

(a) the seller shall bear all transportation expenses until the moment of arrival of the vessel at the port of unloading; all expenses for unloading the goods from the ship's holds shall be borne by the buyer; but in carriage on line ships, where expenses of unloading are included in the freight, these expenses shall not be refunded to the seller by the buyer;

(b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment the goods pass the ship's rail in the port of loading;

(c) the date of delivery shall be the date of the on board bill of lading or the river waybill.

4. Where carriage is by water, it may be agreed in the contract which of the parties shall bear the expenses for separation materials.

§ 8

Where carriage is by air, deliveries shall be made free to the place where the goods are surrendered for transportation to the air carrier in the seller's country, in which case:

- (a) the seller shall bear all expenses until the moment the goods are surrendered to the air carrier in the seller's country;
- (b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment the goods are surrendered to the air carrier in the seller's country;
- (c) the date of delivery shall be the date of the air waybill.

§ 9

In postal dispatch, deliveries shall be made free to the recipient, in which case:

- (a) the seller shall bear all transportation expenses up to the point of destination;
- (b) the right of property in the goods as well as the risk of accidental loss of or accidental damage to the goods shall pass from the seller to the buyer at the moment the goods are surrendered to the postal agency of the seller's country; the right of claim under the contract of carriage made with the postal agency shall pass from the seller to the buyer at the moment the parcel is surrendered to the postal agency of the seller's country;
- (c) the date of delivery shall be the date of the postal receipt.

§ 10

The seller shall not be obliged to insure the goods to be delivered, if it is not expressly agreed in the contract.

CHAPTER III

TIME OF DELIVERY

§ 11

1. Unless otherwise agreed in the contract, bulk deliveries of goods by separate consignments shall, as far as possible, be made at regular intervals within the time limit fixed in the contract.
2. The provisions of sub-paragraph 1 of this Paragraph shall not cover deliveries of complete plants and installations.
3. Nor shall the provisions of sub-paragraph 1 of this Paragraph cover perishable agricultural and animal products of a seasonal nature. Where deliveries are made of such goods the parties may agree as to the periodicity of shipments within the stipulated periods.

§ 12

1. Except as otherwise stipulated in the contract, it is with the buyer's consent alone that the seller may effect early or partial delivery.
2. Unless the buyer, when giving his consent to early or partial delivery, stipulates additional conditions, the seller shall effect delivery on the terms stipulated in the contract.

§ 13

1. If the buyer does not fulfil, within the time stipulated in the contract, any obligations for assuring the seller's production provided by the contract, or if the buyer subsequently changes date previously furnished by him, and if in connection with this there follow substantial difficulties for the seller's production, the seller shall have the right to adjust the time of delivery proportionately, though not longer than the time of delay on the part of the buyer in the performance of the aforementioned obligations, and/or to demand compensation for the actual losses incurred in connection therewith.

2. The seller shall be obliged to give the buyer timely notice of adjustment of the time of delivery.

3. In exceptional, technically reasonable cases the seller and the buyer may agree to fix a technically reasonable time different from that mentioned in sub-paragraph 1 of this Paragraph. If, however, the parties do not so agree, the provisions of sub-paragraph 1 of this Paragraph shall apply.

§ 14

1. If in a contract for machinery or plant, times of delivery of component parts are not fixed, then the date of performance of delivery shall be the day of delivery of the last part of the machine or plant without which the given machine or plant cannot be put into operation.

2. The provisions of this Paragraph shall not deprive the buyer of the right to make claims in relation to undelivered parts.

CHAPTER IV

QUALITY OF GOODS

§ 15

If the contract does not stipulate that the quality of the goods must conform to a definite qualitative characteristic, technical conditions or standard (with the indication of number and date), or to a sample agreed on between the parties, then the seller shall be obliged to deliver goods of the usual average quality existing in the seller's country for the delivery of the given type of goods and corresponding to the purpose mentioned in the contract. If the contract does not indicate the purpose the goods are intended for, a product of the usual average quality shall be delivered corresponding to the usual purpose such product is intended for in the seller's country.

§ 16

1. During the period the contract is being realized the seller shall be obliged to inform the buyer of any improvements and changes in the design of the plant or machinery forming the subject-matter of the contract.

2. Improvements connected with design changes, if such are proposed after the conclusion of the contract, may be introduced only by agreement of the parties.

§ 17

The quality of items and components, delivered to replace the defective ones, shall be such as to make the quality of the product, of which they are an integral part, conformable to the contractual requirements.

CHAPTER V

QUANTITY OF GOODS

§ 18

The number of packages or pieces and/or weight of the goods delivered shall be determined:

1. Where carriage is by rail:

(a) if the number of packages or pieces and/or weight of the goods were determined by the railway station of departure in the seller's country, which is to be certified by the railway's agent in the respective columns of the waybill, on the basis of the waybill for direct international railway freight communications;

(b) if the number of packages or pieces and/or weight of the goods at the railway station of departure in the seller's country were determined by the consignor and were not verified by the railway, then, in carriage without transshipment, if not otherwise established by the contract—on the basis of the waybill for direct international railway freight communications, and where the weight and/or the number of packages or pieces were verified by the railway in the course of transit or at the station of destination, the goods and the wagon having arrived at the place of verification in a condition excluding the liability of the railways—on the basis of the document reflecting the results of such weighing and/or verification of the number of packages or pieces by the railway, drawn up in conformity with the Agreement on International Freight Railway Communication (AIFC);

(c) if the number of packages or pieces and/or the weight of the goods at the railway station of departure in the seller's country were determined by the consignor and were not verified by the railway, then, in carriage with transshipment, the number of packages or pieces and/or the weight of the goods shall be determined in the manner provided for in the bilateral agreement or in the contract.

2. Where carriage is by road—on the basis of the document of carriage.

3. Where carriage is by water—on the basis of the bill of lading or the river waybill.

4. Where carriage is by air—on the basis of the air waybill.

5. In postal dispatch—on the basis of the postal receipt.

6. In the event the goods are placed in a warehouse in accordance with §§ 40 and 41—on the basis of the warehouse certificate or storage receipt.

§ 19

Verification of the quantity of the delivered goods in specified units of measurement (e.g. in metres, pieces, pairs, net weight) shall be made according to the seller's specifications.

CHAPTER VI

PACKING AND MARKING

§ 20

1. If there are no special directions in the contract concerning packing, the seller shall ship the goods in packing used for export goods in the seller's country, which would assure safety of the goods during transportation, taking into account possible transshipment, under proper and usual handling of the goods. In appropriate cases the duration and methods of carriage shall also be taken into account.

2. Before packing, machinery and equipment shall be properly greased, to assure their preservation from corrosion.

§ 21

1. A detailed packing list shall be enclosed in each package.

2. In deliveries of plant and machinery the packing list shall contain the designation of the machinery and separate components packed in a given package, their quantity with a statement of the technical data according to the respective items of the contract, the factory number of the machine, drawing number, gross and net weights, and the exact marking of the package, to make it possible to identify the goods with the technical specification data indicated in the contract.

3. One copy of the packing list in a waterproof envelope shall be enclosed with the plant or machine in the crate or shall be fastened to the outside of the crate.

4. In cases where the plant or machine is sent without packing, an envelope of waterproof paper containing the packing list shall be covered with a thin tin sheet welded directly to the metal parts of the machine.

§ 22

Unless otherwise stipulated in the contract, the seller shall send, together with the transport documents, one copy of a per package weight specification and of a document certifying the quality of the goods.

§ 23

1. Unless otherwise stipulated in the contract, the following marking shall clearly be made with indelible paint on each package:

contract number and/or number of the buyer's order,
package number,
consignee,
gross and net weight in kilograms.

2. Where carriage is by rail, the marking shall conform to the AIFC requirements.

3. Where carriage is by water, the marking shall also contain the dimensions of the crates in centimetres, and where necessary the port of destination and the country of destination.

4. Where carriage is by other means of transport, the marking shall satisfy the requirements of the rules in force with regard to that means of transport.
5. If, by virtue of the specific nature of the goods, a special (warning) marking is required, the seller shall be obliged to make such marking.
6. Crates shall be marked on two flank ends, and unpacked goods on two sides.
7. Marking shall be made in the language of the seller's country with a translation of its text into Russian or German.
8. For plant and machinery, the package number shall be written in a fraction in which the numerator shall be the serial number of the package, and the denominator shall be the total number of packages containing the complete unit of plant.

CHAPTER VII

TECHNICAL DOCUMENTATION

§ 24

1. If the contract does not determine which technical documents (drawings, specifications, instructions for maintenance and operation, for erection, etc.) must be transferred by the seller in connection with fulfilment of the contract, or the number of sets of such documents, the manner and the times of their transfer, then the seller shall make available for the buyer technical documents in accordance with the practice existing in the corresponding branch of industry in the seller's country, and at such times as to assure normal use of the machinery and/or plant, their putting into operation and their maintenance, as well as current repairs.
2. The technical documentation shall be so carried out as to assure the possibility of normal use of the machinery and/or plant in production, and in respect of complete installations the carrying out of erection, unless the contract provides that erection is to be done by the seller, of starting, operating and maintaining them in the process of operation, as well as of current repairs.
3. Technical documents shall be made in the language agreed on in the contract.
4. The corresponding numbers of the contract, the order and the consignment shall be shown in the technical documentation.
5. Technical documentation provided for in the contract which is sent together with the goods shall be wrapped in waterproof paper or protected in some other fashion from damage during transportation with the goods.
6. If the contract does not provide for times of transfer by the seller to the buyer of drawings for foundations, or building instructions, or data necessary for planning the foundations, then these times shall be subject to a supplementary agreement by the parties.

§ 25

1. Unless otherwise provided for in the contract, the seller shall retain the exclusive right to the technical documentation transferred to the buyer.
2. The buyer shall be entitled to use the technical documentation transferred to him over which the seller retains the exclusive right, or to permit it to be used only within his own country and only for the care, operation and repair (including manufacture of

spare parts necessary for repair) of the machine and/or plant for which the particular documentation was transferred.

3. Technical documents transferred in accordance with the contract shall not be subject to publication.

4. In case of cancellation of the contract, technical documents transferred by the seller to the buyer shall be returned to seller upon his request without delay, but not later than three months from the day of the cancellation of the contract.

5. If the manufacture of goods is carried out according to the technical documentation of the buyer, then appropriate provisions of the present Paragraph shall be extended to the mutual relations of the parties concerning such technical documentation.

CHAPTER VIII

VERIFICATION OF THE QUALITY OF THE GOODS

§ 26

1. Before the goods are shipped the seller shall be obliged at his own expense to submit the quality of the goods to verification (by test or analysis or inspection, etc., depending on the type of goods) in accordance with the conditions agreed upon with the buyer; and in case agreed conditions are lacking, then in accordance with the usual conditions of verification existing in the seller's country with reference to the given goods.

2. For the delivery of mass-production goods of industry or agriculture including goods of popular consumption and food products, the verification of quality shall, unless otherwise provided for in the contract, be performed only in relation to samples selected in accordance with generally accepted rules in the seller's country.

3. Before shipment of goods to be delivered there shall be drawn up, at the instruction and expense of the seller, with regard to machinery and plant on which a test is performed, a report of the test with an indication of the essential details and results of the test, and, with regard to other goods, a certificate of quality or other document confirming that the quality of the goods corresponds to the provisions of the contract.

4. Unless otherwise agreed in the contract, the seller shall submit to the buyer an appropriate document confirming the quality of the goods. The report of the test shall be submitted by the seller to the buyer at the request of the latter.

5. If owing to special characteristics of machinery or plant, or other circumstances, a verification of the productivity agreed upon in the contract is required at the site of installation, this verification shall be carried out in full or in part at the site of installation of plant and machinery in the buyer's country, by a procedure and within time limits established in the contract.

6. In delivery of big complete plant, a representative of the seller shall, upon request of the buyer and on terms agreed upon by the parties, participate in verifying whether the quality of the plant corresponds to the contractual requirements. The results of the verification shall be shown in a report signed by both parties.

§ 27

1. In cases where the contract stipulates a right of participation by the buyer's representative in the verification of the quality of the goods in the seller's country, the

seller shall be obliged to notify the buyer of the readiness of the goods for verification in time to give the buyer an opportunity to take part in the verification.

2. The seller shall be obliged to assure the buyer of an opportunity to participate in the verification in accordance with the provisions of the contract and the procedure applicable in the given branch of industry. The seller shall pay all expenses connected with the carrying out of the verification (expenses for personnel, for the use of technical equipment, power, auxiliary materials, etc.) with the exclusion of expenses for the buyer's representative.

3. The absence of the buyer's representative in the carrying out of the verification of the quality of the goods shall not delay the dispatch of the goods, if there is a document confirming that the goods correspond to the provisions of the contract.

4. Participation of the buyer's representative in the verification of the quality of the goods carried out by the seller shall not relieve the seller of responsibility for the quality of the goods.

CHAPTER IX

GUARANTEES

§ 28

1. During the guarantee period the seller shall be responsible for the quality of the goods, including the quality of the materials used in their manufacture, for the design of machinery and plant (if the plant, machinery, etc. are not manufactured according to the drawings of the buyer), as well as for those characteristics of the goods which are defined in the contract.

2. The extent and the terms of the guarantee with respect to the technological and economic performance of complete plants and complete installations shall be determined in the bilateral agreement or in the contract.

§ 29

1. Guarantee periods shall be established:*

(a) for articles of precision mechanics, measuring apparatus, optical articles and instruments—9 months from the date of delivery;

(b) for serial machinery and apparatus, for small and medium installations—12 months, starting from the date of putting into operation, but not more than 15 months from the date of delivery;

(c) for big machinery and large-scale installations—12 months, starting from the date of putting into operation, but not more than 24 months from the date of delivery.

2. For complete plants and complete installations longer guarantee periods can be agreed upon in the contract.

* In delivery to the Mongolian People's Republic of goods from countries which have no common state boundary with the Mongolian People's Republic, the guarantee periods calculated from the date of delivery shall be increased by two months.

3. For machinery and plant not mentioned in this Paragraph, for ships and other water craft, railway rolling stock, wheel components of railway rolling stock, cable products, and also for goods for which by an agreement of the parties or on the basis of trade custom a guarantee is granted, as, for example, canned goods and consumer durables, the guarantee periods shall be established in the contract.

§ 30

In case of delay in putting machinery or plant into operation due to the seller's fault, as, for example, in consequence of the seller's failure to present drawings, operation instructions and other data or services provided for by the contract, the guarantee period, calculated from the date of delivery, shall be extended by the time of the delay in putting the machinery or plant into operation arising from the seller's fault.

§ 31

1. If in the course of the guarantee period the goods prove defective or not corresponding to the provisions of the contract, then independently of whether that might have been established by testing at the seller's plant the buyer shall be entitled to request the seller either to eliminate the disclosed defects or reduce the price.

2. If the buyer requests the seller to eliminate the defects, the seller shall be obliged at his own expense to eliminate the disclosed defects without delay by correcting the defects or replacing the defective goods or defective parts of the goods with new ones, corresponding to the provisions of the contract or of § 17, respectively.

3. If the buyer requests the seller to reduce the price, the seller shall have the option of either correcting the defect or replacing the goods or defective part of the goods or granting the buyer a price reduction at an agreed rate.

4. If the seller fails to eliminate the defect within an agreed period or, if no period was agreed upon, within a technically reasonable period, then the buyer, instead of elimination of the defect, shall be entitled to request a commensurate price reduction from the seller.

5. In the cases mentioned in sub-paragraph 2 of this Paragraph, as well as in cases where the seller undertakes to eliminate the defect or replace the defective goods in accordance with sub-paragraph 3 of this Paragraph, the buyer shall be entitled to request from the seller the payment of a penalty in the manner and amount provided for by sub-paragraph 4 of § 75.

6. In case the parties agree to reduce the price instead of elimination of the defect, the parties, while agreeing on the rate of reduction, shall also agree on whether the amount of reduction includes the penalty calculated and/or paid in accordance with sub-paragraph 5 of this Paragraph, or the reduction is paid in addition to the penalty.

7. If the parties agree on the rate of price reduction, but fail to agree on whether the penalty mentioned in sub-paragraph 5 of this Paragraph is included into the amount of the reduction or the reduction is paid in addition to the penalty, then in cases where the actual loss sustained by the buyer due to non-use of the goods till the moment the reduction is agreed on

—is lower than the amount of the penalty, the calculated and/or paid penalty shall be decreased to the amount of the actual loss;

—is higher than the amount of the penalty, the actual loss exceeding the amount of the penalty shall be paid by the seller to the buyer, if so provided for by the bilateral agreement.

8. If the bilateral agreement or the contract provides for the right of the buyer to cancel the contract and does not establish conditions for such cancellation, then the buyer may exercise this right, provided the arbitration tribunal finds that the seller is unable to eliminate the defect by way of correction or replacement and the buyer is unable to use the goods as intended with the price reduction offered by the seller.

§ 32

1. Replaced defective goods or defective parts of the goods shall be returned to the seller not later than 6 months after the seller receives the buyer's request to return. The seller is entitled to request the buyer to return the defective goods or defective parts of the goods not later than 6 months, and in the case of complete plants and installations not later than 12 months, from the replacement date.

2. Failure by the seller to request the buyer to return the replaced defective goods within the time limits mentioned in sub-paragraph 1 of this Paragraph shall deprive the seller of the right to resort to arbitration.

3. All transportation and other expenses connected with the return and/or replacement of the defective goods or defective parts of the goods both in the territory of the buyer's country or the country of transit and in the territory of the seller's country shall be borne by the seller.

§ 33

1. If the seller does not without delay eliminate the stated defects at the request of the buyer, the buyer shall have the right to eliminate them himself at the expense of the seller without prejudice to his rights on the guarantee. The seller shall be obliged in this case to pay the repairs in the sum of normal actual expenses.

2. Minor deficiencies whose correction permits of no delay and does not require the seller's participation shall be corrected by the buyer with recourse to the seller for normal actual expenses.

§ 34

The seller shall not bear responsibility for the guarantee if he proves that the disclosed defects arose through no fault of his, but resulted, in particular, from the buyer's improper handling of the erection or repair of the plant or machinery, failure to observe operating and maintenance instructions, or changes in the plant or machinery made by the buyer.

§ 35

In case of correction or replacement of defective goods or defective parts of the goods the guarantee periods for basic plant or machinery shall be extended for the time during which the plant or machinery was not used because of the disclosed defect.

§ 36

Unless otherwise provided for in the contract, the guarantee periods for spare parts delivered together with the plant or machinery shall expire simultaneously with the guarantee period for that plant or machinery.

§ 37

1. Guarantees for fast-wearing spare parts shall be granted by agreement between the seller and the buyer, with account taken of international practice. Agreed guarantees shall be specified in the contract.

2. Unless otherwise agreed in the contract, the seller shall at the request of the buyer secure delivery of fast-wearing spare parts, for which a guarantee is not granted or the period of guarantee is less than that for basic plant or machinery, during the entire guarantee period established for the plant or machinery in quantities calculated with a view for the normal operation of that plant or machinery and the normal use of those spare parts. Unless the price of those spare parts is included in the price of plant or machinery, the delivered spare parts shall be paid for additionally.

§ 38

For parts of the goods delivered to replace the defective ones a guarantee may be established in the contract with account taken of international practice.

CHAPTER X

SHIPPING INSTRUCTIONS AND NOTIFICATION OF DELIVERY

§ 39

1. The mode of transport shall be agreed upon by the parties.

2. If the contract does not establish other time limits, the buyer shall be obliged to advise the seller of the shipping data not later than 30 days before the start of the delivery time established in the contract.

§ 40

1. Unless otherwise established in the contract, the right to determine the route of transportation, where carriage is by rail, shall belong to the buyer.

2. Unless the contract provides for other data, the shipping instruction, where carriage is by rail, shall contain the tariff declaration, the point where the goods cross the border in the seller's country, the consignee, as well as the station of destination. The buyer shall be obliged to determine the point where the goods cross the border in the seller's country proceeding, as far as possible, from the shortest total distance from the dispatch station to the station of destination.

3. The seller shall be obliged to reimburse the buyer for all expenses arising from the seller's failure to observe the shipping instruction data.

4. If the seller does not in good time receive from the buyer instruction as to shipment of goods subject to delivery by rail, the seller shall be entitled, upon expiry of the delivery time established by the parties, to place the goods in storage at the buyer's risk and expense. In such case the buyer shall also reimburse additional expenses connected with the delivery of the goods to the warehouse and from the warehouse to the wagons. The date of the warehouse certificate or of the receipt for acceptance of the goods for storage shall be considered as the date of delivery of the goods. However, the seller shall not be relieved of the obligation to dispatch the goods to the buyer's address and to pay expenses of delivery of the goods to the border.

§ 41

1. Where delivery is f.o.b., the seller shall notify the buyer by telegraph or teletype, within the period established in the contract, that the goods are ready to be dispatched to the port.

2. Unless otherwise agreed in the contract, the notification shall contain the following data:

designation of the goods,

quantity of the goods with indication of gross weight, contract number.

3. Upon receipt of the notification, the buyer shall within 7 days inform the seller by telegraph or teletype of the time of delivery of the goods to the port of shipment. This time may not be less than 15 or more than 30 days from the date when the said notification was sent to the seller.

4. In case of a delay in furnishing freight space the buyer shall bear the expenses of storage of the goods in a warehouse in the port of shipment after 21 days from the date of arrival of the goods at the port of shipment. However, if the seller delivers the goods to the port before the time agreed upon by the parties, the calculation of expenses for the buyer for storage shall commence only at the expiration of 21 days after the agreed time of delivery of the goods to the port.

5. At the expiration of 21 days the seller shall have the right to place the goods in storage at the expense and risk of the buyer, and the latter shall be notified thereof immediately. In such case, the buyer shall also reimburse additional expenses which arose upon the expiration of 21 days in connection with the delivery of the goods to the warehouse and from the warehouse on board the ship.

6. Storage of goods in port may be entrusted only to a warehouse or organization having the right to issue warehouse certificates. A document of storage of goods in a warehouse at the port, used by a state port authority or by a state forwarding agent, shall also be regarded as a warehouse certificate.

7. The date of the warehouse certificate shall be considered as the date of delivery. The seller, however, shall not be relieved of the obligations provided for in subparagraph 2 (a) of § 7.

§ 42

Where, in accordance with the contract, freight space is to be furnished by the seller, the buyer shall, 55 days before the delivery date, inform the seller, of the port of destination of the goods, and the seller shall, 7 days before the commencement of the loading of the goods, notify the buyer by telegraph or teletype of the proposed shipment, indicating the name of the ship, the date of the contemplated sailing for the port of destination, the designation of the cargo, the number of packages and/or the tentative weight.

§ 43

1. If the contract does not specify the time and/or the method of sending notification of shipment already effected or does not provide that such notification is not required, then, where carriage is by rail, road or air, the seller shall send notification to the buyer at such time and in such manner as to enable the buyer to receive it before the arrival of the goods at the border of the seller's country.

2. Unless otherwise specified in the contract, the notification shall contain the following data:

- date of shipment,
- designation of goods,
- quantity of goods,
- contract number,
- wagon number (where carriage is by rail).

§ 44

1. Unless otherwise established in the contract, where carriage is by water, the seller or his forwarding agent shall be obliged, immediately after the sailing of the ship, but not later than two hours from the moment of sailing if the period of carriage of the cargo from the port of shipment to the port of destination does not exceed 72 hours, or not later than 24 hours from the moment of sailing if the period of carriage exceeds 72 hours, to notify the buyer by telegraph or teletype of the shipment of the goods.

2. Unless otherwise specified in the contract, such notification shall contain the following data:

- name of ship,
- date of sailing,
- port of destination,
- designation of goods,
- contract number,
- bill of lading (river waybill) number,
- number of packages,
- gross weight,
- quantity in specified units of measurement (pieces, pairs, net tons, etc.).

3. Notification sent by telegraph or teletype shall be confirmed by letter.

4. If as a consequence of late notification there is demurrage in the port of unloading, the seller shall bear expenses of demurrage.

§ 45

Expenses of notifying the buyer of the goods shipped shall be borne by the seller.

§ 46

1. If the railway assigns a wagon with a larger loading capacity than that applied for by the seller, or if the railway, relying on the limit of pressure on the axle for the particular section, refuses to load the wagon to the weight standards prescribed or provided for by the tariff for the given load, the seller shall be obliged to demand official confirmation thereof by the railway in the waybill.

2. The provisions of sub-paragraph 1 of this Paragraph shall also apply to cases where the wagons are assigned by the buyer.

§ 47

Where the wagon, by fault of the seller, is not loaded in accordance with the standards of the Uniform Transit Tariff (UTT), the seller shall bear the expenses for the consequent underloading on transit railways.

§ 48

Where there are deliveries of loads not corresponding to the dimensional conditions of the buyer's railway, the seller shall, not later than two months before the delivery time, notify the buyer thereof by a registered letter, appending drawings of the dimensions of the load, with a statement of its measurements and weight. The date of dispatch, and the border station through which the load must pass, shall be specified by the parties. In such case the date of dispatch must be confirmed by the seller not later than 21 days before the dispatch of the load.

CHAPTER XI

PROCEDURE FOR PAYMENT

§ 49

1. Payment for the goods to be delivered shall be effected by way of collection with subsequent acceptance (collection with immediate settlement) against presentation by the seller to the bank of the seller's country of the following documents:

(a) an invoice in three copies indicating: year and designation of the Agreement (Protocol), number of the contract and/or buyer's order, the item covering the goods in the Agreement (Protocol), and other data specified in the contract.

In the case of delivery of goods prior to conclusion of an Agreement (Protocol), instead of the year and designation of the Agreement (Protocol) and the item covering the goods in the Agreement (Protocol) the invoice shall indicate only the year against whose quota the delivery is made;

(b) a transport document, depending on the type of transportation stipulated in the contract, or a warehouse certificate or a storage receipt in cases provided for in §§ 40 and 41, respectively, of the present General Conditions of Delivery, or a statement of the transfer of the goods from the seller to the buyer; or, in the case of two or more consignments in a wagon, the forwarding agent's receipt for dispatch indicating the wagon number, the waybill number and the date of dispatch or, if so provided for in the contract, the forwarding agent's receipt for acceptance of the goods for subsequent dispatch without a right of recall by the seller;

(c) other documents provided for in the contract.

2. If so established in the contract, besides the cost of the goods, the invoice may also include the cost of the freight, insurance and other expenses payable by the same account and in the same manner as the cost of the goods.

3. One of the three copies of the invoice or, by agreement between the seller and the buyer, a duplicate of the invoice shall be presented by the seller, either through a bank or directly, to the Trade Representation or the Commercial Counsellor (Counsellor of Economic Affairs) of the Embassy of the buyer's country in the seller's country, at their request.

§ 50

1. The seller shall bear full responsibility for the conformity to the contract of the documents presented by him to the bank according to sub-paragraph 1 (a), (b) and (c) of § 49 and the data contained therein.

2. The bank of the seller's country shall verify the presence of the documents mentioned in sub-paragraph 1 (a) and (b) of § 49, and the conformity with each other, in internal content and in figures, of all the presented documents.

3. On the basis of the documents so verified, the bank of the seller's country shall make payment to the seller, and shall, in accordance with the agreements in force between the countries and/or the banks, effect settlement with the bank of the buyer's country, forwarding without delay the documents directly to the bank of the buyer's country. The bank of the buyer's country shall without delay transfer the documents to the buyer, simultaneously deducting from the buyer the equivalent of the amount paid against the said documents by the bank of the seller's country. Such settlement does not require prior consent on the part of the buyer.

4. The buyer's duty to make payment to the seller shall be deemed to be fulfilled, where settlement is effected through the International Bank for Economic Cooperation, the moment entries are made in the accounts of the bank of the buyer's country and the bank of the seller's country with the International Bank for Economic Cooperation, or, where settlement is effected through accounts opened by the banks with each other, the moment entries are made in the account of the bank of the buyer's country with the bank of the seller's country.

§ 51

If the buyer in consenting to take early delivery does not simultaneously stipulate otherwise, then it shall be considered that he also consented to early payment.

§ 52

The buyer shall have the right, within 14 business days from the date of receipt by the bank of his country of the seller's invoice, to demand return of all or part of the amount paid, as provided for in §§ 53, 54 and 55, respectively.

§ 53

The buyer shall have the right to demand return of the entire amount of the invoice, if:

1. The goods were not ordered or shipped after cancellation of the contract with the seller's consent.
2. The goods were already paid for previously by the buyer.
3. Not all the types of document indicated in sub-paragraph 1 (a), (b) and (c) of § 49 were presented.
4. The plant was shipped incomplete, and the contract provided for payment for complete shipment.
5. The seller shipped the goods earlier than the time established in the contract without the buyer's consent, or received payment before the delivery time for the goods in respect of which the buyer consented to early delivery but indicated that he did not consent to early payment.
6. The seller shipped the goods after receipt of the buyer's repudiation of the contract made in accordance with §§ 70 and 85.
7. Discrepancies or insufficient data in the invoice and/or in the documents appended thereto do not permit a determination of the quantity and/or grade and/or quality and/or cost of the goods.

8. Contractual per detail prices are not indicated in the invoice, or the rate specification provided for by the contract is not appended.

9. Payment must be effected otherwise than by way of collection with subsequent acceptance (collection with immediate settlement), or through another account.

10. Other circumstances occur in connection with which the contract expressly provides for such a right.

§ 54

The buyer may, at his option, demand partial return of the invoice amount for reasons indicated in sub-paragraphs 2 to 9 of § 53.

§ 55

The buyer shall have the right to demand partial return of the invoice amount, if:

1. Prices shown in the invoice exceed those established in the contract, or the invoice includes expenses whose payment was not provided for by the contract.

2. It appears from the documents, on the basis of which payment was made, that goods not ordered were shipped together with goods which were ordered.

3. The buyer refuses to accept part of the goods in view of the seller's failure to observe the assortment provided for by the contract, if such failure appears from the documents, on the basis of which payment was made.

4. It appears from the documents, on the basis of which payment was made, that the shipped quantity of goods exceeds the ordered quantity, and the quantity shipped above the ordered quantity exceeds the limits established by the contract.

5. The quantity of goods shown in the invoice exceeds the quantity shown in the transport documents and/or specifications.

6. An arithmetical error in favour of the seller is discovered in the invoice or in the documents appended thereto.

7. Other circumstances occur in connection with which the contract expressly provides for such a right.

§ 56

1. When presenting his demand for return of full or partial amount paid on the basis of the seller's invoice, the buyer shall be obliged to present to the bank of his own country an application which gives reasons for the demand and which is binding on him, together with copies in such number as will be determined by the bank of the buyer's country, but not less than three copies. One copy of the said application is intended for transmission to the seller. In applying for return of the amount, the buyer shall in each instance make a reference to the particular sub-paragraph of § 53 or § 55, on the basis of which he is presenting his demand.

2. Simultaneously with presentation to the bank of his demand for return of the amount, the buyer shall be obliged to notify the seller of the return which is being effected. In the case of continuous partial deliveries such notification shall be made by telegraph or teletype.

3. At the request of the bank, the buyer shall be obliged to present the bank with the documents necessary to show that the reasons for demanding return of the amount paid correspond to the conditions indicated in § 53 or § 55.

4. If the application for return of the amount paid relates to sub-paragraph 10 of § 53, or to sub-paragraph 7 of § 55, or to sub-paragraph 5 of § 62, the bank of the buyer's country shall in each instance verify the presence of circumstances mentioned therein.

5. In cases referred to in sub-paragraphs 1, 3 and 6 of § 53, and in sub-paragraphs 2, 3 and 4 of § 55, the buyer, in his application containing the demand for return of the amount paid, shall at the same time confirm that he is holding the goods not accepted by him at the disposal of the seller at the expense and risk of the latter.

§ 57

1. If the bank of the buyer's country finds that the demand for full or partial return of the amount paid is in conformity with the conditions set forth in § 53 or § 55, the bank of the buyer's country shall restore the amount deducted from the buyer's account in accordance with agreements in force between the countries and/or the banks. Simultaneously the bank of the buyer's country shall send a copy of the buyer's application to the bank of the seller's country, which shall debit the seller's account.

2. When returning the amounts, the bank of the buyer's country shall advise the bank of the seller's country of the date of receipt of the documents indicated in sub-paragraph 1 (a), (b) and (c) of § 49.

3. When returning the full amount paid against the invoice in accordance with sub-paragraphs 1, 3 and 6 of § 53, the buyer shall be obliged to return to the seller upon his first demand the documents he received relating to the given lot of goods.

4. After the return to the buyer of the amount received earlier by the seller, the latter shall have the right to present for the second time to the bank of his country the document and/or the invoice, together with a copy of the buyer's application for return, to be paid again by way of collection with subsequent acceptance (collection with immediate settlement), if in the cases mentioned:

(a) in sub-paragraphs 3, 7 and 8 of § 53 the seller presents the lacking and/or corrected documents;

(b) in sub-paragraph 4 of § 53 the seller makes a complete delivery;

(c) in sub-paragraph 5 of § 53 payment becomes due as provided for in the contract;

(d) in sub-paragraph 9 of § 53 the seller presents documents to obtain payment through the corresponding account.

5. After the bank restores the amount to the buyer's account all differences between the seller and the buyer shall be settled directly between them.

§ 58

If the buyer admits, or arbitration establishes, that the amount paid was returned to the buyer on the basis of his application without justification, the buyer shall pay, besides the said amount, a penalty of 0.1 % of that amount for each day of delay, counting from the date of return of the amount to the date of final payment, but not more than 5 % of the amount returned without justification.

§ 59

Payment for services and other expenses connected with mutual deliveries of goods, including expenses for erection, designing and preparatory work, and for transport forwarding services, which are not included in the invoice for the goods, shall be made

by way of collection with subsequent acceptance (collection with immediate settlement) against presentation by the creditor to the bank of his own country of an invoice and other documents agreed upon between the parties.

§ 60

In settlement for services and other expenses mentioned in § 59, the creditor shall bear responsibility for the fact that the documents presented by him to the bank and the data contained therein, or presentation of the invoice without documents, correspond to the agreement with the debtor.

§ 61

In settlement for services and other expenses mentioned in § 59, the debtor shall have the right, within 24 business days of the receipt by the bank of his country of the creditor's invoice, to demand return of all or part of the amount paid in the cases mentioned in §§ 62 and 63, respectively.

§ 62

The debtor shall have the right to demand return of the entire amount of the invoice, if:

- (1) orders for services were lacking, or were cancelled before performance of services;
- (2) the services were paid for previously;
- (3) not all the types of documents agreed on by the parties were presented, or from the documents presented it is impossible to determine which services were rendered and to what amount;
- (4) payment must be effected otherwise than by way of collection with subsequent acceptance (collection with immediate settlement), or through another account;
- (5) other circumstances took place in connection with which such a right is expressly provided for by agreement of the parties.

§ 63

The debtor shall have the right to demand return of part of the amount, if:

- (1) there is an arithmetical error in favour of the creditor in the invoice or the documents appended thereto;
- (2) higher tariffs and/or rates than those agreed on between the parties are applied in the invoice;
- (3) exchange rates are incorrectly applied;
- (4) the invoice includes services, levies, commission fees and extra charges not agreed upon by the parties;
- (5) the amount of the invoice is calculated on the basis of incorrect data on quantity, weight or volume of the goods;
- (6) the invoice includes along with the cost of completed services also the cost of incomplete and/or partially completed services;
- (7) payment must be effected otherwise than by way of collection with subsequent acceptance (collection with immediate settlement), or through another account.

§ 64

In case of return to the debtor of an amount in accordance with §§ 62 and 63, the return of documents shall be carried out by agreement of the parties.

§ 65

Settlement for services and other expenses provided for in § 59, except in so far as regulated by §§ 59 to 63, shall conform by analogy to the provisions of §§ 50 and 56 to 58.

§ 66

1. Payments against claims for quantity, quality, penalties, and for other causes shall be made by:

- (a) direct transfer by the debtor to the creditor of the acknowledged amount, or
- (b) payment by the bank of the creditor's country, by way of collection with subsequent acceptance (collection with immediate settlement), of the amount acknowledged by the debtor, on the basis of his credit note.

2. The debtor shall have the right to demand return of the amount paid on the basis of sub-paragraph 1 (b) of this Paragraph, if he proves that he has transferred the amount of the invoice, debited in his account, in accordance with sub-paragraph 1 (a) of this Paragraph.

§ 67

1. If a letter of credit provided for in the contract by virtue of special conditions of delivery is not opened by the buyer within the period specified in the contract, he shall be obliged to pay the seller, for each day of delay beyond the time stipulated in the contract until the day the letter of credit is established, a penalty of 0.05 %, but not more than 5 % of the amount of the letter of credit.

2. The seller shall be obliged to give the buyer additional time to open a letter of credit, but shall not thereby lose his right to charge a penalty.

3. If the buyer fails to open the letter of credit even within the additional time, the seller shall have the right to cancel the contract. In that case he may at his option either receive from the buyer the penalty provided for in sub-paragraph 1 of this Paragraph or a penalty in a single sum of 3 % of the amount of the letter of credit, unless another measure of forfeiture is provided for in the contract.

4. In case of delay in opening a letter of credit the seller shall have the right to delay shipment of the goods.

5. If the goods are shipped by the seller before the opening of the letter of credit, although even with a delay beyond the agreed time, the bank of the seller's country shall accept documents for payment by way of collection with prior acceptance.

CHAPTER XII

RELIEF OF LIABILITY

§ 68

1. The parties shall be relieved of liability for partial or complete non-performance of obligations under the contract, if caused by circumstances of insuperable force.

2. By circumstances of insuperable force shall be understood circumstances which arose after conclusion of the contract as a result of events of an extraordinary character, unforeseen and unavoidable by the party.

3. The parties shall also be relieved of liability for partial or complete non-performance of obligations under the contract, if such relief is provided for by the bilateral agreement, or by the contract, or by the substantive law of the seller's country applied to the given contract.

§ 69

1. The party for whom it has become impossible to perform obligations under the contract due to circumstances mentioned in § 68, shall notify the other party of the occurrence of such circumstances in writing without delay, but within the time established for the fulfilment of the contractual obligations. The notification must contain data on the occurrence and nature of such circumstances and their possible consequences. The party shall also notify the other party in writing without delay of the termination of such circumstances.

2. The circumstances relieving the parties of liability for complete or partial non-performance of the contract shall be certified by the chamber of commerce or other competent central body of the respective country.

§ 70

1. In instances provided for by § 68, the time for the performance by the parties of their obligations under the contract shall be extended by the time during which such circumstances and their consequences are operative.

2. If these circumstances and their consequences continue operative for more than 5 months for goods whose time of delivery does not exceed 12 months from the moment of conclusion of the contract, or more than 8 months for goods whose time of delivery is established at more than 12 months from the moment of conclusion of the contract, then each party shall have the right to refuse further performance of the contract. In that case neither party shall have the right to demand from the other party compensation for possible losses.

3. The party may exercise its right to refuse performance of the contract, if it gives notification of the refusal before the other party begins performance of obligations under the contract, but not later than 30 days after expiration, respectively, of the five months' or eight months' period, provided for in sub-paragraph 2 of this Paragraph.

4. The provisions of this Paragraph relating to extension of times of performance of obligations shall not apply to contracts for a time, i.e. contracts by virtue of whose express provision or from whose contents it clearly follows that on breach of times of delivery they shall be cancelled automatically or the buyer shall have the right immediately to refuse performance.

CHAPTER XIII

CLAIMS FOR QUALITY AND QUANTITY

§ 71

1. Claims may be presented:

(a) for quality of goods (including breach of completeness or assortment), in the event of its non-conformity to the terms of the contract or to the provisions of § 15, if that Paragraph is applied;

(b) for quantity of goods, if from the circumstances of the case it does not appear that the responsibility lies with the carrier.

2. The seller shall be liable for changes in quality of goods, their damage, spoiling or shortage even after passage of the right of property and risk to the buyer, if the changes in the quality of the goods, their damage, spoiling or shortage are due to the fault of the seller.

§ 72

1. Claims may be presented:

(a) in relation to quality of the goods, within six months from the date of delivery;

(b) in relation to quantity of the goods, within three months from the date of delivery;

(c) in relation to goods for which a guarantee is granted, not later than 30 days from the expiration of the guarantee period, provided that the defect is discovered within the guarantee period.

2. Claims for quality and quantity of perishable fresh vegetables and fruits shall be presented within shorter periods than those established in sub-paragraph 1 (a) and (b) of this Paragraph. Concrete periods for presenting claims for such goods shall be established in the contract.

3. Failure to present claims within the periods mentioned in sub-paragraph 1 of this Paragraph or established in accordance with sub-paragraph 2 of this Paragraph shall deprive the buyer of the right to resort to arbitration.

§ 73

1. Where it is unclear from the circumstances of the case who (the carrier or the consignor) should bear the responsibility for quantitative or qualitative defects in the goods, or if mixed liability is possible and a claim is presented to the carrier, the buyer, in order not to lose the right to present a claim to the seller by reason of lapse of time, must, within the time limits for presentation of claims against the seller, notify him of the presentation of any claim to the carrier.

2. If it follows from the explanation of the carrier or the decision of a court that responsibility for the given claim must be borne by the consignor, the buyer shall be obliged without delay, after receipt of refusal from the carrier or of the court's decision, to send the seller documents confirming his claim with appended copy of the carrier's letter or the court's decision. In that case the claim shall be considered to be submitted in time.

§ 74

1. The claim must indicate as a minimum:

(a) designation of goods conforming to the contract;

(b) quantity for which the claim is presented;

(c) contract number;

(d) information permitting determination of the particular goods constituting the subject-matter of the claim, indicating: for mass goods—transportation data, for other goods—transportation or other data;

(e) substance of the claim (shortage, non-conformity to contractual quality, incompleteness, etc.);

(f) buyer's demands (delivery of the remaining quantity, elimination of defects, etc.).

2. If any of the data mentioned in sub-paragraph 1 (a) to (e) of this Paragraph are absent in the claim, the seller shall without delay notify the buyer with which data it is necessary to complete the claim. In case of non-performance by the seller of that obligation he shall not subsequently be entitled to argue that the claim was incomplete.

3. If the buyer receives the seller's notification mentioned in sub-paragraph 2 of this Paragraph when the period for presenting a claim under § 72 has expired or expires within 7 days from the date of receipt of the seller's notification, the buyer shall have the right to complete the claim within 7 days from that date irrespective of the expiry of the period for presenting a claim.

4. In the cases mentioned in sub-paragraphs 2 and 3 of this Paragraph, the time for the seller to investigate the claim established in § 76 shall be counted from the date of receipt from the buyer of additional data completing the claim in accordance with sub-paragraph 1 of this Paragraph.

§ 75

1. In presenting a claim for quantity, the buyer shall have the right to demand either delivery of the remaining quantity or return of the amount paid by him for the quantity not delivered.

2. In presenting a claim for quality, the buyer shall have the right to demand either elimination of the discovered defects or reduction of the price.

3. If the buyer demands elimination of defects, the seller must without delay and at his own expense correct the defect or replace the defective goods.

4. In the cases stated in sub-paragraph 3 of this Paragraph, the buyer shall have the right to demand from the seller the payment of a penalty as for a delay in delivery, at the rate mentioned in § 83, from the date the claim was presented to the date of elimination of the defect or the date of delivery of the goods to replace those rejected. However, the amount of the penalty for one lot or unit of the goods shall not exceed 8 % of the value of the defective goods or the defective part of the goods subject to correction or replacement, including the penalty for delay in delivery if such delay took place and the penalty has already been charged.

5. In case the parties agree to reduce the price instead of elimination of the defect, the parties, while agreeing on the rate of reduction, shall also agree on whether the amount of reduction includes the penalty calculated and/or paid in accordance with sub-paragraph 4 of this Paragraph, or the reduction is paid in addition to the penalty.

6. If the parties agree on the rate of price reduction, but fail to agree on whether the penalty mentioned in sub-paragraph 4 of this Paragraph is included into the amount of the reduction or the reduction is paid in addition to the penalty, then in cases where the actual loss sustained by the buyer due to non-use of the goods till the moment the reduction is agreed on

—is lower than the amount of the penalty, the calculated and/or paid penalty shall be decreased to the amount of the actual loss;

—is higher than the amount of the penalty, the actual loss exceeding the amount of the penalty shall be paid by the seller to the buyer, if so provided for by the bilateral agreement.

7. If the bilateral agreement or the contract provides for the right of the buyer to cancel the contract and does not establish conditions for such cancellation, then the buyer may exercise this right, provided the arbitration tribunal finds (that the seller is

unable to eliminate the defect by way of correction or replacement, and the buyer is unable to use the goods as intended with the price reduction offered by the seller.

§ 76

1. The seller shall, without delay but not later than the time stipulated in the contract, investigate the claim for quality or quantity of the goods and give an answer to the buyer on the substance of the claim (confirm his consent to its complete or partial satisfaction, or give notice of his complete or partial refusal to satisfy it). If no such time is stipulated in the contract, the answer on the substance of the claim shall be given by the seller without delay, but not later than within 60 days, and in respect of complete plants and installations within 90 days, from the date of receipt of the claim by the seller.

2. If the seller gives no answer on the substance of the claim within the time mentioned in sub-paragraph 1 of this Paragraph, and the buyer resorts to arbitration before receiving an answer, then, independently of the outcome of the case, arbitration expenses shall be borne by the seller. The provisions of this sub-paragraph shall not be applied to the cases stated in sub-paragraph 3 of this Paragraph.

3. If due to technically reasonable causes the seller is unable to give an answer on the substance of the claim within the time mentioned in sub-paragraph 1 of this Paragraph, he may offer the buyer to have that time extended till a definite date.

4. If the buyer does not agree to the seller's offer as to extension of the time for an answer on the substance of the claim and resorts to arbitration, the arbitration tribunal shall rule on the subject of arbitration expenses depending on the outcome of the case.

5. If the buyer agrees to the seller's offer as to extension of the time for an answer on the substance of the claim, but the seller fails to give an answer within the agreed time, and the buyer resorts to arbitration, then the arbitration tribunal, while deciding on the substance of the matter, shall bind the seller to pay arbitration expenses, independently of the outcome of the case.

§ 77

Under contracts for a time, the seller must eliminate the defect or replace the defective goods within the delivery time established in the contract. Otherwise, the buyer shall have the right to repudiate the contract immediately at the expiration of the delivery time and to demand a penalty from the seller in accordance with § 86, as for a delay in delivery, as well as the return of the amounts paid.

§ 78

1. The buyer shall not have the right to return to the seller the goods, in relation to which he presented a claim for quality, without the seller's consent.

2. The provision of sub-paragraph 1 of this Paragraph shall not apply to cases where the seller, in spite of the buyer's demand to suspend shipment upon repeated deliveries of defective lots, continues shipment (§ 80).

§ 79

The return of replaced defective goods or defective parts of goods, for which no guarantee is granted, shall be governed by the provisions of § 32.

§ 80

1. Presentation of a claim for one lot of goods shall not entitle the buyer to refuse acceptance of subsequent lots provided for by the contract.

2. Upon repeated deliveries of defective lots of goods, the buyer shall have the right to demand a suspension of further deliveries until the seller eliminates the circumstances giving rise to the defects.

3. In the aforementioned case, the buyer shall have the right to demand from the seller the payment of a penalty as for a delay in delivery, at the rate provided for in § 83, from the day when, according to the contract, the goods should have been delivered till the day the seller resumes deliveries of goods of the proper quality.

§ 81

1. If the seller, in relation to goods for which no guarantee is provided for in the contract, does not eliminate without delay the defects for which he bears responsibility the buyer shall have the right to eliminate them himself with recourse to the seller for the normal actual expenses.

2. Minor defects, for which the seller bears responsibility, if their elimination permits of no delay and does not require the seller's participation, shall be corrected by the buyer with recourse to the seller for the normal actual expenses.

§ 82

If in accordance with the contract final acceptance of the goods for quality is made in the seller's country, claims concerning quality may be presented, unless otherwise agreed in the contract, only for latent defects (which could not have been discovered by usual inspection of the goods).

CHAPTER XIV

SANCTIONS

§ 83

1. In case delivery of goods is delayed beyond the time established by the contract, the seller shall pay the buyer a penalty based on the value of the goods not delivered in time.

2. The penalty shall be charged as of the moment stated in the bilateral agreement or in the contract, at the following rate:

for the first 30 days—0.05 % for each day,
for the next 30 days—0.08 % for each day,
beyond that—0.12 % for each day of delay.

3. However, the total amount of the penalty for delay may not exceed 8 % of the value of the goods concerning which the delay took place.

§ 84

1. If the seller permits a delay in the presentation of technical documentation without which the machinery or plant cannot be put into operation, he shall pay a

penalty based on the value of the machinery or plant to which the technical documentation pertains, in the manner and at the rate established in § 83.

2. If the parties stipulated in the contract for presentation by the seller, in respect of goods intended for processing (for example, raw materials, castings and rolled products), of a certificate of analysis, without which the goods cannot be used as intended, with indication in the contract of characteristics which such certificate must contain, then the parties may also stipulate in the contract that the seller shall pay a penalty for delay in the presentation of the said certificate. Unless otherwise established in the contract, such penalty shall be based on the value of the goods to which the certificate pertains, in the manner and at the rate established in § 83.

§ 85

1. Unless a different time is established in the contract, upon a delay in the delivery of goods for over 4 months, and, for big plant of non-serial production, for over 6 months beyond the time of delivery established in the contract, the buyer shall have the right to refuse performance of the contract in relation to delayed part as well as previously delivered part if the delivered part of goods cannot be used without that part which was not delivered.

2. The buyer shall have the right to repudiate the contract even before the expiry of the periods mentioned in sub-paragraph 1 of this Paragraph, if the seller notifies the buyer in writing that he will not deliver the goods within those periods.

3. For complete plants and installations, times for repudiation of the contract shall be agreed upon by the parties in each individual case.

4. In case of repudiation of the contract, the seller shall be obliged to return to the buyer payments made by the latter, with an interest of 4 % per annum.

5. The provisions of sub-paragraphs 1, 2 and 3 of this Paragraph shall not apply to contracts for a time.

§ 86

1. In case of breach of delivery times under contracts for a time, if the buyer repudiates the contract, the seller shall pay him a penalty at the rate established in the bilateral agreement or in the contract.

2. Where under such a contract the buyer consents to accept goods with a delay, then the penalty mentioned in sub-paragraph 1 of this Paragraph shall not be levied. In such case the seller shall pay the buyer a penalty for each day from the first day of delay at the rate established in § 83.

§ 87

For non-notification or untimely notification by the seller to the buyer that a shipment of goods has been made, the seller shall pay the buyer a penalty at the rate of 0.1 % of the value of the goods shipped, but not less than 10 rubles and not more than 100 rubles for one shipment.

§ 88

1. Claims for penalties must be presented not later than within three months.
In this case:

(a) for penalties levied per day, the duration of the aforementioned period shall commence from the day fixed for performance of obligation or from the day when

the applicable penalty reached its maximum amount, if the obligation was not performed before that day;

(b) for penalties levied in a single sum, the duration of the aforementioned period shall commence from the day of accrual of the right to claim them.

2. The provisions of sub-paragraph 1 of this Paragraph shall also apply to claims for penalties in case of cancellation of contract.

3. Calculation of the penalty shall be shown either in an invoice attached to the claim or in the claim itself.

4. Failure to present a claim for penalty within the time mentioned in sub-paragraph 1 of this Paragraph, shall deprive the claiming party of the right to resort to arbitration.

§ 89

The party presented with a claim for penalty shall investigate it and give an answer on the substance of the claim within 30 days from the date of its receipt.

CHAPTER XV

ARBITRATION

§ 90

1. All disputes which may arise out of or in connection with the contract shall be subject to consideration by arbitration, the jurisdiction of general courts being excluded, in an arbitration tribunal established for such disputes in the country of the defendant or, by agreement of the parties, in a third member-country of the Council for Mutual Economic Assistance.

2. A counter-claim or set-off based on the same legal relationship as the original suit shall be subject to consideration in the same arbitration tribunal in which the original suit is considered.

§ 91

1. Disputes shall be considered in accordance with the rules of procedure which are operative in the arbitration tribunal in which the case is decided.

2. Cases shall be considered in the arbitration tribunal, and awards shall be rendered, in the language of the country of arbitration, with official translation, when requested by one of the parties, into another language. Arbitration awards shall also be drawn up in the language of the country of arbitration, with official translation, when requested by one of the parties, into another language.

3. Arbitration awards shall be final and binding on the parties.

CHAPTER XVI

LIMITATION OF ACTION

§ 92

Claims arising from relationships governed by these General Conditions of Delivery shall be subject to the provisions of this Chapter as to limitation of action.

§ 93

1. The general period of limitation shall be a period of two years.
2. A special limitation period of one year shall apply to:
 - (a) actions based on claims for quality and quantity of goods (§§ 31, 33, 71, 75, 77, 80 to 82);
 - (b) actions based on claims for penalties.

§ 94

1. The general period of limitation begins to run from the moment of accrual of the right of action.
2. The special period of limitation begins to run:
 - (a) in the case of actions based on claims for quality and quantity of goods, from the day following the day of receipt by the buyer of the seller's answer on the substance of the claim, and, if an answer is not given by the seller within the times mentioned in sub-paragraph 1 or sub-paragraph 5, respectively, of § 76, from the day following the day of expiry of the aforesaid period for giving an answer on the substance of the claim. Unless the seller's answer contains a settlement of the substance of the claim, the period of limitation shall run from the day following the day of expiry of the period for giving an answer on the substance of the claim;
 - (b) in the case of actions based on claims for penalties, from the day following the day of receipt by the buyer of an answer on the substance of the claim and, if an answer on the substance of the claim is not given by the seller within the time established in § 89, from the day following the day of expiry of the period for giving an answer to the claim.

§ 95

The limitation of action shall be applied by the arbitration tribunal if it is invoked by the debtor.

§ 96

In case the debtor performs his obligation after the expiry of the limitation period he shall not be entitled to recover what he has performed even though he might not know at the moment of performance that the period of limitation has expired.

§ 97

Claims for which limitation periods have expired shall be allowed in set-off by agreement of the parties.

§ 98

The period of limitation is suspended if a circumstance of insuperable force arising or continuing operative during the period of limitation prevented the action from being brought. Time for which the period of limitation was suspended shall not be included into the period of limitation.

§ 99

1. The running of the period of limitation is interrupted by the action being brought, as well as by a written acknowledgement of the debt by the obligated person.
2. Upon interruption, the running of the limitation period is recommenced.
3. If the plaintiff withdraws his suit from the arbitration tribunal, the running of the limitation period is not deemed to be interrupted.

§ 100

Upon expiration of the limitation period relating to the principal claim, the limitation period expires also with respect to auxiliary claims.

§ 101

The date of bringing of action shall be the day of delivery of the claim to the arbitration tribunal, and, if the statement of claim is sent by post, the date of the postmark made by the postal agency certifying the receipt of the registered letter for dispatch.

§ 102

Alteration of provisions of this Chapter shall not be allowed.

§ 103

The provisions of this Chapter shall apply to obligations arising out of contracts covered by these General Conditions of Delivery.

CHAPTER XVII

OTHER PROVISIONS

§ 104

1. All claims shall be presented in writing.
2. Claims for quality, including claims concerning goods covered by guarantee, as well as claims for quantity, may be presented by telegraph or teletype. In such cases they must be confirmed by letter not later than 7 business days after presentation by telegraph or teletype, but within the times established in § 72. In case of a late confirmation by the buyer, the letter shall be considered as the first presentation of the claim.
3. Documents confirming the claim shall be appended thereto. The parties are recommended, when presenting claims for quality and quantity, to use the claim report as one of the documents confirming the claim.
4. The date of presentation of claims shall be the date of the postmark made by the postal agency of the claimant's country to certify the receipt of a letter or telegram, or the date of notification by teletype, or the date of delivery of the claim to the party on which it is made.

§ 105

1. The parties shall mutually refrain from presenting claims where the amount demanded does not exceed 10 rubles.
2. The provision of sub-paragraph 1 of this Paragraph shall not extend to demands for an accounting in connection with discovered arithmetical errors and to claims without satisfaction of which the goods cannot be used by the buyer.

§ 106

If the debtor is in arrears in a money obligation, he shall pay the creditor an interest of 4 % per annum on the amount in arrear.

§ 107

If the last day of the period for presenting a claim or of the period of limitation falls on a holiday in the claimant's country, the day of expiry of the period shall be the business day immediately following such holiday.

§ 108

1. Neither of the parties shall have the right to transfer its rights and obligations under the contract to third persons without the written consent of the other party.
2. The provision of sub-paragraph 1 of this Paragraph shall not cover the cases of transfer, by decision of a competent body, of the rights and obligations under the contract to another organization of the same country, authorized to engage in foreign trade operations, provided the other party is notified thereof in writing.

§ 109

All expenses, taxes, customs duties and charges in the territory of the seller's country in connection with the performance of the contract shall be paid for by the seller, and in the territory of the buyer's country and in the transit territory, by the buyer.

§ 110

1. Relations of the parties concerning delivery of goods, in so far as they are not regulated or not fully regulated by contracts or by the present General Conditions of Delivery, shall be governed by the substantive law of the seller's country.
2. By the substantive law of the seller's country are meant the general provisions of civil law, and not the special provisions laid down to govern relationships among socialist organizations and enterprises of the seller's country.

2. UNIFORM TRADE TERMS

INCOTERMS 1953

International Rules for the Interpretation of Trade Terms ¹

Prepared by the International Chamber of Commerce (ICC, brochure 166)

EX WORKS

(ex factory, ex mill, ex plantation, ex warehouse, etc.)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
2. Place the goods at the disposal of the buyer at the time as provided in the contract, at the point of delivery named or which is usual for the delivery of such goods and for their loading on the conveyance to be provided by the buyer.
3. Provide at his own expense the packing, if any, that is necessary to enable the buyer to take delivery of the goods.
4. Give the buyer reasonable notice as to when the goods will be at his disposal.
5. Bear the cost of checking operations (such as checking quality, measuring, weighing, counting) which are necessary for the purpose of placing the goods at the disposal of the buyer.
6. Bear all risks and expense of the goods until they have been placed at the disposal of the buyer at the time as provided in the contract, provided that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
7. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents which are issued in the country of delivery and/or of origin and which the buyer may require for the purposes of exportation and/or importation (and, where necessary, for their passage in transit through another country).

¹ The introduction to the Incoterms sets out the following definition of the Bill of Lading: "As used in these rules the term 'bill of lading' is a shipped bill of lading, issued by or on behalf of the carrier, and is evidence of a contract of carriage as well as proof of delivery of the goods on board the vessel."

A further explanation is added: "A bill of lading may be either freight prepaid or freight payable at destination. In the former case the document is usually not obtainable until freight has been paid."

At the end of the introduction a reference clause has been inserted: "Merchants wishing to use these rules should specify that their contracts will be governed by the provisions of 'Incoterms 1953'."

B. Buyer must:

1. Take delivery of the goods as soon as they are placed at his disposal at the place and at the time, as provided in the contract, and pay the price as provided in the contract.
2. Bear all charges and risks of the goods from the time when they have been so placed at his disposal, provided that the goods have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
3. Bear any customs duties and taxes that may be levied by reason of exportation.
4. Where he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the place of delivery, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed, provided that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.
5. Pay all costs and charges incurred in obtaining the documents mentioned in article A.7, including the cost of certificates of origin, export licence and consular fees.

FOR—FOT

free on rail (named departure point)
free on truck (named departure point)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
 2. In the case of goods constituting either a wagon-load (carload, truckload) lot or a sufficient weight to obtain quantity rates for wagon loading, order in due time a wagon (car, truck) of suitable type and dimensions, equipped, where necessary, with tarpaulins, and load it at his own expense at the date or within the period fixed, the ordering of the wagon (car, truck) and the loading being carried out in accordance with the regulations of the dispatching station.
 3. In the case of a load less than either a wagon-load, (carload, truckload) or a sufficient weight to obtain quantity rates for wagon loading, deliver the goods into the custody of the railway either at the dispatching station or, where such facilities are included in the rate of freight, into a vehicle provided by the railway, at the date or within the period fixed, unless the regulations of the dispatching station shall require the seller to load the goods on the wagon (car, truck).
- Nevertheless, it shall be understood that if there are several stations at the point of departure, the seller may select the station which best suits his purpose, provided it customarily accepts goods for the destination nominated by the buyer, unless the buyer shall have reserved to himself the right to choose the dispatching station.
4. Subject to the provisions of article B.5 below, bear all costs and risks of the goods until such time as the wagon (car, truck) on which they are loaded shall have been delivered into the custody of the railway or, in the case provided for in article A.3,

until such time as the goods shall have been delivered into the custody of the railway.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the railway.

7. Give notice, without delay, to the buyer that the goods have been loaded or delivered into the custody of the railway.

8. At his own expense, provide the buyer, if customary, with the usual transport document.

9. Provide the buyer, at the latter's request and expense (see B.6), with the certificate of origin.

10. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining the documents issued in the country of dispatch and/or of origin which the buyer may require for purposes of exportation and/or importation (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Give the seller in time the necessary instructions for dispatch.

2. Take delivery of the goods from the time when they have been delivered into the custody of the railway and pay the price as provided in the contract.

3. Bear all costs and risks of the goods (including the cost, if any, of hiring tarpaulins) from the time when the wagon (car, truck) on which the goods are loaded shall have been delivered into the custody of the railway or, in the case provided for in article A.3, from the time when the goods shall have been delivered into the custody of the railway.

4. Bear any customs duties and taxes that may be levied by reason of exportation.

5. Where he shall have reserved to himself a period within which to give the seller instructions for dispatch and/or the right to choose the place of loading, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the time of expiration of the period fixed, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

6. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.9 and 10 above, including the cost of certificates of origin and consular fees.

FAS

free alongside ship (named port of shipment)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Deliver the goods alongside the vessel at the loading berth named by the buyer, at the named port of shipment, in the manner customary at the port, at the date or within the period stipulated, and notify the buyer, without delay, that the goods have been delivered alongside the vessel.

3. Render the buyer at the latter's request, risk and expense, every assistance in obtaining any export licence, or other governmental authorisation necessary for the export of the goods.

4. Subject to the provisions of articles B.3 and B.4 below, bear all costs and risks of the goods until such time as they shall have been effectively delivered alongside the vessel at the named port of shipment, including the costs of any formalities which he shall have to fulfil in order to deliver the goods alongside the vessel.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods alongside the vessel.

7. Provide at his own expense the customary clean document in proof of delivery of the goods alongside the named vessel.

8. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin.

9. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than that mentioned in article A.8, issued in the country of shipment and/or of origin (excluding a bill of lading and/or consular documents) and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. *Buyer must:*

1. Give the seller due notice of the name, loading berth of and delivery dates to the vessel.

2. Bear all the charges and risks of the goods from the time when they shall have been effectively delivered alongside the vessel at the named port of shipment, at the date or within the period stipulated, and pay the price as provided in the contract.

3. Bear any additional costs incurred because the vessel named by him shall have failed to arrive on time, or shall be unable to take the goods, or shall close for cargo earlier than the stipulated date, and all the risks of the goods from the time when the seller shall have placed them at the buyer's disposal, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Should he fail to name the vessel in time or, if he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the port of shipment, should he fail to give detailed instructions in time, bear any additional costs incurred because of such failure and all the risks of the goods from the date of expiration of the period stipulated for delivery, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.3, A.8 and A.9 above.

FOB

free on board (named port of shipment)

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
2. Deliver the goods on board the vessel named by the buyer, at the named port of shipment, in the manner customary at the port, at the date or within the period stipulated, and notify the buyer, without delay, that the goods have been delivered on board the vessel.
3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.
4. Subject to the provisions of article B.3 and B.4 below, bear all costs and risks of the goods until such time as they shall have effectively passed the ship's rail at the named port of shipment, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.
5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.
6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods.
7. Provide at his own expense the customary clean document in proof of delivery of the goods on board the named vessel.
8. Provide the buyer, at the latter's request and expense (see B.6), with the certificate of origin.
9. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining a bill of lading and any documents, other than that mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. At his own expense, charter a vessel or reserve the necessary space on board a vessel and give the seller due notice of the name, loading berth of and delivery dates to the vessel.
2. Bear all costs and risks of the goods from the time when they shall have effectively passed the ship's rail at the named port of shipment, and pay the price as provided in the contract.
3. Bear any additional costs incurred because the vessel named by him shall have failed to arrive on the stipulated date or by the end of the period specified, or shall be unable to take the goods or shall close for cargo earlier than the stipulated date or the end of the period specified and all the risks of the goods from the date of expiration of the period stipulated, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Should he fail to name the vessel in time or, if he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the port of shipment, should he fail to give detailed instructions in time, bear any additional costs incurred because of such failure, and all the risks of the goods from the date of expiration of the period stipulated for delivery, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay any costs and charges for obtaining a bill of lading if incurred under article A.9 above.

6. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.8 and A.9 above, including the costs of certificates of origin and consular documents.

C & F

cost and freight (named port of destination)

A. *Seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Contract on usual terms at his own expense for the carriage of the goods to the agreed port of destination by the usual route, in a seagoing vessel (not being a sailing vessel) of the type normally used for the transport of goods of the contract description, and pay freight charges and any charges for unloading at the port of discharge which may be levied by regular shipping lines at the time and port of shipment.

3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.

4. Load the goods at his own expense on board the vessel at the port of shipment and at the date or within the period fixed or, if neither date nor time have been stipulated, within a reasonable time, and notify the buyer, without delay, that the goods have been loaded on board the vessel.

5. Subject to the provisions of article B.4 below, bear all risks of the goods until such time as they have effectively passed the ship's rail at the port of shipment.

6. At his own expense furnish to the buyer without delay a clean negotiable bill of lading for the agreed port of destination, as well as the invoice of the goods shipped. The bill of lading must cover the contract goods, be dated within the period agreed for shipment, and provide by endorsement or otherwise for delivery to the order of the buyer or buyer's agreed representative. Such bill of lading must be a full set of "on board" or "shipped" bills of lading, or a "received for shipment" bill of lading duly endorsed by the shipping company to the effect that the goods are on board, such endorsement to be dated within the period agreed for shipment. If the bill of lading contains a reference to the charter-party, the seller must also provide a copy of this latter document.

Note: A clean bill of lading is one which bears no superimposed clauses expressly declaring a defective condition of the goods or packaging.

The following clauses do not convert a clean into an unclean bill of lading:

(a) clauses which do not expressly state that the goods or packaging are unsatisfactory, e.g. "second-hand cases", "used drums", etc.; (b) clauses which emphasize

carrier's non-liability for risks arising through the nature of the goods or the packaging; (c) clauses which disclaim on the part of the carrier knowledge of contents, weight, measurement, quality, or technical specification of the goods.

7. Provide at his own expense the customary packaging of the goods, unless it is the custom of the trade to ship the goods unpacked.

8. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods.

9. Pay any dues and taxes incurred in respect of the goods up to the time of their loading, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

10. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin and the consular invoice.

11. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Accept the documents when tendered by the seller, if they are in conformity with the contract of sale, and pay the price as provided in the contract.

2. Receive the goods at the agreed port of destination and bear, with the exception of the freight, all costs and charges incurred in respect of the goods in the course of their transit by sea until their arrival at the port of destination, as well as unloading costs, including lighterage and wharfage charges, unless such costs and charges shall have been included in the freight or collected by the steamship company at the time freight was paid.

Note: If the goods are sold "C & F landed", unloading costs, including lighterage and wharfage charges, are borne by the seller.

3. Bear all risks of the goods from the time when they shall have effectively passed the ship's rail at the port of shipment.

4. In case he may have reserved to himself a period within which to have the goods shipped and/or the right to choose the port of destination, and he fails to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed for shipment, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay the costs and charges incurred in obtaining the certificate of origin and consular documents.

6. Pay all costs and charges incurred in obtaining the documents mentioned in article A.11 above.

7. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

8. Procure and provide at his own risk and expense any import licence or permit or the like which he may require for the importation of the goods at destination.

CIF

cost, insurance, freight (named port of destination)

A. *Seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.
2. Contract on usual terms at his own expense for the carriage of the goods to the agreed port of destination by the usual route, in a seagoing vessel (not being a sailing vessel) of the type normally used for the transport of goods of the contract description, and pay freight charges and any charges for unloading at the port of discharge which may be levied by regular shipping lines at the time and port of shipment.
3. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods.
4. Load the goods at his own expense on board the vessel at the port of shipment and the date or within the period fixed or, if neither date nor time have been stipulated, within a reasonable time, and notify the buyer, without delay, that the goods have been loaded on board the vessel.
5. Procure, at his own cost and in a transferable form, a policy of marine insurance against the risks of the carriage involved in the contract. The insurance shall be contracted with underwriters or insurance companies of good repute on FPA terms as listed in the Appendix ¹ and shall cover the CIF price plus ten per cent. The insurance shall be provided in the currency of the contract, if procurable. ²

Unless otherwise agreed, the risks of carriage shall not include special risks that are covered in specific trades or against which the buyer may wish individual protection. Among the special risks that should be considered and agreed upon between seller and buyer are theft, pilferage, leakage, breakage, chipping, sweat, contact with other cargoes and others peculiar to any particular trade.

When required by the buyer, the seller shall provide, at the buyer's expense, war risk insurance in the currency of the contract, if procurable.

6. Subject to the provisions of article B.4 below, bear all risks of the goods until such time as they shall have effectively passed the ship's rail at the port of shipment.
7. At his own expense furnish to the buyer without delay a clean negotiable bill of lading for the agreed port of destination, as well as the invoice of the goods shipped and the insurance policy or, should the insurance policy not be available at the time the documents are tendered, a certificate of insurance issued under the

¹ The insurance conditions listed in Part I of the Appendix have been drawn up in consultation with the International Union of Marine Insurance as giving essential guarantees which are, in business practice, equivalent to each other.

Part II of the Appendix contains, as an example, the full wording of one of the insurance conditions listed in Part I, namely, "Institute Cargo Clauses (FPA)" dated 11.2.46.

² CIF A. 5 provides for the minimum terms (FPA) and period of insurance (warehouse to warehouse), as listed in Part I of the Appendix. Attention is invited to paragraphs 4-7 of the Introduction. The basis of "Incoterms 1953" is that, in matters on which there are major differences of practice, it provides that the contract-price will include minimum liabilities for the seller. Whenever the buyer wishes more than the minimum liability to be included in the contract, then he should take care to specify that the basis of the contract is to be "Incoterms 1953" with whatever addition he requires. For instance, if he requires WA insurance instead of FPA insurance, the contract may specify "Incoterms 1953 CIF with WA insurance".

authority of the underwriters and conveying to the bearer the same rights as if he were in possession of the poicy and reproducing the essential provisions thereof. The bill of lading must cover the contract goods, be dated within the period agreed for shipment, and provide by endorsement or otherwise for delivery to the order of the buyer or buyer's agreed representative. Such bill of lading must be a full set of "on board" or "shipped" bills of lading, or a "received for shipment" bill of lading duly endorsed by the shipping company to the effect that the goods are on board, such endorsement to be dated within the period agreed for shipment. If the bill of lading contains a reference to the charter-party, the seller must also provide a copy of this latter document.

Note: A clean bill of lading is one which bears no superimposed clauses expressly declaring a defective condition of the goods or packaging.

The following clauses do not convert a clean into an unclean bill of lading:

(a) clauses which do not expressly state that the goods or packaging are unsatisfactory, e.g. "second-hand cases", "used drums", etc.; (b) clauses which emphasize the carrier's non-liability for risks arising through the nature of the goods or the packaging; (c) clauses which disclaim on the part of the carrier knowledge of contents, weight, measurement, quality, or technical specification of the goods.

8. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

9. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods.

10. Pay any dues and taxes incurred in respect of the goods up to the time of their loading, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

11. Provide the buyer, at the latter's request and expense (see B.5), with the certificate of origin and the consular invoice.

12. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. Buyer must:

1. Accept the documents when tendered by the seller, if they are in conformity with the contract of sale, and pay the price as provided in the contract.

2. Receive the goods at the agreed port of destination and bear, with the exception of the freight and marine insurance, all costs and charges incurred in respect of the goods in the course of their transit by sea until their arrival at the port of destination, as well as unloading costs, including lighterage and wharfage charges, unless such costs and charges shall have been included in the freight or collected by the steamship company at the time freight was paid.

If war insurance is provided, it shall be at the expense of the buyer (see A.5).

Note: If the goods are sold "CIF landed", unloading costs, including lighterage and wharfage charges, are borne by the seller.

3. Bear all risks of the goods from the time when they shall have effectively passed the ship's rail at the port of shipment.

4. In case he may have reserved to himself a period within which to have the goods shipped and/or the right to choose the port of destination, and he fails to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed for shipment, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5. Pay the costs and charges incurred in obtaining the certificate of origin and consular documents.

6. Pay all costs and charges incurred in obtaining the documents mentioned in article A.12 above.

7. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

8. Procure and provide at his own risk and expense any import licence or permit or the like which he may require for the importation of the goods at destination.

APPENDICES

I. Insurance conditions

II. Institute Cargo Clauses (FPA)

(Appendices not reproduced; see pages 40-45 of the ICC brochure on Incoterms 1953.)

FREIGHT OR CARRIAGE PAID TO...

..... (named point of destination)
[Inland Transport only¹]

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Forward the goods at his own expense, at the date or within the period fixed, to the agreed delivery point at the place of destination. If the delivery point is not agreed or is not determined by custom, the seller may select the delivery point at the place of destination which best suits his purpose.

3. Subject to the provisions of article B.3 below, bear all risks of the goods until they shall have been delivered into the custody of the first carrier, at the time as provided in the contract.

4. Give notice, without delay, to the buyer that the goods have been delivered into the custody of the first carrier.

5. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the first carrier.

¹ Includes all trade, national and international, by road, rail and inland waterways.

7. At his own expense, provide the buyer, if customary, with the usual transport document.

8. At his own risk and expense obtain any export licence or other governmental authorisation necessary for the export of the goods, and pay any dues and taxes incurred in respect of the goods in the country of dispatch, including any export duties, as well as the costs of any formalities he shall have to fulfil in order to load the goods.

9. Provide the buyer, at the latter's request and expense (see B.4), with the certificate of origin and consular invoice.

10. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of loading and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. *Buyer must:*

1. Take delivery of the goods at the delivery point at the place of destination and pay the price as provided in the contract, and bear all charges from the time of the arrival of the goods at the delivery point.

2. Bear all risks of the goods from the time when they shall have been delivered into the custody of the first carrier in accordance with article A.3.

3. Where he shall have reserved to himself a period within which to have the goods forwarded to him and/or the right to choose the point of destination, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of expiration of the period fixed, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Pay all costs and charges incurred in obtaining the documents mentioned in articles A.9 and 10 above, including the cost of certificates of origin and consular fees.

5. Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

EX SHIP...

(named port of destination)

A. *Seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2. Place the goods effectively at the disposal of the buyer, at the time as provided in the contract, on board the vessel at the usual unloading point in the named port, in such a way as to enable them to be removed from the vessel by unloading equipment appropriate to the nature of the goods.

3. Bear all risks and expense of the goods until such time as they shall have been effectively placed at the disposal of the buyer in accordance with article A.2, provided, however, that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4. Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

5. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of placing the goods at the disposal of the buyer in accordance with article A.2.

6. At his own expense, notify the buyer, without delay, of the expected date of arrival of the named vessel, and provide him in due time with the bill of lading or delivery order and/or any other documents which may be necessary to enable the buyer to take delivery of the goods.

7. Provide the buyer, at the latter's request and expense (see B.3), with the certificate of origin and the consular invoice.

8. Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous articles, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and where necessary, for their passage in transit through another country).

B. Buyer must:

1. Take delivery of the goods as soon as they have been placed at his disposal in accordance with the provisions of article A.2, and pay the price as provided in the contract.

2. Bear all risks and expense of the goods from the time when they shall have been effectively placed at his disposal in accordance with article A.2, provided always that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

3. Bear all expenses and charges incurred by the seller in obtaining any of the documents referred to in articles A.7 and 8.

4. At his own risk and expense, procure all licences or similar documents which may be required for the purpose of unloading and/or importing the goods.

5. Bear all expenses and charges of customs duties and clearance, and all other duties and taxes payable at the time or by reason of the unloading and/or importing of the goods.

EX QUAY (duty paid)

... (named port) ¹

A. Seller must:

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

¹ Ex Quay (duties on buyer's account).

There are two "Ex Quay" contracts in use, namely Ex Quay (duty paid) which has been defined above and Ex Quay (duties on buyer's account) in which the liabilities specified in A.3 above are to be met by the buyer instead of by the seller.

Parties are recommended always to use the full descriptions of these terms, namely Ex Quay (duty paid) or Ex Quay (duties on buyer's account), or else there may be uncertainty as to who is to be responsible for the liabilities specified in A.3 above.

2. Place the goods at the disposal of the buyer on the wharf or quay at the agreed port and at the time, as provided in the contract.

3. At his own risk and expense, provide the import licence and bear the cost of any import duties or taxes, including the costs of customs clearance, as well as any other taxes, fees or charges payable at the time or by reason of importation of the goods and their delivery to the buyer.

4. At his own expense, provide for customary conditioning and packing of the goods, regard being had to their nature and to their delivery from the quay.

5. Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of placing the goods at the disposal of the buyer in accordance with article A.2.

6. Bear all risks and expense of the goods until such time as they shall have been effectively placed at the disposal of the buyer in accordance with article A.2, provided, however, that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

7. At his own expense, provide the delivery order and/or any other documents which the buyer may require in order to take delivery of the goods and to remove them from the quay.

B. *Buyer must:*

1. Take delivery of the goods as soon as they have been placed at his disposal in accordance with article A.2, and pay the price as provided in the contract.

2. Bear all expense and risks of the goods from the time when they shall have been effectively placed at his disposal in accordance with article A.2, provided always that they have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

INTERNATIONAL RULES FOR THE INTERPRETATION OF THE TERMS:

- I. "Delivered at frontier... (named place of delivery at frontier)"
- II. "Delivered... (named place of destination in the country of importation) duty paid"

Prepared by the International Chamber of Commerce (ICC, brochure "dp")

I. "DELIVERED AT FRONTIER... (named place of delivery at frontier)"*

A. *The seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be stipulated in the contract of sale.

2. At his own risk and expense:

(a) Put the contract goods at the disposal of the buyer at the named place of delivery at the frontier on the date or within the period stipulated in the contract of sale, and at the same time supply the buyer with a customary document of transport, warehouse warrant, dock warrant, delivery order, or the like, as the case may be, providing by endorsement or otherwise for the delivery of the goods to the buyer or to his order at the named place of delivery at the frontier, and also with an export licence and such other documents, if any, as may be strictly required at that time and place for the purpose of enabling the buyer to take delivery of the goods for their subsequent movement, as provided in Articles B.1 and 2.

The goods so put at the disposal of the buyer must be clearly set aside or otherwise identified as the contract goods.

(b) Comply with all formalities he may have to fulfil for these purposes, and pay any Customs fees and charges, internal taxes, excise duties, statistical taxes, and so on, levied in the country of dispatch or elsewhere, which he may have to incur in discharge of his duties up to the time when he puts the goods at the disposal of the buyer in accordance with Article A.2 (a).

3. Bear all the risks of the goods up to the time when he has fulfilled his obligations under Article A.2 (a).

4. Procure, at his own risk and expense, in addition to the documents contemplated in Article A.2 (a), any exchange control authorisation or other similar administrative document required for the purpose of clearing the goods for exportation at the named place of delivery at the frontier and any other documents he may require for the purposes of dispatching the goods to that place, passing them in transit through one or more third countries (if need be), and putting them at the disposal of the buyer in accordance with these Rules.

* To avoid misunderstandings, it is recommended that parties contracting according to this trade term should qualify the word "frontier" by indicating the two countries separated by that frontier, and also the named place of delivery. For example: "Delivered at Franco-Italian frontier (Modane)."

5. Contract on usual terms, at his own risk and expense, for the transport of the goods (including their passage in transit through one or more third countries, if necessary) to the named place of delivery at the frontier, bear and pay the freight or other costs of transport to that place, and also, subject to the provisions of Articles A.6 and 7, any other expenses of or incidental to any movement whatsoever of the goods up to the time when they are duly put at the disposal of the buyer at that place.

Nevertheless, the seller shall, subject to the provisions of Articles A.6 and 7 and at his own risk and expense, be at liberty to use his own means of transport, provided that in the exercise of such liberty he shall perform all his other duties under these Rules.

If no particular point (station, pier, quay, wharf, warehouse, or as the case may be) at the named place of delivery at the frontier is stipulated in the contract of sale or prescribed by the regulations of the Customs or other competent authority concerned, or by the regulations of the public carrier, the seller may, if there are several points to choose from, select the point which suits him best, provided it offers such Customs and other proper facilities as may be necessary to enable the parties to perform their respective duties under these Rules.* The point so chosen by the seller must be notified to the buyer,** and thereupon that point shall be deemed for the purposes of these Rules to be the point at the named place of delivery at which the goods shall be put at the disposal of the buyer and the risks of the goods shall pass.

6. Provide the buyer, at the buyer's request and risk, with a through document of transport normally procurable in the country of dispatch covering on usual terms the transport of the goods from the point of departure in that country to the point of final destination in the country of importation named by the buyer, provided that in so doing the seller shall not be deemed to assume any duty or to incur any risks or expenses other than those he would normally be called upon to incur, perform, bear and pay under these Rules.

7. If it is necessary or customary for the goods to be unloaded, discharged or landed on their arrival at the named place of delivery at the frontier, bear and pay the expenses of such operations (including lightering and handling charges).

If the seller elects to use his own means of transport for sending the goods to the named place of delivery then, in such case, he shall bear and pay all the expenses of or incidental to the necessary or customary operations contemplated in the last preceding paragraph.

8. Notify the buyer at seller's expense that the goods have been dispatched to the named place of delivery at the frontier. Such notice must be given in sufficient time to allow the buyer to take such measures as are normally necessary to enable him to take delivery of the goods.***

* If at the named place of delivery at the frontier there are two customs-posts of different nationalities, it is recommended that the parties should either stipulate which one has been agreed upon, or leave the choice to the seller.

** See Article A.8, footnote.

*** Such notice may be served by the seller upon the buyer by sending it through the post by air mail, and addressed to the buyer at his place of business given in the contract of sale. But if the goods have been dispatched by air, or if the distance between the point of departure in the country of dispatch and the named place of delivery at the frontier is short, or if the business addresses of the seller and the buyer are so far apart as to be likely to cause undue delay in the delivery of notice sent through the post then, in any such case, the seller shall be bound to give such notice to the buyer by sending the same by cable, telegram or telex.

9. Provide, at his own expense, packaging customary for the transport of goods of the contract description to the named place of delivery, unless it is the usage of the particular trade to dispatch goods of the contract description unpacked.

10. Bear and pay the expenses of or incidental to any checking operation, such as measuring, weighing, counting or analysing of quality, which may be necessary to enable him to transport the goods to the named place of delivery at the frontier and to put them at the disposal of the buyer at that place.

11. Bear and pay in addition to any expenses to be borne and paid by the seller in accordance with the preceding Articles, any other expenses of or incidental to the performance of the seller's duty to put the goods at the disposal of the buyer at the named place of delivery at the frontier.

12. Render to the buyer, at buyer's request, risk and expense, a reasonable amount of assistance in obtaining any documents other than those already mentioned, which may be obtainable in the country of dispatch or of origin, or in both countries, and which the buyer may require for the purposes contemplated in Articles B.2 and 6.

B. The buyer must:

1. Take delivery of the goods as soon as the seller has duly put them at his disposal at the named place of delivery at the frontier, and be responsible for handling all subsequent movements of the goods.

2. Comply at his own expense with any Customs and other formalities that may have to be fulfilled at the named place of delivery at the frontier, or elsewhere, and pay any duties that may be payable at the time or by reason of the entry of the goods into the adjoining country or of any other movement of the goods subsequent to the time when they have been duly put at his disposal.

3. Bear and pay the expenses of or incidental to unloading, discharging or landing the goods on their arrival at the named place of delivery at the frontier, in so far as such expenses are not payable by the seller in accordance with the provisions of Article A.7.

4. Bear all the risks of the goods and pay any expenses whatsoever incurred in respect thereof including Customs duties, fees and charges from the time when they have been duly put at his disposal at the named place of delivery at the frontier.

5. If he fails to take delivery of the goods as soon as they have been duly put at his disposal, bear all the risks of the goods and pay any additional expenses incurred, whether by the seller or by the buyer, because of such failure, provided that the goods shall have been clearly set aside or otherwise identified as the contract goods.

6. Procure, at his own risk and expense, any import licence, exchange control authorisation, permits or other documents issued in the country of importation, or elsewhere, that he may require in connection with any movement of the goods subsequent to the time when they have been duly put at his disposal at the named place of delivery at the frontier.

7. Bear and pay any additional expenses which the seller may have to incur for the purpose of obtaining a through document of transport in accordance with Article A.6.

8. At seller's request and at buyer's expense, place such import licence, exchange control authorisation, permits and other documents, or certified copies thereof, at the disposal of the seller for the limited purpose of obtaining the through document of transport contemplated in Article A.6.

9. Supply the seller, at his request, with the address of the final destination of the goods in the country of importation, if the seller requires such information for the purpose of applying for such licences and other documents as are contemplated in Articles A.4 and A.6.

10. Bear and pay the expenses incurred by the seller in providing the buyer with any expert third-party certificate of conformity of the goods stipulated in the contract of sale.

11. Bear and pay any expenses the seller may incur in or about his endeavours to assist the buyer in obtaining any of the documents contemplated in Article A.12.

II. "DELIVERED... (named place of destination in the country of importation)
duty paid"

A. *The seller must:*

1. Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be stipulated in the contract of sale.

2. At his own risk and expense:

(a) Put the contract goods at the disposal of the buyer, duty paid, at the named place of destination in the country of importation on the date or within the period stipulated in the contract of sale, and at the same time supply the buyer with a customary document of transport, warehouse warrant, dock warrant, delivery order, or the like, as the case may be, providing by endorsement or otherwise for the delivery of the goods to the buyer or to his order at the named place of destination in the country of importation and also with such other documents, if any, as may be strictly required at that time and place for the purpose of enabling the buyer to take delivery of the goods, as provided in Article B.1.

The goods so put at the disposal of the buyer must be clearly set aside or otherwise identified as the contract goods.

(b) Provide the import licence or permit and bear the cost of any import duties or taxes, including the cost of Customs clearance, as well as any other taxes, fees or charges payable at the named place of destination at the time of the importation of the goods, so far as such payments are necessary for the purpose of enabling the seller to put the goods duty paid at the disposal of the buyer at that place.

(c) Comply with all formalities he may have to fulfil for these purposes.

3. Bear all the risks of the goods up to the time when he has fulfilled his obligations under Article A.2 (a).

4. Procure at his own risk and expense, in addition to the documents contemplated in Article A.2 (a), any export licence or permit, exchange control authorisation, certificates, consular invoice and other documents issued by the public authorities concerned, which he may require for the purposes of dispatching the goods, exporting them from the country of dispatch, passing them in transit through one or more third countries (if necessary), importing them into the country of the named place of destination, and putting them at the disposal of the buyer at that place.

5. Contract on usual terms, at his own risk and expense, for the transport of the goods from the point of departure in the country of dispatch to the named place of destination, bear and pay the freight or other costs of transport to that place, and also, subject to the provisions of Article A.6, any other expenses of or incidental to any movement whatsoever of the goods up to the time when they are duly put at the disposal of the buyer at the named place of destination.

Nevertheless, the seller shall, at his own risk and expense, be at liberty to use his own means of transport, provided that in the exercise of such liberty he shall perform all his other duties under these Rules.

If no particular point (station, pier, quay, wharf, warehouse, or as the case may be) at the named place of destination in the country of importation is stipulated in the contract of sale or prescribed by the regulations of the Customs or other competent authority concerned, or by the regulations of the public carrier, the seller may, if there are several points to choose from, select the point which suits him best, provided it offers such Customs and other proper facilities as may be necessary to enable the parties to perform their respective duties under these Rules. The point so chosen by the seller must be notified to the buyer,* and thereupon that point shall be deemed for the purposes of these Rules to be the point at the named place of destination at which the goods shall be put at the disposal of the buyer and the risks of the goods shall pass.

6. If it is necessary or customary for the goods to be unloaded, discharged or landed on their arrival at the named place of destination for the purpose of putting them duty paid at the disposal of the buyer at that place, bear and pay the expenses of such operations, including any lightering, wharfing, warehousing and handling charges.

7. Notify the buyer, at seller's expense, that the goods have been placed in the custody of the first carrier for dispatch to the named place of destination, or that they have been dispatched to that destination by the seller's own means of transport, as the case may be. Any such notice must be given in sufficient time to allow the buyer to take such measures as are normally necessary for the purpose of enabling him to take delivery of the goods.**

8. Provide, at his own expense, packaging customary for transport of goods of the contract description to the named place of destination, unless it is the usage of the particular trade to dispatch goods of the contract description unpacked.

9. Bear and pay the expenses of or incidental to any checking operations, such as measuring, weighing, counting or analysing of quality, which may be necessary to enable him to transport the goods to the named place of destination and to put them at the disposal of the buyer at that place.

10. Bear and pay, in addition to any expenses to be borne and paid by the seller in accordance with Articles A.1 to 9 inclusive, any other expenses of or incidental to the performance of the seller's duty to put the goods at the disposal of the buyer at the named place of destination in accordance with these Rules.

B. *The buyer must:*

1. Take delivery of the goods as soon as the seller has duly put them at his disposal at the named place of destination, and be responsible for handling all subsequent movement of the goods.

* See Article A.7, footnote.

** Such notice may be served by the seller upon the buyer by sending it through the post by air mail, and addressed to the buyer at his place of business given in the contract of sale. But if the goods have been dispatched by air, or if the distance between the point of departure in the country of dispatch and the named place of destination is short, or if the business addresses of the seller and the buyer are so far apart as to be likely to cause undue delay in the delivery of notice sent through the post then, in any such case, the seller shall be bound to give such notice to the buyer by sending the same by cable, telegram or telex.

2. Bear and pay the expenses of or incidental to unloading, discharging or landing the goods on their arrival at the named place of destination, in so far as such expenses are not payable by the seller in accordance with the provisions of Article A.6.

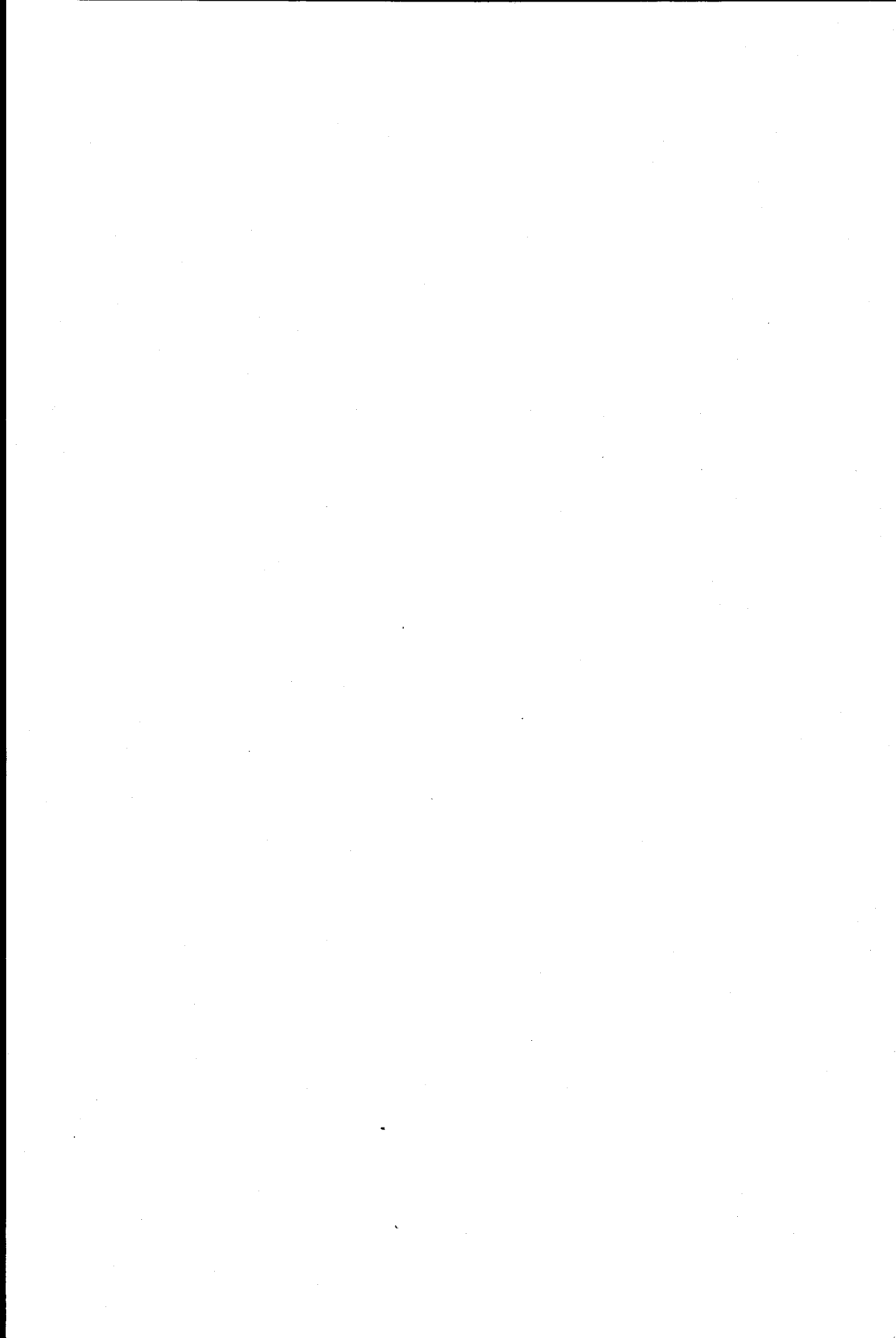
3. Bear all the risks of the goods and pay any expenses whatsoever incurred in respect thereof from the time when they have been put at his disposal at the named place of destination in accordance with Article A.2 (a).

4. If he fails to take delivery of the goods as soon as they have been duly put at his disposal, bear all the risks of the goods and pay any additional expenses incurred, whether by the seller or by the buyer, because of such failure, provided that the goods shall have been clearly set aside or otherwise identified as the contract goods.

5. Supply the seller, at his request, with the address of the final destination of the goods in the country of importation, if the seller requires such information for the purpose of applying for such documents as are contemplated in Article A.2 (b).

6. Bear and pay the expenses incurred by the seller in providing the buyer with any expert third-party certificate of conformity of the goods stipulated in the contract of sale.

7. Render to the seller, at seller's request, risk and expense, a reasonable amount of assistance in obtaining any documents which may be issued in the country of importation and which the seller may require for the purpose of putting the goods at the disposal of the buyer in accordance with these Rules.



3. DRAFT CONVENTIONS AND SIMILAR INSTRUMENTS

DRAFT CONVENTION ON A UNIFORM LAW ON THE INTERNATIONAL SALE OF TANGIBLE PERSONAL PROPERTY. Draft presented by the Inter-American Juridical Committee, 1960. Publication *Organization of American States, CIJ-46 (text in English, French and Spanish)*. [The Inter-American Juridical Committee decided on 22 September 1967 that there was no reason for promoting the adoption of a regional instrument to regulate the international sale of personal property.]

The Draft contains provisions defining the scope of the law, and stating the types of transaction to which it applies. It also includes several articles dealing with formation of contract. Rules on the obligations of the seller for delivery include provisions regarding place and time for delivery, default, defects in the goods, notice of the defects, transfer of property, warranties, as well as penalties against the seller. Further articles of the Draft describe the duties of the buyer. Provisions applicable to both parties include articles concerning simultaneous delivery and payment, determination of default, a special penalty in the case of instalment contracts, *force majeure*, compensation for damages, transfer of risks, safeguarding the goods, computation of time-limits, and jurisdiction.

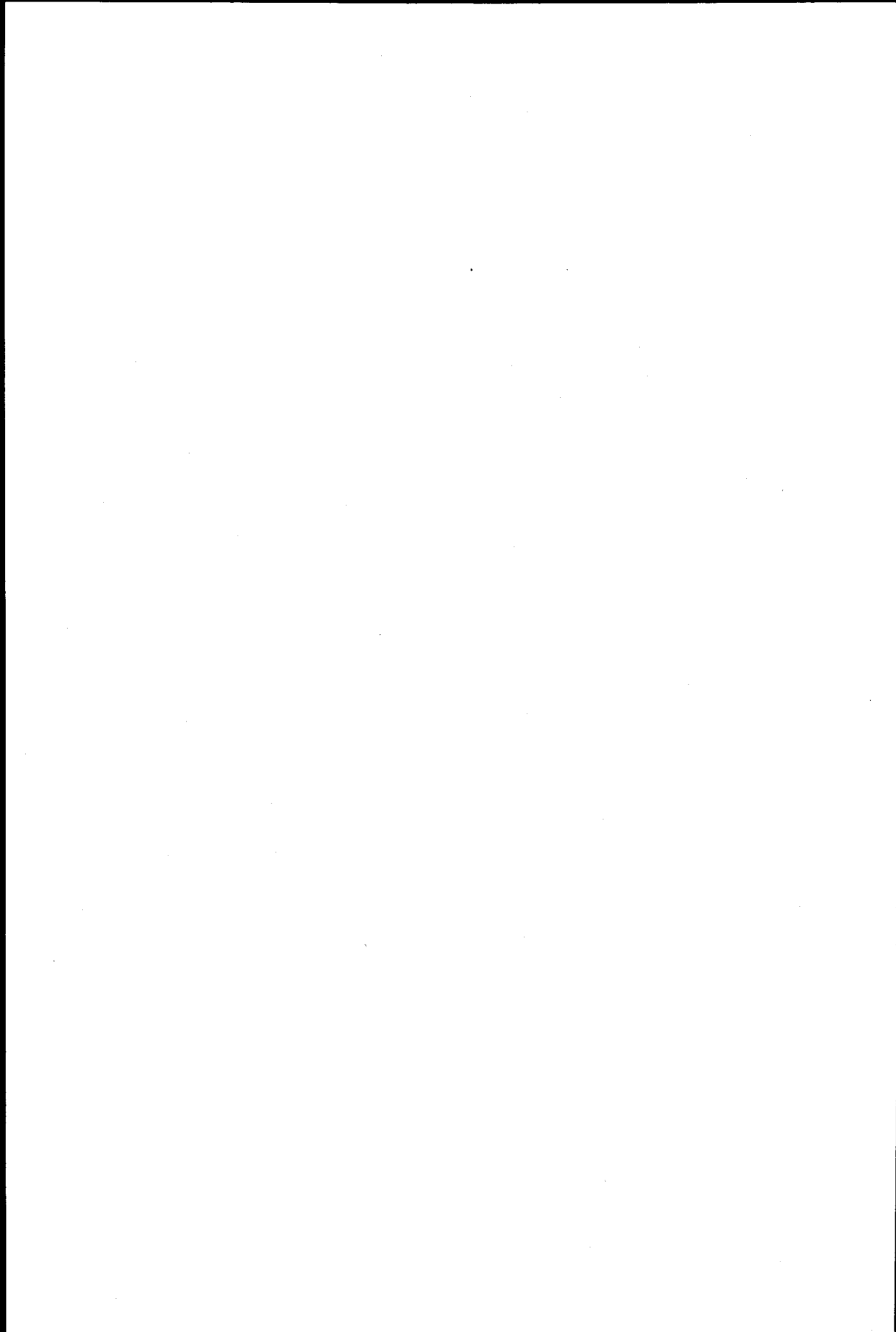
DRAFT UNIFORM LAW ON THE CONTRACT OF COMMISSION ON THE INTERNATIONAL SALE OR PURCHASE OF GOODS. Approved by the Governing Council of the International Institute for the Unification of Private Law, 40th Session, 1960. UNIDROIT, Yearbook, 1960, p. 304 (*text in English and French*).

The Draft includes a number of articles on the relations between the principal and the commission agent. Other provisions of the Draft relate to relations between the principal and third party buyers or sellers, relations between the principal and the creditors of the commission agent and successive commission agents.

DRAFT UNIFORM LAW ON THE PROTECTION OF THE *BONA FIDE* PURCHASER OF CORPOREAL MOVABLES. Approved by the Governing Council of the International Institute for the Unification of Private Law, 47th Session, 1968. UNIDROIT, Yearbook, 1967-1968, Vol. I, p. 222 (*text in English and French*).

The Draft is primarily concerned with the protection of the good faith purchaser against third parties. Rules of private international law with respect to matters covered by the Draft are included. Other provisions relate to the extinction of the rights of third parties and to the effect of bankruptcy of the seller. The other provisions define good faith and state the circumstances in which good faith is required of the buyer and of those acting in his name or on his account.

Chapter II
INTERNATIONAL PAYMENTS



A. Negotiable instruments

1. CONVENTIONS AND SIMILAR INSTRUMENTS

TREATY ON INTERNATIONAL COMMERCIAL LAW¹

Signed at Montevideo, 12 February 1889

[Excerpt—Translation²]

OF BILLS OF EXCHANGE

Article 26

The form of drawing, endorsing, accepting and protesting of a bill of exchange shall be governed by the law of the localities where such acts are respectively executed.

Article 27

The legal relations between the drawer and payee of a bill of exchange, resulting from the drawing thereof, shall be governed by the law of the locality where the bill is drawn; those resulting between the drawer and drawee shall be subject to the law of the domicile of the latter.

Article 28

The obligations of the acceptor with respect to the holder, and the pleas which he may set up, shall be regulated by the law of the place of acceptance.

Article 29

The legal effects produced on the endorser and endorsee by the act of endorsement are governed by the law of the place of negotiation or endorsement.

¹ The Treaty has entered into force. The following States have deposited their ratifications (r) or accessions (a) with the Government of Uruguay:

Argentina (r)
Bolivia (r)
Colombia (a)
Paraguay (r)
Peru (r)
Uruguay (r)

The following States have signed the Convention:
Brazil, Chile

² Translation prepared by the Secretariat of the United Nations.

Article 30

The greater or less extent of the obligations of the respective endorsers shall in no wise impair the rights primarily acquired by the drawer and acceptor.

Article 31

The warranty bond (*aval*) shall be subject to the law applicable to the obligation guaranteed.

Article 32

The legal effects of acceptance by intervention shall be governed by the law of the locality where the third party intervened.

Article 33

The provisions of this title shall govern, in so far as they shall be applicable, commercial drafts, bills, and notes.

Article 34

Questions arising between parties intervening in the negotiation of a bill of exchange shall be determined before the courts of the respondent's domicile at the date of the incurring of the obligation, or at the time of the bringing of the action.

**CONVENTION ON THE UNIFICATION OF THE LAW RELATING TO
BILLS OF EXCHANGE AND PROMISSORY NOTES, AND UNIFORM
REGULATION¹**

Done at The Hague, 23 July 1912²

League of Nations, document C. 234. M. 83. 1929. II, pages 33-49.

Article 1

The contracting States undertake to introduce into their respective territories, either in the original text, or in their national tongues, the annexed Regulation concerning bills of exchange and promissory notes payable to order, which shall come into force contemporaneously with the present convention.

This engagement extends, in the absence of any general or special reservation, to the colonies, possessions, protectorates, consular and judicial jurisdictions of the contracting States to the extent to which the laws of the mother country there apply.

Article 2

In derogation of Article 1 (1) of the Regulation, every contracting State may provide that bills of exchange issued in its own territory which do not contain the expression "bill of exchange" shall be valid, provided that they contain an express statement that they are payable "to order".

Article 3

Every contracting State has, so far as regards bill of exchange obligations, undertaken in its own territory, the power to determine in what manner there may be substitutes for signature, provided that a formal declaration inscribed on the bill verifies the intention of the person who ought to have signed.

Article 4

Every contracting State may provide, in derogation of Article 18 of the Regulation, that so far as relates to an endorsement made within its territory a statement implying a pledge shall be deemed to be unwritten.

In this case the statement shall also be considered as unwritten by the other States.

¹ The Convention has not entered into force.

The Government of the Netherlands exercises the depositary function.

The following States have signed the Convention: Argentina, Austria, Belgium, Brazil, Bulgaria, Chile, China, Denmark, El Salvador, France, Germany, Greece, Hungary, Italy, Japan, Luxembourg, Mexico, Montenegro, Netherlands, Nicaragua, Norway, Paraguay, Portugal, Romania, Russia, Siam, Sweden, Switzerland, Turkey.

² The same Conference also adopted Resolutions on the Unification of the Law of Cheques.

Article 5

In derogation of Article 30, paragraph 1, of the Regulation, every contracting State may provide that an "aval" (collateral guarantee) may be given in its own territory by a separate document indicating the place where it has been given.

Article 6

In derogation of Article 32 of the Regulation, every contracting State may, within its own territory, permit bills to be drawn payable in market ("en foire"), and fix the date of their time of payment.

These bills shall be recognised as valid by the other States.

Article 7

Every contracting State may supplement Article 37 of the Regulation to this effect, namely, that, in the case of a bill payable in its own territory, the holder shall be bound to present it on its due date. Failure to observe this obligation can only give rise to a claim for damages.

The other States will be empowered to determine the conditions under which they will recognise such an obligation.

Article 8

In derogation of Article 38, paragraph 2, of the Regulation, every contracting State may authorise the holder to refuse the partial payment of instruments payable in its own territory.

The right thus accorded to the holder must be recognised by the other States.

Article 9

Every contracting State may provide that, with the assent of the holder, protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself, signed by the drawee, and transcribed in a public register within the limit of time fixed for protests.

Any such declaration shall be recognised by the other States.

Article 10

In derogation of Article 43, paragraph 2, of the Regulation, every contracting State may provide either that the protest for non-payment must be drawn up on the first business day which follows the day when payment can be demanded, or that it must be drawn up within the two following business days.

Article 11

Every contracting State may provide that the notice of non-payment contemplated by Article 44, paragraph 1, of the Regulation, may be given by the public officer charged with drawing up the protest.

Article 12

Every contracting State may provide that the interest referred to in Article 47, paragraph 1 (2), and Article 48 (2), of the Regulation, shall be at the rate of 6 per cent, for bills of exchange which are both issued and payable in its territory. This provision shall be recognised by the other States.

The rate of interest running from the commencement of an action at law is fixed at the discretion of the legislation of the State where the action is commenced. Nevertheless, the defendant cannot claim reimbursement of the interest he has paid, beyond the rate of 5 or, as the case may be, 6 per cent.

Article 13

Every contracting State is free to decide that in the case of loss of right of recourse or of prescription there shall lie within its territory an action against the drawer who has not provided cover, or against a drawer or endorser who has made inequitable gain. The same power exists in the case of prescription so far as regards an acceptor who has received cover or has made inequitable gain.

Article 14

The question whether the drawer is bound to furnish cover at maturity, and whether the holder has any special rights on this cover, are to be left outside the Regulation and the present Convention.

Article 15

Every contracting State may, in the case of a bill of exchange payable in its own territory, regulate the consequences of the loss of the bill, more especially with regard to the issue of a new bill, or the right to obtain payment of the bill, or the right to institute proceedings for annulling it.

The other States are empowered to determine the conditions under which they will recognise judicial decisions given in conformity with the preceding paragraph.

Article 16

The legislation of each State shall determine the causes of interruption or suspension of prescription in the case of actions on bills of exchange which come within the competence of the courts of justice.

The other States are empowered to determine the conditions under which they will recognise similar causes. The same rule applies to the effect of an action in making the time of prescription run in the case specified by Article 70, paragraph 3, of the Regulation.

Article 17

Every contracting State may provide that certain business days shall be assimilated to legal holidays so far as relates to the presentation for acceptance or for payment, and all other acts relating to bills of exchange.

Article 18

• Every contracting State may refuse to recognise the validity of a bill of exchange engagement entered into by one of its citizens, which would not be valid in the territory

of the other contracting States, except through the application of Article 74, paragraph 2, of the Regulation.

Article 19

The contracting States cannot subordinate the validity of obligations arising out of a bill of exchange, or the exercise of the rights that flow therefrom, to the observance of the provisions concerning the stamp.

Nevertheless, they may suspend the exercise of these rights till the stamp laws have been complied with. They may also provide that the quality and effects of an instrument "immediately executory" which, according to their legislation, may be attributed to a bill of exchange, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

Article 20

The contracting States reserve to themselves the power not to apply the principles of private international law contained in the present Convention or in the Regulation so far as concerns:

1. An obligation undertaken outside the territories of the contracting States.
2. Any law which may be applicable in accordance with these principles, and which is not a law of one of the contracting States.

Article 21

The provisions of Articles 2 to 13 and 15 to 20 concerning bills of exchange apply equally to promissory notes.

Article 22

Every contracting State reserves to itself the power to restrict the obligation mentioned in Article 1 to provisions concerning bills of exchange, and not to introduce into its territory the provisions concerning promissory notes contained in Title II of the Regulation. In this case the State which has made use of this reservation shall only be considered as a contracting State so far as regards to bills of exchange.

Each State reserves to itself the power to make provisions concerning promissory notes by a special regulation which shall be in conformity with the provisions of Title II of the Uniform Regulation, and which will reproduce rules concerning bills of exchange to which reference is made, with only the modifications resulting from Articles 77, 78, 79 and 80 of the Regulation and of Article 21 of the present Convention.

Article 23

The contracting States bind themselves not to change the order of the articles of the Regulation when introducing modifications or additions which they are authorised to make.

Article 24

The contracting States will communicate to the Government of the Netherlands all legislative provisions which they may make by virtue of the present Convention, or in carrying out the Uniform Regulation.

Also the States will communicate to the aforesaid Government the terms which, in the language recognised in their territory, correspond with the expressions "lettre de change" and "billet à ordre". Where the language is the same the States concerned will as far as possible agree among themselves on the choice of one and the same term.

The States also will give to the said Government a list of the legal holidays and other days when payment cannot be demanded in their respective countries.

The States in which a law other than the national law is declared to be competent to determine the capacity of their citizens ("ressortissants") to bind themselves by a bill of exchange will give information thereof to the Netherlands Government.

The Netherlands Government will immediately give notice to the other contracting States of the information which has been furnished to it in accordance with the preceding paragraphs.

Article 25

The present Convention shall be ratified as soon as possible.

The ratifications shall be deposited at The Hague.

The first deposit of ratifications shall be verified by a *procès-verbal* signed by the representatives of the concurring States and by the Minister of Foreign Affairs of the Netherlands.

The deposit of subsequent ratifications shall be made by means of a notification addressed to the Government of the Netherlands, accompanied by the instrument of ratification.

A certified copy of the *procès-verbal* relating to the first deposit of ratifications and the notifications mentioned in the preceding paragraph, and also of the instruments of ratification which accompany them, shall be immediately sent by the Netherlands Government, through diplomatic channels, to the States which have signed the present Convention, or which wish hereafter to adhere thereto. In the cases contemplated by the preceding paragraph the said Government shall inform them of the date on which it received the notification.

Article 26

Non-signatory States may become parties to the present Convention, whether they have been represented or not at the International Conference at The Hague for the Unification of the Law relating to Bills of Exchange and Promissory Notes.

The State which desires to become a party must notify its intention in writing to the Government of the Netherlands, transmitting at the same time the instrument of ratification, which shall be deposited in the archives of the aforesaid Government.

The Government of the Netherlands shall immediately transmit to all the other States which have signed the present Convention, or who have afterwards become parties thereto, a certified copy of the notification as well as of the act of ratification mentioning the date on which it received the notification.

Article 27

The present Convention shall come into effect, so far as regards the States which have participated in the first deposit of ratifications, six months after the date of the *procès-verbal* of this deposit, and so far as relates to States which shall hereafter ratify it, six months after the notifications mentioned in Article 25, paragraph 4, and Article 26, paragraph 2, have been received by the Government of the Netherlands.

Article 28

If it shall happen that any of the contracting States desires to denounce the present Convention, the denunciation shall be notified in writing to the Government of the Netherlands, which will immediately communicate a certified copy in conformity with the notification to all the other States, informing them of the date on which it received it.

The denunciation, which cannot be made until the lapse of three years from the date of the first deposit of ratifications, will take effect only as regards the State which has notified it, and one year after the notification has reached the Government of the Netherlands.

Article 29

The State which desires to avail itself of the reservations in Article 1, paragraph 2, or in Article 22, paragraph 1, must specify the reservation in its instrument of ratification or adhesion. If afterwards it wishes to renounce this reservation, it must notify its intention in writing to the Government of the Netherlands, and in this case the provisions of Article 26, paragraph 3, and of Article 27, will apply.

The contracting State which hereafter desires to avail itself of the reservations above mentioned, must notify its intention in writing to the Government of the Netherlands. The provisions of Article 28 shall apply to this notification.

Article 30

After the lapse of two years from the first deposit of ratifications, five contracting States may address to the Government of the Netherlands an application, specifying reasons, to summon the meeting of a conference to consider the question whether additions or modifications in the Uniform Law, or in the present Convention, shall be introduced.

In the absence of any such application the Government of the Netherlands shall convoke a conference for the aforesaid purpose, after a lapse of five years from the first deposit of ratifications.

Article 31

The present Convention, which bears the date 23rd July, 1912, may be signed at The Hague up to the 31st July, 1913, by the plenipotentiaries of the Powers represented at the first or second International Conference for the Unification of the Law relating to Bills of Exchange and Promissory Notes.

UNIFORM REGULATION

TITLE I. BILLS OF EXCHANGE

CHAPTER I. ISSUE AND FORM OF A BILL OF EXCHANGE

Article 1

A bill of exchange contains:

1. The term "bill of exchange" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument.

2. An unconditional order to pay a determinate sum of money.
3. The name of the person who is to pay (drawee).
4. A statement of the time of payment.
5. A statement of the place where payment is to be made.
6. The name of the person to whom or to whose order payment is to be made.
7. A statement of the date and of the place where the bill is issued.
8. The signature of the person who issues the bill (drawer).

Article 2

An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs:

A bill of exchange in which the time of payment is not specified is deemed to be payable at sight.

In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment; and at the same time the place where the drawee resides.

A bill of exchange which does not mention the place of its issue is deemed to have been drawn in the place mentioned beside the name of the drawer.

Article 3

A bill of exchange may be drawn payable to drawer's order.

It may be drawn on the drawer himself.

It may be drawn for account of a third person.

Article 4

A bill of exchange may be payable at the residence of a third person, either in the place where the drawee resides or in another place (*domiciled bill*).

Article 5

Where a bill of exchange is payable at sight, or at a certain time after sight, the drawer may stipulate that the sum payable shall bear interest. In the case of any other bill of exchange this stipulation is deemed to be unwritten.

The rate of interest must be specified in the bill; in default of specification, it is 5 per cent.

Interest runs from the date of the bill of exchange, unless some other date is specified.

Article 6

Where the sum payable by a bill of exchange is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

Where the sum payable by a bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

Article 7

If a bill of exchange bears the signature of persons incapable of contracting, the obligations of the other persons who have signed it are none the less valid.

Article 8

Whoever puts his signature on a bill of exchange as representing a person for whom he had no power to act, is bound himself as a party to the bill. The same rule applies to the representative who has exceeded his powers.

Article 9

The drawer is the guarantor both of acceptance and payment.

He may release himself from guaranteeing acceptance; every stipulation by which he releases himself from the guarantee of payment is deemed to be unwritten.

CHAPTER II. ENDORSEMENT

Article 10

Every bill of exchange, even if not expressly drawn to order, may be transferred by means of an endorsement.

When the drawer has inserted in a bill of exchange the words "not to order" or any equivalent expression, the instrument can only be assigned according to the form, and with the effects of an ordinary cession.

The bill may be endorsed to the drawee, whether he has accepted or not, or to the drawer, or to any other party to the bill. These persons may endorse the bill afresh.

Article 11

An endorsement must be unconditional. Any condition to which it is made subject is deemed to be unwritten.

A partial endorsement is null and void.

Also, an endorsement "to bearer" is null and void.

Article 12

An endorsement must be written on the bill of exchange, or on a slip attached thereto ("allonge"). It must be signed by the endorser.

An endorsement is valid even though the beneficiary is not specified, or the endorser has done nothing more than put his signature on the back of the bill or "allonge" (*endorsement in blank*).

Article 13

An endorsement transfers all the rights arising out of a bill of exchange.

If the endorsement is in blank, the holder may:

1. Fill up the blank, either with his own name or with the name of some other person.

2. Endorse the bill again in blank, or to some other person.
3. Transfer the bill to a third person without filling up the blank, and without endorsing it.

Article 14

In the absence of any contrary stipulation, the endorser guarantees the acceptance and payment.

He may prohibit any further endorsement; in this case he gives no guarantee to the persons to whom the bill is subsequently endorsed.

Article 15

The possessor of a bill of exchange is deemed to be the lawful holder if he shows his title through an uninterrupted series of endorsements, even if the last endorsement is in blank. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank. Cancelled endorsements are deemed to be non-existent.

Where a person has been dispossessed of a bill of exchange, in any manner whatever, the holder who shows his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

Article 16

Persons sued on bill of exchange cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the transfer has taken place in pursuance of a fraudulent understanding.

Article 17

When an endorsement contains the stipulation "value in collection" ("valeur en recouvrement"), "for collection" ("pour encaissement"), "by procuration" ("par procuration") or any other phrase implying a simple mandate, the holder may exercise all rights flowing from the bill of exchange, but he can only endorse it in the capacity of an agent.

In this case the parties liable can only set up against the holder defences which could be set up against the endorser.

Article 18

When an endorsement contains the stipulation "value in security", "value in pledge", or any other stipulation implying a pledge, the holder may exercise all the rights flowing from the bill of exchange, but an endorsement by him only avails as an agency endorsement.

The parties liable cannot set up against the holder defences founded on their personal relations with the endorser, unless the endorsement has taken place in pursuance of fraudulent understanding.

Article 19

An endorsement after maturity has the same effect as an endorsement before maturity. Nevertheless, an endorsement after protest for non-payment, or after the expiration of the limit of time fixed for drawing it up, operates only as an ordinary cession.

CHAPTER III. ACCEPTANCE

Article 20

Up to maturity, a bill of exchange may be presented to the drawee for acceptance at the place where he resides, either by the holder or by a simple possessor.

Article 21

In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance, with or without fixing a limit of time for presentment.

Except in the case of a domiciled bill, or a bill drawn payable at a certain time after sight, he may prohibit presentment for acceptance.

He may also stipulate that presentment for acceptance shall not take place before a certain date.

Every endorser may stipulate that the bill shall be presented for acceptance with or without fixing a limit of time for presentment, unless the drawer has prohibited acceptance.

Article 22

Bills of exchange payable at a certain time after sight must be presented for acceptance within six months of their date.

The drawer may abridge or prolong this time.

These times may be abridged by the endorsers.

Article 23

When a bill of exchange is presented for acceptance, the holder is not obliged to leave it in the hands of the drawee.

The drawee may demand that a bill shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that the right to make this demand has not been exercised unless this fact is specified in the protest.

Article 24

An acceptance is written on the bill of exchange. It is expressed by the word "accepted", or any other equivalent term. It is signed by the drawee. The mere signature of the drawee on the face of the bill constitutes an acceptance.

When a bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it should be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.

Article 25

An acceptance is unconditional, but it may be restricted to part of the sum payable.

Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless the acceptor is bound according to the terms of his acceptance.

Article 26

When the drawer of a bill has specified a place of payment, other than the residence of the drawee, without mentioning the domiciliary, the acceptance must specify the person who is to pay the bill. In default of this specification, the acceptor is deemed to have undertaken to pay the bill himself at the place of payment.

If a bill is payable at the residence of the drawee, he may in his acceptance specify an address in the same place where payment is to be effected.

Article 27

By accepting, the drawee undertakes to pay the bill of exchange at its maturity. In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Articles 47 and 48.

Article 28

Where the drawee who has put his acceptance on a bill has cancelled it before the bill has left his hands, acceptance is deemed to be refused; nevertheless, the drawee is bound, according to the terms of his acceptance, if he has cancelled it after he has in writing informed the holder or any other party who has signed the bill that he has accepted it.

CHAPTER IV. "AVALS"

Article 29

Payment of a bill of exchange may be guaranteed by an "aval".

This guarantee may be given by a third person, or even by a person who has signed as a party to the bill.

Article 30

An "aval" is either given on the bill itself, or on an "allonge".

It is expressed by the words "good as aval", or by any other equivalent formula. It is signed by the giver of the "aval".

It is deemed to be constituted by the mere signature of the giver of the "aval" placed on the face of the bill, except in the case of the signature of the drawee or of the drawer.

An "aval" must specify for whose account it is given. In default of this, it is deemed to be, given for the drawer.

Article 31

The giver of an "aval" is bound in the same manner as the person whom he guarantees.

His engagement is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

He has, when he pays the bill of exchange, the right to go back on the person he has guaranteed and the guarantors of the latter.

CHAPTER V. TIMES OF PAYMENT

Article 32

A bill of exchange may be drawn payable:

- On a fixed day;
- At a certain time after date;
- At sight;
- At a certain time after sight.

Bills of exchange at other maturities or payable by instalments are null and void.

Article 33

A bill of exchange at sight is payable on presentment. It must be presented for payment within the legal or contractual limits of time fixed for the presentment for acceptance of bills payable at a certain time after sight.

Article 34

The maturity of a bill of exchange payable at a certain time after sight is determined either by the date of the acceptance, or by the date of the protest.

In the absence of the protest, an undated acceptance is deemed so far as regards the acceptor to have been given on the last day of the limit of time for presentment either legal or contractual.

Article 35

Where a bill of exchange is drawn at one or more months after date, or after sight, the bill matures on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month.

When a bill of exchange is drawn at one or more months and a half after date or sight, entire months must first be calculated.

If the maturity is fixed at the commencement or middle (mid-January or mid-February, etc.), or the end of the month, the 1st, 15th, or the last day of the month is to be understood.

The expressions "eight days" or "fifteen days" indicate not one or two weeks, but a period of eight or fifteen actual days.

The expression "half-month" means a period of fifteen days.

Article 36

When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar of the place of issue, the date of maturity is deemed to be fixed according to the calendar of the place of payment.

When a bill of exchange drawn between two places having different calendars, is payable at a certain time after date, the day of issue is referred to the corresponding day of the calendar in the place of payment, and the maturity is fixed accordingly.

The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph. These rules do not apply if a stipulation in the bill, or even the simple terms of the instrument, indicate an intention to adopt some different rule.

CHAPTER VI. PAYMENT

Article 37

The holder must present a bill of exchange for payment, either on the day on which it is payable, or on one of the two business days which follow.

Presentment at a clearing-house is equivalent to a presentment for payment.

Article 38

The drawee who pays a bill of exchange may require that it shall be given up to him receipted by the holder.

The holder may not refuse partial payment.

In case of partial payment the drawee may require that mention of this payment shall be made on the bill, and that a receipt therefor shall be given to him.

Article 39

The holder of a bill of exchange cannot be compelled to receive payment thereof before maturity.

The drawee who pays before maturity does so at his own risk and peril.

He who pays at maturity is validly discharged, unless there has been fraud or gross negligence on his part. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorser.

Article 40

When a bill of exchange is drawn payable in a currency which is not current in the place of payment, the sum payable may be paid according to its value, on the day when payment can be demanded, in the currency of the country, unless the drawer has stipulated that payment shall be made in the specified currency (stipulation for actual payment in foreign currency). The usages of the place of payment determine the value of foreign currency. Nevertheless the drawer may stipulate that the sum payable shall be calculated according to the rate expressed in the bill, or to be determined by an endorser; in this case the sum payable must be paid in the currency of the country.

If the amount of the bill of exchange is specified in a currency having the same denomination, but a different value in the place of issue and the place of payment, reference is deemed to be made to the currency of the place of payment.

Article 41

When a bill of exchange is not presented for payment within the limit of time fixed by Article 37, every debtor is authorised to make a deposit of the amount with the competent authority at the charge, risk, and peril of the holder.

CHAPTER VII. RECOURSE FOR NON-ACCEPTANCE OR NON-PAYMENT

Article 42

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable:

At maturity,

If payment has not been made;

Even before maturity,

1. If acceptance has been refused;
2. Where the drawee, whether he has accepted or not, has failed, or has suspended payment, even if the suspension is not authenticated by a judgment; or where execution has been levied against his goods without result;
3. Where the drawer of a non-acceptable bill has failed.

Article 43

Default of acceptance or payment must be evidenced by a formal document (protest for non-acceptance, or non-payment).

Protest for non-payment must be made, either on the day when the bill is payable, or on one of the two following business days.

Protest for non-acceptance must be made within the limit of time fixed for presentment for acceptance. If in the case provided for by Article 23, paragraph 2, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day.

Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.

In the cases provided for by Article 42 (2), the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment, and after the protest has been drawn up.

In the cases provided for by Article 42 (3), the production of the judgment pronouncing the failure of the drawer, suffices to enable the holder to exercise his right of recourse.

Article 44

The holder must give notice of non-acceptance or non-payment to his immediate endorser, and to the drawer, within the four business days which follow the day for protest, or in case of a stipulation "retour sans frais", those which follow the presentment.

Every endorser must, within two days, give notice to his immediate endorser of the notice which he has received mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The limit of time mentioned above runs from the receipt of the preceding notice.

Where an endorser either has not specified his address, or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.

A person who must give notice, may give it in any form whatever, even by the simple return of the bill of exchange. He must prove that he has given it within the prescribed limit of time.

He shall be deemed to have given it within the prescribed limit of time, if a letter giving the notice has been posted within the aforesaid time.

A person who does not give notice within the limit of time mentioned above, does not lose his right of recourse. He is responsible for the injury if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.

Article 45

The drawer or an endorser may, by the stipulation "retour sans frais", "sans protêt", or any other equivalent expression, allow the holder to dispense with a protest for non-acceptance or non-payment, in order to exercise his right of recourse.

This stipulation does not release the holder from presenting the bill within the prescribed time, nor from giving notice of dishonour to a preceding endorser or the drawer. The burden of proving the non-observance of the limits of time lies on the person who seeks to set them up against the holder.

When this stipulation is inserted by the drawer, it takes effect as regards all parties who have signed the bill. If, in spite of this stipulation, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation is inserted by an endorser, the expenses of protest, if it has been drawn up, can be recovered from all the parties who signed the bill.

Article 46

All those who have drawn, accepted, endorsed, or guaranteed by "aval" a bill of exchange are jointly and severally liable to the holder.

The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.

The same right belongs to every person who has signed the bill and taken it up.

Proceedings against one of the parties liable do not prevent proceedings against others, though they may be subsequent to the person first proceeded against.

Article 47

The holder may recover from the person against whom he exercises his right of recourse:

1. The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for.
2. Interest at the rate of 5 per cent from the date of maturity.
3. The expenses of protest and of the notices given by the holder to his immediate endorser and the drawer, as well as other expenses.
4. A commission which, in default of agreement, shall be 1/6th per cent on the principal sum payable by the bill, and which in no case can exceed this rate.

If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount. This discount shall be calculated at the holder's option, either

according to the official rate of discount (bank rate), or according to the market rate ruling on the date when recourse is exercised at the place where the holder resides.

Article 48

A party who takes up and pays a bill of exchange can recover from the parties liable to him:

1. The entire sum which he has paid.
2. Interest on the said sum calculated at the rate of 5 per cent, starting from the day when he made payment.
3. Expenses which he has incurred.
4. Commission on the principal sum of the bill of exchange fixed in conformity with Article 47 (4).

Article 49

Every party liable against whom a right of recourse is, or may be, exercised, can require, against payment, that the bill shall be given up to him with the protest and receipted account.

Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.

Article 50

In case of the exercise of the right of recourse after a partial acceptance the party who pays the sum in respect of which the bill has not been accepted can require that this payment should be specified on the bill, and that he should receive a receipt therefor. The holder must also give him a certified copy of the bill, together with the protest, in order to allow the exercise of subsequent recourse.

Article 51

Every person having the right of recourse may, in the absence of an agreement to the contrary, reimburse himself by means of a fresh bill (redraft) which is not domiciled, and which is drawn at sight on one of the parties liable to him.

The redraft includes, in addition to the sums mentioned in Articles 47 and 48, brokerage and the cost of the stamp of the redraft.

If the redraft is drawn by the holder, the sum payable is fixed according to the exchange for a sight draft drawn on the place where the original bill was payable, upon the place where the party liable resides. If the redraft is drawn by an endorser, the sum payable is fixed according to the exchange for a sight draft at the place where the drawer of the redraft resides, drawn upon the place where the party liable resides.

Article 52

After the expiration of the limits of time fixed:

1. For the presentment of a bill of exchange at sight or at a certain time after sight;
2. For drawing up the protest for non-acceptance or non-payment;

3. For presentment for payment in the case of a stipulation "retour sans frais"; the holder loses his rights of recourse against the endorser, against the drawer, and against the other parties liable, with the exception of the acceptor.

In default of presentment for acceptance within the limit of time stipulated for by the drawer the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance.

If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser only can avail himself of it.

Article 53

When presentment of a bill of exchange or drawing up the protest within the prescribed limits of time is prevented by an insurmountable obstacle (case of *vis major*) these times are prolonged.

The holder is bound without delay to give notice of the case of *vis major* to his immediate endorser, and to specify this notice, which he must date and sign, on the bill or on an "allonge"; as regards other matters, the provisions of Article 44 apply.

After the cessation of the *vis major* the holder must without delay present the bill for acceptance or payment, and, if need be, have the protest drawn up.

If the *vis major* continues to operate for more than thirty days after the maturity of the bill recourse may be exercised, and neither presentment nor drawing up the protest shall be necessary.

As regards bills payable at sight or at a certain time after sight, the term of thirty days begins to run from the date on which the holder, even before the time for presentment, has given notice of the *vis major* to his immediate endorser.

Facts purely personal to the holder or to the person whose duty it is to present the bill or draw up the protest are not deemed to constitute cases of *vis major*.

CHAPTER VIII. INTERVENTION FOR HONOUR

Article 54

The drawer or an endorser may specify a person who is to accept or pay in case of need.

A bill of exchange may, under the conditions hereafter set forth, be accepted or paid by a person who intervenes for any person who has signed it.

The intervener may be a third person, even the drawee, or the person already liable on the bill, except only the acceptor.

The intervener is bound to give without delay notice of his intervention to the party for whom he has intervened.

1. Acceptance by Intervention (for Honour)

Article 55

There may be acceptance by intervention in all cases where the holder has the right of recourse before maturity on a bill which is capable of acceptance.

The holder may refuse an acceptance by intervention, even when it is offered by a person designated to accept or pay in case of need.

If he permits the acceptance he loses his right of recourse before maturity against the parties liable to him.

Article 56

Acceptance by intervention is specified on the bill of exchange. It is signed by the intervener. It specifies for whose account it has been given, and in default of this specification the acceptance is deemed to have been given for the drawer.

Article 57

The acceptor by intervention is liable to the holder and to the endorsers subsequent to the party for whose account he intervened in the same manner as the latter.

In spite of an acceptance by intervention, the party for whose honour it has been given and the parties liable to him can require the holder, in exchange for payment of the sum mentioned in Article 47, to give up the bill, and the protest, if any.

2. Payment by Intervention

Article 58

Payment by intervention may take place in all cases where either at maturity or before maturity the holder has the right of recourse.

At the latest it must be made on the morrow of the last day allowed for drawing up the protest for non-payment.

Article 59

If a bill has been accepted by intervention, or if persons have been specified to pay it in case of need, the holder must at the place of payment present the bill to all the persons, and, if need be, cause a protest for non-payment to be drawn up at the latest on the morrow of the last day for drawing up the protest.

In default of protest within this limit of time, the party who has indicated the case of need, or for whose account the bill has been accepted, and the subsequent endorsers are discharged.

Article 60

Payment by intervention must include the whole sum which the party for whom it is made would have had to pay, with the exception of the commission provided for by Article 47 (4).

The holder who refuses this payment loses his right of recourse against those who would have been discharged thereby.

Article 61

Payment by intervention must be authenticated by a receipt given on the bill of exchange specifying for whom payment has been made. In default of this specification, payment is deemed to have been made for the drawer.

The bill of exchange and the protest, if the protest has been drawn up, must be handed over to the person paying by intervention.

Article 62

The person who pays by intervention is subrogated to the rights of the holder against the party for whom he has paid, and against the parties liable to him. Nevertheless, he cannot endorse the bill of exchange afresh.

Endorsers subsequent to the party for whom payment has been made are discharged.

In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference.

If this rule is not observed, the intervener who has notice loses his right of recourse against those who would have been discharged.

CHAPTER IX. PARTS OF A SET, AND COPIES

1. *Parts of a Set*

Article 63

A bill of exchange can be drawn in two or more identical parts.

These parts must be numbered in the body of the instrument, in default of which each part is considered as a separate bill of exchange.

Every holder of a bill which does not specify that it has been drawn as a sole bill may, at his own expense, require the delivery of two or more parts. For this purpose he must address himself to his immediate endorser, who is bound to help him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce their endorsements on the new parts of the set.

Article 64

Payment made on one part of a set operates as a discharge, even although there is no stipulation that this payment annuls the effect of the other parts. Nevertheless, the drawee is liable on each accepted part which he has not recovered back.

An endorser who has transferred parts of a set to different persons, as well as subsequent endorsers, are liable on all the parts bearing their signatures which have not been restored.

Article 65

A party who has sent one part for acceptance must indicate on the other parts the name of the person in whose hands this part will be found. That person is bound to give it up to the lawful holder of another part.

If he refuses, the holder cannot exercise his right of recourse until after he has a protest drawn up, specifying:

1. That the part sent for acceptance has not been given up to him on his demand.
2. That acceptance or payment could not be obtained on another of the parts.

2. *Copies*

Article 66

Every holder of a bill of exchange has the right to make copies of it.

The copy must reproduce the original exactly, with the endorsements and all other statements to be found thereon. It must specify where the copy ends.

It may be endorsed and guaranteed by "aval" in the same manner and with the same effects as the original.

Article 67

The copy must specify the person in possession of the original instrument. This person is bound to hand over the aforesaid instrument to the lawful holder of the copy.

If he refuses, the holder cannot exercise his right of recourse against the persons who endorsed the copy, until he has had a protest drawn up specifying that the original has not been given up to him on his demand.

CHAPTER X. FORGERY AND ALTERATIONS

Article 68

The forgery of a signature, even if it be that of the drawer or of the acceptor, in no wise affects the validity of the other signatures.

Article 69

In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

CHAPTER XI. PRESCRIPTION

Article 70

All actions arising out of a bill of exchange against the acceptor are barred after three years, counting from the date of maturity.

Actions by the holder against the endorsers and against the drawer are barred after one year from the date of the protest drawn up in proper time or from the date of maturity where there is a stipulation "retour sans frais".

Actions of recourse by endorsers against each other and against the drawer are barred after six months, counting from the day when the endorser took up and paid the bill, or from the day when he himself was sued.

Article 71

Interruption of prescription only operates against the party with respect to whom the interrupting proceeding has been done.

CHAPTER XII. GENERAL PROVISIONS

Article 72

Payment of a bill of exchange which falls due on a legal holiday cannot be demanded until the next business day. So, too, all proceedings relating to a bill of exchange, notably presentment for acceptance and protest, can only be made on a business day.

Where any of these proceedings must be taken within a certain limit of time whereof the last day is a legal holiday, the limit of time is prolonged till the first business day which follows the expiration of that time. Intermediate legal holidays are included in computing limits of time.

Article 73

Legal or contractual limits of time do not include the day which marks their point of departure.

No day of grace, whether legal or judicial, is permitted.

CHAPTER XIII. CONFLICT OF LAWS

Article 74

The capacity of a person to bind himself by a bill of exchange is determined by his national law. If this national law provides that the law of another State is competent to deal with the question, this latter law is to be applied.

A person who lacks capacity, according to the law specified in the preceding paragraph, is nevertheless bound, if he entered into the obligation in the territory of a State, according to whose law he would have the requisite capacity.

Article 75

The form of any contract arising out of a bill of exchange is regulated by the laws of the State within whose territory this contract has been made.

Article 76

The form of and the limits of time for protest, as well as the form of other proceedings necessary for the exercise or preservation of rights arising out of a bill of exchange, are regulated by the laws of the State within whose territory the protest must be drawn up, or the proceeding in question taken.

TITLE II. PROMISSORY NOTES PAYABLE TO ORDER

Article 77

A promissory note contains:

1. The denomination of the instrument inserted in the body of it, and expressed in the language employed for drawing up the instrument.
2. An unconditional promise to pay a determinate sum of money.

3. A specification of the time of payment.
4. And of the place where payment must be made.
5. The name of the person to whom, or to whose order, payment is to be made.
6. Specification of the date and place where the promissory note is made.
7. The signature of the person who issues the instrument (maker).

Article 78

The instrument in which any of the requirements specified in the preceding article are wanting, is invalid as a promissory note, except in the cases mentioned in the following paragraphs:

A promissory note in which no time of payment is specified is deemed to be payable at sight.

In default of special mention, the place where the instrument is issued is deemed to be the place of payment, and at the same time the residence of the maker.

A promissory note which does not specify its place of issue is deemed to have been made in the place designated beside the name of the maker.

Article 79

The following provisions relating to bills of exchange apply to promissory notes so far as they are not inconsistent with the nature of this instrument, namely:

Endorsement (Articles 10-19).

Guarantee by "aval" (Articles 29-31).

Time of payment (Articles 32-36).

Payment (Articles 37-41).

Recourse in case of non-payment (Articles 42-49, 51-53).

Payment by intervention (Articles 54, 58-62).

Copies (Articles 66 and 67).

Forgeries and alterations (Articles 68 and 69).

Prescription (Articles 70 and 71).

Legal holidays, computation of limits of time, and prohibition of days of grace (Articles 72 and 73).

Conflict of laws (Articles 74-76).

The following provisions are also applicable to a promissory note, namely:

The provisions concerning the domicile of bills (Articles 4 and 26);

Stipulation for interest (Article 5);

Divergent statements of the sum payable (Article 6);

Consequences of signature by an incapable person (Article 7); or

By a person who acts without authority or exceeds his authority (Article 8).

Article 80

The maker of a promissory note is bound in the same manner as an acceptor of a bill of exchange.

Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed by Article 22. The limit of time runs from the date of the visa, signed by the maker of the note. The refusal of the maker to give his visa with the date thereon, must be authenticated by a protest (Article 24) the date of which gives the point of departure for the limit of time from sight.

BUSTAMANTE CODE

(Convention on Private International Law) ¹

Signed at Havana, 20 February 1928

[Excerpt]

League of Nations, *Treaty Series*, vol. LXXXVI, p. 246, No. 1950 (1929)

SPECIAL COMMERCIAL CONTRACTS

CHAPTER VI. CONTRACTS AND BILLS OF EXCHANGE AND SIMILAR COMMERCIAL INSTRUMENTS

ART. 263. The forms of the order, indorsement, suretyship, intervention for honor, acceptance, and protest of a bill of exchange, are subject to the law of the locality in which each one of those acts takes place.

ART. 264. In the absence of expressed or implied agreement, the legal relations between the drawer and the payee are governed by the law of the place where the bill is drawn.

ART. 265. Likewise, the obligations and rights existing between the acceptor and the holder are regulated by the law of the place in which the acceptance was made.

ART. 266. In the same hypothesis, the legal effects produced by indorsement between indorser and indorsee depend upon the law of the place where the bill has been indorsed.

ART. 267. The greater or lesser extent of the obligations of each indorser does not alter the original rights and duties of the drawer and the payee.

ART. 268. Guaranty (*aval*), in the same conditions, is governed by the law of the place in which it is furnished.

¹ The Convention entered into force on 20 April 1928.

The following States have deposited their instruments of ratification with the Pan-American Union:

Bolivia	—	9 March	1932
Brazil	—	3 August	1929
Chile	—	6 September	1933
Costa Rica	—	27 February	1930
Cuba	—	20 April	1928
Dominican Republic	—	12 March	1929
Ecuador	—	31 May	1933
El Salvador	—	16 November	1931
Guatemala	—	9 November	1929
Haiti	—	6 February	1930
Honduras	—	20 May	1930
Nicaragua	—	28 February	1930
Panama	—	26 October	1928
Peru	—	19 August	1929
Venezuela	—	12 March	1932

The following States have signed the Convention: Argentina, Colombia, Mexico, Paraguay, Uruguay.

ART. 269. The legal effects of acceptance by intervention are regulated, in the absence of agreement, by the law of the place in which the third party intervenes.

ART. 270. The time limits and formalities for acceptance, payment, and protest, are subject to the local law.

ART. 271. The rules of this chapter are applicable to local drafts (*libranzas*), duebills, promissory notes, and orders or checks.

CHAPTER VII. FORGERY, ROBBERY, LARCENY, OR LOSS OF PUBLIC SECURITIES AND NEGOTIABLE INSTRUMENTS

ART. 272. Provisions relating to the forgery, robbery, theft or loss of credit documents and bonds payable to bearer, are of an international public order.

ART. 273. The adoption of the measures established by the law of the locality in which the fact takes place does not excuse the interested parties from taking all other measures established by the law of the place in which those documents and securities are negotiated, and by that of the place of their payment.

Reservations and declarations

Bolivia

With the reservation formulated by the Bolivian Delegation, with respect to articles not in accord with the legislation of the country and international treaties signed by Bolivia.

Chile

With the reservation formulated by the Delegates of Chile, and also that, in Chilean law and with relation to conflicts that may appear between Chilean legislation and any foreign legislation, the provisions of the present or future legislation of Chile shall prevail over said Code, in case of disagreement.

Costa Rica

With the reservations made by the Delegation of Costa Rica, it being understood that such reservations refer not only to our present legislation but also to any future legislation.

Colombia and Costa Rica (at time of signature)

The Delegations of Colombia and of Costa Rica subscribe to the Code of Private International Law as a whole with the express reservation as to everything which may be in contradiction with the Colombian or Costa Rican legislations...

Ecuador

In so far as it is not opposed to the Constitution and Laws of the Republic.

El Salvador

[Fourth:] The Republic of El Salvador does not renounce its legislative power to prescribe in the future the laws or provisions that it believes convenient on the subjects of private international law contained in the Bustamante Code.

[Fifth:] It considers the Convention on Private International Law as a body of juridical doctrine of great value in jurisprudence, but deems it to be as yet of insufficient force to prevail over the express provisions of the Salvadorian law in every matter in which that body of doctrine contradicts or modifies them. This approval does not restrict the legislative power of El Salvador to prescribe in the future the laws or provisions that it believes convenient on the subjects of private international law contained in the Bustamante Code; and in the event that the jurisprudence doctrines contained in the said Convention are at variance with or modify in any way the laws of El Salvador, they shall not prevail over said laws.

Nicaragua (at time of signature)

The Republic of Nicaragua will be unable to apply the provisions of the Code of Private International Law which may be in conflict with the Canon Law in matters which now or in the future Nicaragua may consider to be subject to such Canon Law.

The Nicaragua Delegation declares, as it has previously done several times verbally throughout the discussions, that some of the provisions of the approved Code are in disagreement with express provisions of the legislation of Nicaragua or with principles which form the basis of such legislation; but, as deserved homage to the notable work of the illustrious author of this Code, it chooses, instead of formulating the corresponding reservations, to make these declarations and to leave to the public authorities of Nicaragua the formulation of such reservations or the modification, as far as possible, of the national legislation, in cases of conflict.

CONVENTION PROVIDING A UNIFORM LAW FOR BILLS OF EXCHANGE AND PROMISSORY NOTES ¹

Signed at Geneva, 7 June 1930

League of Nations, *Treaty Series*, vol. CXLIII, p. 259, No. 3313 (1933-1934)

Article I

The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the Uniform Law forming Annex I of the present Convention.

This undertaking shall, if necessary, be subject to such reservations as each High Contracting Party shall notify at the time of its ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

The reservations referred to in Articles 8, 12 and 18 of the said Annex II may, however, be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, who shall forthwith communicate the text thereof to the Members of the League of Nations and to the non-Member States on whose behalf the present Convention has been ratified or acceded to. Such reservations shall not take

¹ The Convention entered into force on 1 January 1934.

The following States have deposited their ratifications (r) or accessions (a) with the Secretary-General of the League of Nations (United Nations):

Austria (r)	— 31 August	1932
Belgium (r)	— 31 August	1932
Brazil (a)	— 26 August	1942
Denmark (r)	— 27 July	1932
Finland (r)	— 31 August	1932
France (a)	— 27 April	1936
Germany (r)	— 3 October	1933
Greece (r)	— 31 August	1931
Hungary (a)	— 28 October	1964
Italy (r)	— 31 August	1932
Japan (r)	— 31 August	1932
Luxembourg (r)	— 5 March	1963
Monaco (a)	— 25 January	1934
Netherlands		
for the Kingdom in Europe (r)	— 20 August	1932
for the Netherlands Indies		
and Curaçao (a)	— 16 July	1935
for Surinam (a)	— 7 August	1936
Norway (r)	— 27 July	1932
Poland (a)	— 19 December	1936
Portugal (r)	— 8 June	1934
Sweden (r)	— 27 July	1932
Switzerland (r)	— 26 August	1932
Union of Soviet Socialist		
Republics (a)	— 25 November	1936

The following States have signed the Convention: Colombia, Czechoslovakia, Ecuador, Peru, Spain, Turkey, Yugoslavia.

effect until the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.

Each of the High Contracting Parties may, in urgent cases, make use of the reservations contained in Articles 7 and 22 of the said Annex II, even after ratification or accession. In such cases they must immediately notify direct all other High Contracting Parties and the Secretary-General of the League of Nations. The notification of these reservations shall take effect two days following its receipt by the High Contracting Parties.

Article II

In the territories of each of the High Contracting Parties the Uniform Law shall not apply to bills of exchange and promissory notes already issued at the time of the coming into force of the present Convention.

Article III

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6th, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article IV

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States Parties to the present Convention.

Article V

As from September 6th, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all High Contracting Parties that have signed or acceded to the present Convention.

Article VI

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, including therein three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles IV and V, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article VII

Every ratification or accession effected after the entry into force of the Convention in accordance with Article VI shall take effect on the ninetieth day following the date of receipt thereof by the Secretary General of the League of Nations.

Article VIII

Except in urgent cases the present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of the Member of the League or non-Member State denouncing it; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

In urgent cases a High Contracting Party which denounces the Convention shall immediately notify direct all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties. A High Contracting Party denouncing the Convention in these circumstances shall also inform the Secretary-General of the League of Nations of its decision.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article IX

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of this Convention.

If such request, after being communicated to the other Members or non-Member States between which the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article X

The High Contracting Parties may declare at the time of signature, ratification or accession, that it is not their intention in accepting the present Convention to assume any liability in respect of all or any of their colonies, protectorates or territories under suzerainty or mandate, in which case the present Convention shall not be applicable to the territories mentioned in such declaration.

The High Contracting Parties may at any time subsequently inform the Secretary-General of the League of Nations that they intend to apply the present Convention to all or any of their territories referred to in the declaration provided for in the preceding paragraph. In this case, the Convention shall apply to the territories referred to in the notification ninety days after its receipt by the Secretary-General of the League of Nations.

They further reserve the right to denounce it, in accordance with the conditions of Article VIII, on behalf of all or any of their colonies, protectorates or territories under suzerainty or mandate.

Article XI

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

...

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

*ANNEX I**Uniform Law on Bills of Exchange and Promissory Notes**TITLE I**BILLS OF EXCHANGE**CHAPTER I. ISSUE AND FORM OF A BILL OF EXCHANGE**Article 1*

A bill of exchange contains:

1. The term "bill of exchange" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
2. An unconditional order to pay a determinate sum of money;
3. The name of the person who is to pay (drawee);
4. A statement of the time of payment;
5. A statement of the place where payment is to be made;
6. The name of the person to whom or to whose order payment is to be made;
7. A statement of the date and of the place where the bill is issued;
8. The signature of the person who issues the bill (drawer).

Article 2

An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs:

A bill of exchange in which the time of payment is not specified is deemed to be payable at sight.

In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment, and at the same time the place of the domicile of the drawee.

A bill of exchange which does not mention the place of its issue is deemed to have been drawn in the place mentioned beside the name of the drawer.

Article 3

A bill of exchange may be drawn payable to drawer's order.

It may be drawn on the drawer himself.

It may be drawn for account of a third person.

Article 4

A bill of exchange may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality.

Article 5

When a bill of exchange is payable at sight, or at a fixed period after sight, the drawer may stipulate that the sum payable shall bear interest. In the case of any other bill of exchange, this stipulation is deemed not to be written (*non écrite*).

The rate of interest must be specified in the bill; in default of such specification, the stipulation shall be deemed not to be written (*non écrite*).

Interest runs from the date of the bill of exchange, unless some other date is specified.

Article 6

When the sum payable by a bill of exchange is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

Where the sum payable by a bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

Article 7

If a bill of exchange bears signatures of persons incapable of binding themselves by a bill of exchange, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the bill of exchange or on whose behalf it was signed, the obligations of the other persons who signed it are none the less valid.

Article 8

Whosoever puts his signature on a bill of exchange as representing a person for whom he had no power to act is bound himself as a party to the bill and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 9

The drawer guarantees both acceptance and payment.

He may release himself from guaranteeing acceptance; every stipulation by which he releases himself from the guarantee of payment is deemed not to be written (*non écrite*).

Article 10

If a bill of exchange, which was incomplete when issued, has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the bill of exchange in bad faith or, in acquiring it, has been guilty of gross negligence.

CHAPTER II. ENDORSEMENT

Article 11

Every bill of exchange, even if not expressly drawn to order, may be transferred by means of endorsement.

When the drawer has inserted in a bill of exchange the words "not to order" or an equivalent expression, the instrument can only be transferred according to the form, and with the effects of an ordinary assignment.

The bill may be endorsed even in favour of the drawee, whether he has accepted or not, or of the drawer, or of any other party to the bill. These persons may re-endorse the bill.

Article 12

An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written (*non écrite*).

A partial endorsement is null and void.

An endorsement "to bearer" is equivalent to an endorsement in blank.

Article 13

An endorsement must be written on the bill of exchange or on a slip affixed thereto (*allonge*). It must be signed by the endorser.

The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank). In the latter case, the endorsement, to be valid, must be written on the back of the bill of exchange or on the slip attached thereto (*allonge*).

Article 14

An endorsement transfers all the rights arising out of a bill of exchange.

If the endorsement is in blank, the holder may:

- (1) Fill up the blank either with his own name or with the name of some other person;
- (2) Re-endorse the bill in blank, or to some other person;
- (3) Transfer the bill to a third person without filling up the blank, and without endorsing it.

Article 15

In the absence of any contrary stipulation, the endorser guarantees acceptance and payment.

He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the bill is subsequently endorsed.

Article 16

The possessor of a bill of exchange is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written (*non écrits*). When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank.

Where a person has been dispossessed of a bill of exchange, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

Article 17

Persons sued on a bill of exchange cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor.

Article 18

When an endorsement contains the statements "value in collection" ("*valeur en recouvrement*"), "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*") or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the bill of exchange, but he can only endorse it in his capacity as agent.

In this case, the parties liable can only set up against the holder defences which could be set up against the endorser.

The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

Article 19

When an endorsement contains the statements "value in security" ("*valeur en garantie*"), "value in pledge" ("*valeur en gage*"), or any other statement implying a pledge, the holder may exercise all the rights arising out of the bill of exchange, but an endorsement by him has the effects only of an endorsement by an agent.

The parties liable cannot set up against the holder defences founded on their personal relations with the endorser, unless the holder, in receiving the bill, has knowingly acted to the detriment of the debtor.

Article 20

An endorsement after maturity has the same effects as an endorsement before maturity. Nevertheless, an endorsement after protest for non-payment, or after the expiration of the limit of time fixed for drawing up the protest, operates only as an ordinary assignment.

Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest.

CHAPTER III. ACCEPTANCE

Article 21

Until maturity, a bill of exchange may be presented to the drawee for acceptance' at his domicile, either by the holder or by a person who is merely in possession of the bill.

Article 22

In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance with or without fixing a limit of time for presentment.

Except in the case of a bill payable at the address of a third party or in a locality other than that of the domicile of the drawee, or, except in the case of a bill drawn payable at a fixed period after sight, the drawer may prohibit presentment for acceptance.

He may also stipulate that presentment for acceptance shall not take place before a named date.

Unless the drawer has prohibited acceptance, every endorser may stipulate that the bill shall be presented for acceptance, with or without fixing a limit of time for presentment.

Article 23

Bills of exchange payable at a fixed period after sight must be presented for acceptance within one year of their date.

The drawer may abridge or extend this period.

These periods may be abridged by the endorsers.

Article 24

The drawee may demand that a bill shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that this demand has not been complied with unless this request is mentioned in the protest.

The holder is not obliged to surrender to the drawee a bill presented for acceptance.

Article 25

An acceptance is written on the bill of exchange. It is expressed by the word "accepted" or any other equivalent term. It is signed by the drawee. The simple signature of the drawee on the face of the bill constitutes an acceptance.

When the bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.

Article 26

An acceptance is unconditional, but the drawee may restrict it to part of the sum payable.

Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless, the acceptor is bound according to the terms of his acceptance.

Article 27

When the drawer of a bill has indicated a place of payment other than the domicile of the drawee without specifying a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance. In default of this indication, the acceptor is deemed to have undertaken to pay the bill himself at the place of payment.

If a bill is payable at the domicile of the drawee, the latter may in his acceptance indicate an address in the same place where payment is to be made.

Article 28

By accepting, the drawee undertakes to pay the bill of exchange at its maturity.

In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Articles 48 and 49.

Article 29

Where the drawee who has put his acceptance on a bill has cancelled it before restoring the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored.

Nevertheless, if the drawee has notified his acceptance in writing to the holder or to any party who has signed the bill, he is liable to such parties according to the terms of his acceptance.

CHAPTER IV. "AVALS"

Article 30

Payment of a bill of exchange may be guaranteed by an "aval" as to the whole or part of its amount.

This guarantee may be given by a third person or even by a person who has signed as a party to the bill.

Article 31

The "aval" is given either on the bill itself or on an "allonge".

It is expressed by the words "good as aval" ("*bon pour aval*") or by any other equivalent formula. It is signed by the giver of the "aval".

It is deemed to be constituted by the mere signature of the giver of the "aval" placed on the face of the bill, except in the case of the signature of the drawee or of the drawer.

An "aval" must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

Article 32

The giver of an "aval" is bound in the same manner as the person for whom he has become guarantor.

His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

He has, when he pays a bill of exchange, the rights arising out of the bill of exchange against the person guaranteed and against those who are liable to the latter on the bill of exchange.

CHAPTER V. MATURITY

Article 33

A bill of exchange may be drawn payable:

At sight;

At a fixed period after sight;

At a fixed period after date;

At a fixed date.

Bills of exchange at other maturities or payable by instalments are null and void.

Article 34

A bill of exchange at sight is payable on presentment. It must be presented for payment within a year of its date. The drawer may abridge or extend this period. These periods may be abridged by the endorsers.

The drawer may prescribe that a bill of exchange payable at sight must not be presented for payment before a named date. In this case, the period for presentment begins from the said date.

Article 35

The maturity of a bill of exchange payable at a fixed period after sight is determined either by the date of the acceptance or by the date of the protest.

In the absence of the protest, an undated acceptance is deemed, so far as regards the acceptor, to have been given on the last day of the limit of time for presentment for acceptance.

Article 36

Where a bill of exchange is drawn at one or more months after date or after sight, the bill matures on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month.

When a bill of exchange is drawn at one or more months and a-half after date or sight, entire months must first be calculated.

If the maturity is fixed at the commencement, in the middle (mid-January or mid-February, etc.) or at the end of the month, the first, fifteenth or last day of the month is to be understood.

The expressions "eight days" or "fifteen days" indicate not one or two weeks, but a period of eight or fifteen actual days.

The expression "half-month" means a period of fifteen days.

Article 37

When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar in the place of issue, the day of maturity is deemed to be fixed according to the calendar of the place of payment.

When a bill of exchange drawn between two places having different calendars is payable at a fixed period after date, the day of issue is referred to the corresponding day of the calendar in the place of payment, and the maturity is fixed accordingly.

The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph.

These rules do not apply if a stipulation in the bill or even the simple terms of the instrument indicate an intention to adopt some different rule.

CHAPTER VI. PAYMENT

Article 38

The holder of a bill of exchange payable on a fixed day or at a fixed period after date or after sight must present the bill for payment either on the day on which it is payable or on one of the two business days which follow.

The presentment of a bill of exchange at a clearing-house is equivalent to a presentment for payment.

Article 39

The drawee who pays a bill of exchange may require that it shall be given up to him receipted by the holder.

The holder may not refuse partial payment.

In case of partial payment the drawee may require that mention of this payment shall be made on the bill, and that a receipt therefor shall be given to him.

Article 40

The holder of a bill of exchange cannot be compelled to receive payment thereof before maturity.

The drawee who pays before maturity does so at his own risk and peril.

He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 41

When a bill of exchange is drawn payable in a currency which is not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder

may at his option demand that the amount of the bill be paid in the currency of the country according to the rate on the day of maturity or the day of payment.

The usages of the place of payment determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the bill.

The foregoing rules shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in foreign currency).

If the amount of the bill of exchange is specified in a currency having the same denomination, but a different value in the country of issue and the country of payment, reference is deemed to be made to the currency of the place of payment.

Article 42

When a bill of exchange is not presented for payment within the limit of time fixed by Article 38, every debtor is authorised to deposit the amount with the competent authority at the charge, risk and peril of the holder.

CHAPTER VII. RECOURSE FOR NON-ACCEPTANCE OR NON-PAYMENT

Article 43

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable:

At maturity:

If payment has not been made;

Even before maturity;

- (1) If there has been total or partial refusal to accept;
- (2) In the event of the bankruptcy (*faillite*) of the drawee, whether he has accepted or not, or in the event of a stoppage of payment on his part, even when not declared by a judgment, or where execution has been levied against his goods without result;
- (3) In the event of the bankruptcy (*faillite*) of the drawer of a non-acceptable bill.

Article 44

Default of acceptance or of payment must be evidenced by an authentic act (protest for non-acceptance or non-payment).

Protest for non-acceptance must be made within the limit of time fixed for presentment for acceptance. If, in the case contemplated by Article 24, paragraph 1, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day.

Protest for non-payment of a bill of exchange payable on a fixed day or at a fixed period after date or sight must be made on one of the two business days following the day on which the bill is payable. In the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing paragraph for the drawing up of a protest for non-acceptance.

Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.

If there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his goods without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment and after the protest has been drawn up.

If the drawee, whether he has accepted or not, is declared bankrupt (*faillite déclarée*), or in the event of the declared bankruptcy of the drawer of a non-acceptable bill, the production of the judgment declaring the bankruptcy suffices to enable the holder to exercise his right of recourse.

Article 45

The holder must give notice of non-acceptance or non-payment to his endorser and to the drawer within the four business days which follow the day for protest or, in case of a stipulation "*retour sans frais*", the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

When, in conformity with the preceding paragraph, notice is given to a person who has signed a bill of exchange, the same notice must be given within the same limit of time to his *avaliseur*.

Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.

A person who must give notice may give it in any form whatever, even by simply returning the bill of exchange.

He must prove that he has given notice within the time allowed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.

A person who does not give notice within the limit of time mentioned above does not forfeit his rights. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.

Article 46

The drawer, an endorser, or a person guaranteeing payment by *aval* (*avaliseur*) may, by the stipulation "*retour sans frais*", "*sans protêt*", or any other equivalent expression written on the instrument and signed, release the holder from having a protest of non-acceptance or non-payment drawn up in order to exercise his right of recourse.

This stipulation does not release the holder from presenting the bill within the prescribed time, or from the notices he has to give. The burden of proving the non-observance of the limits of time lies on the person who seeks to set it up against the holder.

If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the bill; if it is written by an endorser or an *avaliseur*, it is operative only in respect of such endorser or *avaliseur*. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation emanates from an endorser or *avaliseur*, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill.

Article 47

All drawers, acceptors, endorsers or guarantors by *aval* of a bill of exchange are jointly and severally liable to the holder.

The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.

The same right is possessed by any person signing the bill who has taken it up and paid it.

Proceedings against one of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

Article 48

The holder may recover from the person against whom he exercises his right of recourse:

- (1) The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for;
- (2) Interest at the rate of 6 per cent from the date of maturity;
- (3) The expenses of protest and of the notices given as well as other expenses.

If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount. This discount shall be calculated according to the official rate of discount (bank-rate) ruling on the date when recourse is exercised at the place of domicile of the holder.

Article 49

A party who takes up and pays a bill of exchange can recover from the parties liable to him:

- (1) The entire sum which he has paid;
- (2) Interest on the said sum calculated at the rate of 6 per cent, starting from the day when he made payment;
- (3) Any expenses which he has incurred.

Article 50

Every party liable against whom a right of recourse is or may be exercised, can require against payment, that the bill shall be given up to him with the protest and a receipted account.

Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.

Article 51

In the case of the exercise of the right of recourse after a partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment shall be specified on the bill and that he shall be given a receipt therefor. The holder must also give him a certified copy of the bill, together with the protest, in order to enable subsequent recourse to be exercised.

Article 52

Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a fresh bill (redraft) to be drawn at sight on one of the parties liable to him and payable at the domicile of that party.

The redraft includes, in addition to the sums mentioned in Articles 48 and 49, brokerage and the cost of stamping the redraft.

If the redraft is drawn by the holder, the sum payable is fixed according to the rate for a sight bill drawn at the place where the original bill was payable upon the party liable at the place of his domicile. If the redraft is drawn by an endorser, the sum payable is fixed according to the rate for a sight bill drawn at the place where the drawer of the redraft is domiciled upon the place of domicile of the party liable.

Article 53

After the expiration of the limits of time fixed:

For the presentment of a bill of exchange drawn at sight or at a fixed period after sight;

For drawing up the protest for non-acceptance or non-payment;

For presentment for payment in the case of a stipulation *retour sans frais*, the holder loses his rights of recourse against the endorsers, against the drawer and against the other parties liable, with the exception of the acceptor.

In default of presentment for acceptance within the limit of time stipulated by the drawer, the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance.

If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.

Article 54

Should the presentment of the bill of exchange or the drawing up of the protest within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (*prescription légale*) by any State or other case of *vis major*), these limits of time shall be extended.

The holder is bound to give notice without delay of the case of *vis major* to his endorser and to specify this notice, which he must date and sign, on the bill or on an *allonge*; in other respects the provisions of Article 45 shall apply.

When *vis major* has terminated, the holder must without delay present the bill of exchange for acceptance or payment and, if need be, draw up the protest.

If *vis major* continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary.

In the case of bills of exchange drawn at sight or at a fixed period after sight, the time-limit of thirty days shall run from the date on which the holder, even before the expiration of the time for presentment, has given notice of *vis major* to his endorser. In the case of bills of exchange drawn at a certain time after sight, the above time-limit of thirty days shall be added to the period after sight specified in the bill of exchange.

Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the bill or drawing up of the protest are not deemed to constitute cases of *vis major*.

CHAPTER VIII. INTERVENTION FOR HONOUR

1. GENERAL PROVISIONS

Article 55

The drawer, an endorser, or a person giving an *aval* may specify a person who is to accept or pay in case of need.

A bill of exchange may, subject as hereinafter mentioned, be accepted or paid by a person who intervenes for the honour of any debtor against whom a right of recourse exists.

The person intervening may be a third party, even the drawee, or, save the acceptor, a party already liable on the bill of exchange.

The person intervening is bound to give, within two business days, notice of his intervention to the party for whose honour he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the bill of exchange.

2. ACCEPTANCE BY INTERVENTION (FOR HONOUR)

Article 56

There may be acceptance by intervention in all cases where the holder has a right of recourse before maturity on a bill which is capable of acceptance.

When the bill of exchange indicates a person who is designated to accept or pay it in case of need at the place of payment, the holder may not exercise his rights of recourse before maturity against the person naming such referee in case of need and against subsequent signatories, unless he has presented the bill of exchange to the referee in case of need and until, if acceptance is refused by the latter, this refusal has been authenticated by a protest.

In other cases of intervention the holder may refuse an acceptance by intervention. Nevertheless, if he allows it, he loses his right of recourse before maturity against the person on whose behalf such acceptance was given and against subsequent signatories.

Article 57

Acceptance by intervention is specified on the bill of exchange. It is signed by the person intervening. It mentions the person for whose honour it has been given and, in default of such mention, the acceptance is deemed to have been given for the honour of the drawer.

Article 58

The acceptor by intervention is liable to the holder and to the endorsers, subsequent to the party for whose honour he intervened, in the same manner as such party.

Notwithstanding an acceptance by intervention, the party for whose honour it has been given and the parties liable to him may require the holder, in exchange for payment of the sum mentioned in Article 48, to deliver the bill, the protest, and a receipted account, if any.

3. PAYMENT BY INTERVENTION

Article 59

Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the bill.

Payment must include the whole amount payable by the party for whose honour it is made.

It must be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.

Article 60

If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.

In default of protest within this limit of time, the party who has named the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged.

Article 61

The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.

Article 62

Payment by intervention must be authenticated by a receipt given on the bill of exchange mentioning the person for whose honour payment has been made. In default of such mention, payment is deemed to have been made for the honour of the drawer.

The bill of exchange and the protest, if any, must be given up to the person paying by intervention.

Article 63

The person paying by intervention acquires the rights arising out of the bill of exchange against the party for whose honour he has paid and against persons who are liable to the latter on the bill of exchange. Nevertheless, he cannot re-endorse the bill of exchange.

Endorsers subsequent to the party for whose honour payment has been made are discharged.

In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference. Any person who, with a knowledge of the facts, intervenes in a manner contrary to this rule, loses his right of recourse against those who would have been discharged.

CHAPTER IX. PARTS OF A SET, AND COPIES

1. PARTS OF A SET

Article 64

A bill of exchange can be drawn in a set of two or more identical parts.

These parts must be numbered in the body of the instrument itself; in default, each part is considered as a separate bill of exchange.

Every holder of a bill which does not specify that it has been drawn as a sole bill may, at his own expense, require the delivery of two or more parts. For this purpose he must apply to his immediate endorser, who is bound to assist him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce their endorsements on the new parts of the set.

Article 65

Payment made on one part of a set operates as a discharge, even though there is no stipulation that this payment annuls the effect of the other parts. Nevertheless, the drawee is liable on each accepted part which he has not recovered.

An endorser who has transferred parts of a set to different persons, as well as subsequent endorsers, are liable on all the parts bearing their signature which have not been restored.

Article 66

A party who has sent one part for acceptance must indicate on the other parts the name of the person in whose hands this part is to be found. That person is bound to give it up to the lawful holder of another part.

If he refuses, the holder cannot exercise his right of recourse until he has had a protest drawn up specifying:

- (1) That the part sent for acceptance has not been given up to him on his demand;
- (2) That acceptance or payment could not be obtained on another of the parts.

2. COPIES

Article 67

Every holder of a bill of exchange has the right to make copies of it.

A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends.

It may be endorsed and guaranteed by *aval* in the same manner and with the same effects as the original.

Article 68

A copy must specify the person in possession of the original instrument. The latter is bound to hand over the said instrument to the lawful holder of the copy.

If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by *aval* until he has had a protest drawn up specifying that the original has not been given up to him on his demand.

Where the original instrument, after the last endorsement before the making of the copy contains a clause "commencing from here an endorsement is only valid if made on the copy" or some equivalent formula, a subsequent endorsement on the original is null and void.

CHAPTER X. ALTERATIONS

Article 69

In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

CHAPTER XI. LIMITATION OF ACTIONS

Article 70

All actions arising out of a bill of exchange against the acceptor are barred after three years, reckoned from the date of maturity.

Actions by the holder against the endorsers and against the drawer are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation *retour sans frais*.

Actions by endorsers against each other and against the drawer are barred after six months, reckoned from the day when the endorser took up and paid the bill or from the day when he himself was sued.

Article 71

Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

CHAPTER XII. GENERAL PROVISIONS

Article 72

Payment of a bill of exchange which falls due on a legal holiday (*jour férié légal*) cannot be demanded until the next business day. So, too, all other proceedings relating to a bill of exchange, in particular presentment for acceptance and protest, can only be taken on a business day.

Where any of these proceedings must be taken within a certain limit of time the last day of which is a legal holiday (*jour férié légal*), the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays (*jours fériés*) are included in computing limits of time.

Article 73

Legal or contractual limits of time do not include the day on which the period commences.

Article 74

No days of grace, whether legal or judicial, are permitted.

TITLE II

*PROMISSORY NOTES**Article 75*

A promissory note contains:

- (1) The term "promissory note" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
- (2) An unconditional promise to pay a determinate sum of money;
- (3) A statement of the time of payment;
- (4) A statement of the place where payment is to be made;
- (5) The name of the person to whom or to whose order payment is to be made;
- (6) A statement of the date and of the place where the promissory note is issued;
- (7) The signature of the person who issues the instrument (maker).

Article 76

An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a promissory note except in the cases specified in the following paragraphs.

A promissory note in which the time of payment is not specified is deemed to be payable at sight.

In default of special mention, the place where the instrument is made is deemed to be the place of payment and at the same time the place of the domicile of the maker.

A promissory note which does not mention the place of its issue is deemed to have been made in the place mentioned beside the name of the maker.

Article 77

The following provisions relating to bills of exchange apply to promissory notes so far as they are not inconsistent with the nature of these instruments, viz.:

- Endorsement (Articles 11 to 20);
- Time of payment (Articles 33 to 37);
- Payment (Articles 38 to 42);
- Recourse in case of non-payment (Articles 43 to 50, 52 to 54);
- Payment by intervention (Articles 55, 59 to 63);
- Copies (Articles 67 and 68);
- Alterations (Article 69);
- Limitation of actions (Articles 70 and 71);

Holidays, computation of limits of time and prohibition of days of grace (Articles 72, 73 and 74).

The following provisions are also applicable to a promissory note: The provisions concerning a bill of exchange payable at the address of a third party or in a locality other than that of the domicile of the drawee (Articles 4 and 27); stipulation for interest (Article 5); discrepancies as regards the sum payable (Article 6); the consequences of signature under the conditions mentioned in Article 7, the consequences of signature by a person who acts without authority or who exceeds his authority (Article 8); and provisions concerning a bill of exchange in blank (Article 10).

The following provisions are also applicable to a promissory note: Provisions relating to guarantee by *aval* (Articles 30-32); in the case provided for in Article 31, last paragraph, if the *aval* does not specify on whose behalf it has been given, it is deemed to have been given on behalf of the maker of the promissory note.

Article 78

The maker of a promissory note is bound in the same manner as an acceptor of a bill of exchange.

Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed by Article 23. The limit of time runs from the date of the visa signed by the maker on the note. The refusal of the maker to give his visa with the date thereon must be authenticated by a protest (Article 25), the date of which marks the commencement of the period of time after sight.

ANNEX II

Article 1

Each of the High Contracting Parties may stipulate that the obligation to insert in bills of exchange issued in its territory the term "bill of exchange", as laid down in Article 1, 1. of the Uniform Law, shall not apply until six months after the entry into force of the present Convention.

Article 2

Each of the High Contracting Parties has, as regards undertakings entered into in respect of bills of exchange in its own territory, the right to determine in what manner an actual signature may be replaced by an authentic declaration written on the bill which evidences the consent of the party who should have signed.

Article 3

Each of the High Contracting Parties reserves the right not to embody Article 10 of the Uniform Law in its national law.

Article 4

By way of derogation from Article 31, paragraph 1, of the Uniform Law, each of the High Contracting Parties shall have the right to decide that an *aval* may be given in its territory by a separate instrument specifying the place in which the instrument has been executed.

Article 5

Each of the High Contracting Parties may supplement Article 38 of the Uniform Law so as to provide that the holder of a bill of exchange payable in its territory shall be obliged to present it on the actual day of maturity. Failure to comply with this obligation may only give rise to a right to damages.

The other High Contracting Parties shall have the right to determine the conditions subject to which such obligation will be recognised by them.

Article 6

For the purpose of giving effect to the last paragraph of Article 38 of the Uniform Law, each of the High Contracting Parties shall determine the institutions which, according to its national law, are to be regarded as clearing-houses.

Article 7

Each of the High Contracting Parties shall have the right, if it deems fit, in exceptional circumstances connected with the rate of exchange in such State, to derogate from the stipulation contained in Article 41 for effective payment in foreign currency as regards bills of exchange payable in its territory. The above rule may also be applied as regards the issue in the national territory of bills of exchange payable in foreign currencies.

Article 8

Each of the High Contracting Parties may prescribe that protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself, and signed by the drawee, except where the drawer stipulates in the body of the bill of exchange itself for an authenticated protest.

Each of the High Contracting Parties may also prescribe that the said declaration shall be inscribed in a public register within the limit of time fixed for protests.

In the case provided for in the preceding paragraphs, an undated endorsement is presumed to have been made prior to the protest.

Article 9

By way of derogation from Article 44, paragraph 3, of the Uniform Law, each of the High Contracting Parties has the right to prescribe that a protest for non-payment must be drawn up either on the day when the bill is payable or on one of the two following business days.

Article 10

It is reserved to the legislation of each of the High Contracting Parties to determine the exact legal situations referred to in Article 43, Nos. 2 and 3, and in Article 44, paragraphs 5 and 6, of the Uniform Law.

Article 11

By way of derogation from the provisions of Article 43, Nos. 2 and 3, and Article 74 of the Uniform Law, each of the High Contracting Parties reserves the right to

include in its legislation the possibility for persons guaranteeing a bill of exchange to obtain, in the event of recourse being exercised against them, periods of grace which may in no case extend beyond the maturity of the bill.

Article 12

By way of derogation from Article 45 of the Uniform Law, each of the High Contracting Parties shall be entitled to maintain or introduce the following system of notification by the public official, viz., that, when protesting for non-acceptance or non-payment, the notary or official who, under the national law, is authorised to draw up the protest, is required to give notice in writing to the persons liable under the bill of exchange whose addresses are specified in the bill, or are known to the public official drawing up the protest, or are specified by the persons demanding the protest. The costs of such notice shall be added to the costs of the protest.

Article 13

Each of the High Contracting Parties is entitled to prescribe, as regards bills of exchange which are both issued and payable in its territory, that the rate of interest mentioned in Article 48, No. 2, and Article 49, No. 2, of the Uniform Law be replaced by the legal rate in force in the territory of that High Contracting Party.

Article 14

By derogation from Article 48 of the Uniform Law each of the High Contracting Parties reserves the right to insert in its national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission the amount of which shall be determined by the national law.

The same applies, by derogation from Article 49 of the Uniform Law, to a person who, having taken up and paid the bill of exchange, claims the amount from the parties liable to him.

Article 15

Each of the High Contracting Parties is free to decide that, in the event of extinctive prescription (*déchéance*) or limitation of actions (*prescription*), proceedings may be taken in its territory against a drawer who has not provided cover (*provision*) for the bill, or against a drawer or endorser who has made an inequitable gain. The same right exists in the case of limitation of action as regards an acceptor who has received cover or made an inequitable gain (*se serait enrichi injustement*).

Article 16

The question whether the drawer is obliged to provide cover (*provision*) at maturity and whether the holder has special rights to this cover remains outside the scope of the Uniform Law.

The same applies to any other question concerning the legal relations on the basis of which the bill was issued.

Article 17

It is for the legislation of each of the High Contracting Parties to determine the causes of interruption or suspension of limitation (*prescription*) in the case of actions on bills of exchange which come before its courts.

The other High Contracting Parties are entitled to determine the conditions subject to which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation (*prescription*) laid down in Article 70, paragraph 3, of the Uniform Law.

Article 18

Each of the High Contracting Parties has the right to prescribe that certain business days shall be assimilated to legal holidays (*jours fériés légaux*) as regards presentment for acceptance or payment and all other acts relating to bills of exchange.

Article 19

Each of the High Contracting Parties may determine the denomination to be adopted in the national laws for the instruments referred to in Article 75 of the Uniform Law, or may exempt them from any special denomination, provided that they contain an express mention that they are drawn to order.

Article 20

The provisions of Articles 1 to 18 of the present Annex with regard to bills of exchange apply likewise to promissory notes.

Article 21

Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in Article 1 of the Convention to the provisions dealing with bills of exchange only, and not to introduce into its territory the provisions dealing with promissory notes contained in Title II of the Uniform Law. In this case the High Contracting Party making use of this reservation shall only be regarded as a contracting party in respect of bills of exchange.

Each of the High Contracting Parties further reserves the right to embody the provisions concerning promissory notes in a special regulation, which shall exactly conform to the stipulations in Title II of the Uniform Law and which shall reproduce the rules on bills of exchange to which reference is made, subject only to the modifications resulting from Articles 75, 76, 77 and 78 of the Uniform Law and from Articles 19 and 20 of the present Annex.

Article 22

Each of the High Contracting Parties has the right to adopt exceptional measures of a general nature relating to the extension of the limits of time for conservatory measures in relation to recourse (*actes conservatoires des recours*) and to the extension of maturities.

Article 23

Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party in virtue of Articles 1 to 4, 6, 8 to 16 and 18 to 21 of the present Annex.

*Reservations and declarations**Austria*

This ratification is given subject to the reservations mentioned in articles 6, 10, 14, 15, 17 and 20 of Annex II to this Convention.

In a communication received on 13 May 1963, the Government of Austria notified the Secretary-General that, in accordance with the third paragraph of article I of the Convention, it "has decided to make reservations referred to in article 18 of Annex II to the Convention, to the effect that certain business days shall be assimilated to legal holidays as regards presentment for acceptance of payment and all other acts relating to bills of exchange".

In a communication received on 26 November 1968, the Government of Austria, with reference to the above-mentioned reservations, notified the Secretary-General that "according to Austrian law in force since July 26, 1967, no payment, acceptance or other acts may be demanded in respect of bills of exchange and promissory notes on the following legal holidays or days assimilated to such holidays: 1 January (New Year's Day), 6 January (Epiphany), Good Friday, Easter Monday, 1 May (Legal Holiday), Ascension, Whit Monday, Corpus Christi, 15 August (Assumption), 26 October (National Day), 1 November (All Saints' Day), 8 December (Immaculate Conception), 25 December and 26 December (Christmas), Saturdays and Sundays".

Belgium

This ratification is subject to the utilisation of the rights provided in articles 1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, and 20 of Annex II to this Convention. As regards the Belgian Congo and Ruanda-Urundi, the Belgian Government intends to reserve all the rights provided in the Annex in question, with the exception of the right mentioned in article 21 of that Annex.

Brazil

This accession is given subject to the reservations mentioned in articles 2, 3, 5, 6, 7, 9, 10, 13, 15, 16, 17, 19 and 20 of Annex II to the Convention.

Denmark

The undertaking by the Government of the King to introduce in Denmark the Uniform Law forming Annex I to this Convention is subject to the reservations referred to in articles 10, 14, 15, 17, 18 and 20 of Annex II to the said Convention.

In a communication received on 31 January 1966, the Government of Denmark notified the Secretary-General of the following: "As from December 1, 1965, the Danish laws giving effect to the uniform legislation introduced by the Convention were amended to provide that Saturdays shall be assimilated to legal holidays. This communication should be considered as a notification made in accordance with the third paragraph of article I of the Convention.

Finland

This ratification is subject to the reservations mentioned in articles 14 and 20 of Annex II to this Convention, and Finland has availed itself of the right granted to the High Contracting Parties by articles 15, 17 and 18 of the said Annex to legislate on the matters referred to therein.

In a communication received on 29 July 1966, the Government of Finland notified the Secretary-General of the following: "As from 1 June 1966, the First of May and Saturdays of June, July and August shall be assimilated to legal holidays. This communication should be considered as a notification made in accordance with the third paragraph of article I of the Convention."

France

Declares that articles 1, 2, 3, 4, 6, 10, 11, 13, 15, 16, 17, 18, 19, 20, 22, and 23 of Annex II to this Convention are being applied.

Germany

This ratification is given subject to the reservations mentioned in articles 6, 10, 13, 14, 15, 17, 19 and 20 of Annex II to the Convention.

Greece

Subject to the following reservations with regard to Annex II:

Article 8: Paragraphs 1 and 3.

Article 9: As regards bills payable at a fixed date, or at a fixed period after date or after sight.

Article 13.

Article 15: (a) Proceedings against a drawer or endorser who has made an inequitable gain; (b) Same proceedings against an acceptor who has made an inequitable gain. "These proceedings shall be taken within a period of five years counting from the date of the bill of exchange."

Article 17: The provisions of Greek law relating to short-term limitations shall apply.

Article 20: The above-mentioned reservations apply equally to promissory notes.

Hungary

In a communication received on 5 January 1966, the Government of Hungary, with reference to the third paragraph of article I of the Convention and article 18 of Annex II thereof, notified the Secretary-General of the following: "In respect of bills of exchange and promissory notes, no payment may be demanded in Hungary on legal holidays, namely: 1 January (New Year's Day), 4 April (Liberation Day), 1 May (Labour Day), 20 August (Constitution Day), 7 November (Anniversary of the October Socialist Revolution), 25 December (Christmas Day), 26 December (Boxing Day), Easter Monday, and weekly rest days (usually Sundays)."

Italy

The Italian Government reserves the right to avail itself of the right granted in articles 2, 8, 10, 13, 15, 16, 17, 19 and 20 of Annex II to this Convention.

Japan

This ratification is given subject to the right referred to in the provisions mentioned in Annex II to this Convention, in virtue of article I, paragraph 2.

Luxembourg

The instrument of ratification stipulates that the Government of Luxembourg, in accordance with article I of the Convention, avails itself of all the reservations provided in articles 1, 4, 11, 12, 13, 15, 16, 18, 19 and 20 of Annex II to the Convention.

*Netherlands**for the Kingdom in Europe*

This ratification is subject to the reservations mentioned in Annex II to the Convention.

for the Netherlands Indies and Curaçao

Subject to the reservations mentioned in Annex II to the Convention.

for Surinam

Subject to the reservations mentioned in Annex II to the Convention.

Norway

This ratification is subject to the reservations mentioned in articles 14 and 20 of Annex II to the Convention, and the Royal Norwegian Government reserves the right, at the same time, to avail itself of the right granted to each of the High Contracting Parties by articles 10, 15, 17 and 18 of the said Annex to legislate on the matters referred to therein. In a communication received on 15 April 1970, the Government of Norway notified the Secretary-General that as from 1 June 1970, legislation would be promulgated in Norway assimilating Saturdays and the first day of the month of May to legal holidays.

Poland

This accession is given subject to the reservations mentioned in articles 2, 6, 7, 10, 11, 13, 14, 15, 17, 19, 20, 21, paragraphs 2, and 22 of Annex II to the Convention.

Sweden

This ratification is subject to the reservations mentioned in articles 14 and 20 of Annex II to the Convention, and the Royal Swedish Government has availed itself of the right granted to the High Contracting Parties by articles 10, 15 and 17 of the said Annex to legislate on the matters referred to therein.

In a communication received on 16 May 1961, the Government of Sweden notified the Secretary-General that the Swedish Government, after having obtained the approval of the Parliament, promulgated on 7 April 1961 the law under which Saturdays from 1 June to 30 September of each year shall be assimilated to legal holidays for the purposes including the presentation for acceptance or payment and all other acts relating to bills of exchange. The Government of Sweden further requested that this communication be considered as a notification of reservations made in accordance with the third paragraph of article I of the Convention.

In a communication received on 18 June 1965, the Government of Sweden notified the Secretary-General of the following: ... on 26 May 1965, the Swedish Government, with the approval of the Parliament, promulgated legal provisions under which the Swedish law giving effect to the uniform legislation introduced by the Convention was amended to provide that Saturdays shall be assimilated to legal holidays, as is already the case with the Saturdays of April, May, June, July, August and September. These provisions will enter into force on 1 October 1965.

Switzerland

This ratification is given subject to the reservations mentioned in articles 2, 6, 14, 15, 16, 17, 18 and 19 of Annex II.

According to a declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising sections XXIV to XXXIII of the Federal Code of Obligations or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on July 1st, 1937, the Convention took effect, for Switzerland, as from that date.

Union of Soviet Socialist Republics

Subject to the reservation mentioned in Annex II to the Convention.

CONVENTION FOR THE SETTLEMENT OF CERTAIN CONFLICTS OF LAWS IN CONNECTION WITH BILLS OF EXCHANGE AND PROMISSORY NOTES¹

Signed at Geneva, 7 June 1930

League of Nations, *Treaty Series*, vol. CXLIII, p. 319, No. 3314 (1933-1934)

...

Article 1

The High Contracting Parties mutually undertake to apply, for the settlement of the conflicts of law hereinafter mentioned, in connection with bills of exchange and promissory notes, the rules set out in the following articles.

Article 2

The capacity of a person to bind himself by a bill of exchange or promissory note shall be determined by his national law. If this national law provides that the law of another country is competent in the matter, this latter law shall be applied.

A person who lacks capacity, according to the law specified in the preceding paragraph, is nevertheless bound, if his signature has been given in any territory in which according to the law in force there, he would have the requisite capacity.

¹ The Convention entered into force on 1 January 1934.

The following States have deposited their ratifications (r) or accessions (a) with the Secretary-General of the League of Nations (United Nations):

Austria	(r)	—	31 August	1932
Belgium	(r)	—	31 August	1932
Brazil	(a)	—	26 August	1942
Denmark	(r)	—	27 July	1932
Finland	(r)	—	31 August	1932
France	(a)	—	27 April	1936
Germany	(r)	—	3 October	1933
Greece	(r)	—	31 August	1931
Hungary	(a)	—	28 October	1964
Italy	(r)	—	31 August	1932
Japan	(r)	—	31 August	1932
Luxembourg	(r)	—	5 March	1963
Monaco	(a)	—	25 January	1934
Netherlands				
<i>for the Kingdom in Europe</i>	(r)	—	20 August	1932
<i>for the Netherlands Indies and Curaçao</i>	(a)	—	16 July	1935
<i>for Surinam</i>	(a)	—	7 August	1936
Norway	(r)	—	27 July	1932
Poland	(a)	—	19 December	1936
Portugal	(r)	—	8 June	1934
Sweden	(r)	—	27 July	1932
Switzerland	(r)	—	26 August	1932
Union of Soviet Socialist Republics	(a)	—	25 November	1936

The following States have signed the Convention: Colombia, Czechoslovakia, Ecuador, Peru, Spain, Turkey, Yugoslavia.

Each of the High Contracting Parties may refuse to recognise the validity of a contract by means of a bill of exchange or promissory note entered into by one of its nationals which would not be deemed valid in the territory of the other High Contracting Parties otherwise than by means of the application of the preceding paragraph of the present article.

Article 3

The form of any contract arising out of a bill of exchange or promissory note is regulated by the laws of the territory in which the contract has been signed.

If, however, the obligations entered into by means of a bill of exchange or promissory note are not valid according to the provisions of the preceding paragraph, but are in conformity with the laws of the territory in which a subsequent contract has been entered into, the circumstance that the previous contracts are irregular in form does not invalidate the subsequent contract.

Each of the High Contracting Parties may prescribe that contracts by means of a bill of exchange and promissory note entered into abroad by one of its nationals shall be valid in respect of another of its nationals in its territory, provided that they are in the form laid down by the national law.

Article 4

The effects of the obligations of the acceptor of a bill of exchange or maker of a promissory note are determined by the law of the place in which these instruments are payable.

The effects of the signatures of the other parties liable on a bill of exchange or promissory note are determined by the law of the country in which is situated the place where the signatures were affixed.

Article 5

The limits of time for the exercise of rights of recourse shall be determined for all signatories by the law of the place where the instrument was created.

Article 6

The question whether there has been an assignment to the holder of the debt which has given rise to the issue of the instrument is determined by the law of the place where the instrument was issued.

Article 7

The question whether acceptance may be restricted to part of the sum or whether the holder is bound to accept partial payment is governed by the law of the country in which the bill of exchange is payable.

The same rule governs the payment of promissory notes.

Article 8

The form of and the limits of time for protest, as well as the form of the other measures necessary for the exercise or preservation of rights concerning bills of exchange or promissory notes, are regulated by the laws of the country in which the protest must be drawn up or the measures in question taken.

Article 9

The measures to be taken in case of the loss or theft of a bill of exchange or promissory note are determined by the law of the country in which the bill of exchange or promissory note is payable.

Article 10

Each of the High Contracting Parties reserves to itself the right not to apply the principles of private international law contained in the present Convention so far as concerns:

(1) An obligation undertaken outside the territory of one of the High Contracting Parties;

(2) Any law which may be applicable in accordance with these principles and which is not a law in force in the territory of any High Contracting Party.

Article 11

In the territory of each of the High Contracting Parties the provisions of the present Convention shall not apply to bills of exchange or promissory notes already issued at the time of the coming into force of the present Convention.

Article 12

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article 13

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States parties to the present Convention.

Article 14

As from September 6, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all States which have signed or acceded to the present Convention.

Article 15

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession, in accordance with the first paragraph of the present article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles 13 and 14, shall state in particular that the ratification or accessions referred to in the first paragraph of the present article have been received.

Article 16

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 15 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 17

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article 18

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request after being communicated to the other Members of the League of Nations or non-Member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 19

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or

territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 20

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

...

Reservations and declarations

Denmark

The Government of the King, by its acceptance of this Convention, does not intend to assume any obligations as regards Greenland.

Switzerland

According to a declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising Sections XXIV to XXXIII of the Federal Code of Obligations or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on July 1st, 1937, the Convention took effect, for Switzerland, as from that date.

CONVENTION ON THE STAMP LAWS IN CONNECTION WITH BILLS OF EXCHANGE AND PROMISSORY NOTES ¹

Signed at Geneva, 7 June 1930

League of Nations, *Treaty Series*, vol. CXLIII, p. 339, No. 3315 (1933-1934)

...

Article 1

If their laws do not already make provision to this effect, the High Contracting Parties undertake to alter their laws so that the validity of obligations arising out of a bill of exchange or a promissory note or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

¹ The Convention entered into force on 1 January 1934.

The following States have deposited their ratifications (r), accessions (a), or notifications of succession (s) with the Secretary-General of the League of Nations (United Nations):

Australia	(a)	—	33 September	1938
Austria	(r)	—	31 August	1932
Belgium	(r)	—	31 August	1932
Brazil	(a)	—	26 August	1942
Cyprus	(s)	—	5 March	1968
Denmark	(r)	—	27 July	1932
Finland	(r)	—	31 August	1932
France	(a)	—	27 April	1936
Germany	(r)	—	3 October	1933
Hungary	(a)	—	28 October	1964
Ireland	(a)	—	10 July	1936
Italy	(r)	—	31 August	1932
Japan	(r)	—	31 August	1932
Luxembourg	(r)	—	5 March	1963
Malaysia	(s)	—	14 January	1960
Malta	(s)	—	6 December	1966
Monaco	(a)	—	25 January	1934
Netherlands				
<i>for the Kingdom in Europe</i>	(r)	—	20 August	1932
<i>for the Netherlands Indies and Curaçao</i>	(a)	—	16 July	1935
<i>for Surinam</i>	(a)	—	7 August	1936
France-United Kingdom				
<i>New Hebrides (with limitation) *</i>	(a)	—	16 March	1939
Norway	(r)	—	27 July	1932
Poland	(a)	—	19 December	1936
Portugal	(r)	—	8 June	1934
Sweden	(r)	—	27 July	1932
Switzerland	(r)	—	26 August	1932
Uganda	(a)	—	15 April	1965
Union of Soviet Socialist Republics	(a)	—	25 November	1936
United Kingdom of Great Britain and				
Northern Ireland	(a)	—	18 April	1934
Newfoundland	(a)	—	7 May	1934

Subject to the provision D. 1 in the Protocol of the Convention.

* The words "with limitation" placed after the names of certain territories indicate that the limitation contained in Section D of the Protocol of the Convention applies to these territories.

Barbados (with limitation), Basutoland, Bechuanaland Protectorate, Bermuda (with limitation), British Guiana (with limitation), British Honduras, Ceylon (with limitation),
(Continued on next page.)

Nevertheless, the Contracting Parties may suspend the exercise of these rights until payment of the stamp duties they prescribe or of any penalties incurred. They may also decide that the quality and effects of an instrument "immediately executory" which, according to their legislation may be attributed to a bill of exchange and promissory note, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in paragraph 1 to bills of exchange only.

Article 2

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6th, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article 3

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States Parties to the present Convention.

Article 4

As from September 6th, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all States which have signed or acceded to the present Convention.

(Continued) *Cyprus (with limitation), Fiji (with limitation), Gambia (Colony and Protectorate), Gibraltar (with limitation), Gold Coast [(a) Colony, (b) Ashanti, (c) Northern Territories, (d) Togoland under British Mandate], Kenya (Colony and Protectorate) (with limitation), Malay States [(a) Federated Malay States: Negri Sembilan, Pahang, Perak, Selangor; (b) Unfederated Malay States: Johore, Kedah, Kelantan, Perlis, Trengganu, and Brunei (with limitation)], Malta, Northern Rhodesia, Nyasaland Protectorate, Palestine (excluding Trans-Jordan), Seychelles, Sierra Leone (Colony and Protectorate) (with limitation), Straits Settlements (with limitation), Swaziland, Trinidad and Tobago (with limitation), Uganda Protectorate (with limitation), Windward Islands (Grenada, St. Lucia, St. Vincent) (with limitation)*

(a) — 18 July 1936

Bahamas (with limitation), British Solomon Islands Protectorate (with limitation), Falkland Islands and Dependencies (with limitation), Gilbert and Ellice Islands Colony (with limitation), Mauritius, Saint Helena and Ascension (with limitation), Tanganyika Territory (with limitation), Tonga (with limitation), Trans-Jordan (with limitation), Zanzibar (with limitation)

(a) — 7 September 1938

Jamaica, including the Turks and Caicos Islands and the Cayman Islands (with limitation), Somaliland Protectorate (with limitation)

(a) — 3 August 1939

The following States have signed the Convention: Colombia, Czechoslovakia, Ecuador, Peru, Spain, Turkey, Yugoslavia.

Article 5

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles 3 and 4, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article 6

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 5 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 7

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article 8

Every Member of the League of Nations and every non-Member State, in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request, after being communicated to the other Members or non-Member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 9

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to

all or any of his territories which have been made the subject of a declaration under the preceding paragraph and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 10

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

...

PROTOCOL TO THE CONVENTION

At the time of signing the Convention of this day's date on the stamp laws in connection with bills of exchange and promissory notes, the undersigned, duly authorised, have agreed upon the following provisions:

A

The Members of the League of Nations and the non-Member States which may not have been able to deposit their ratifications of the said Convention before September 1st, 1932, undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

B

If on November 1st, 1932, the conditions laid down in Article 5, paragraph 1, for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States which have signed the Convention or acceded to it.

The purpose of this meeting shall be to examine the situation and any measures to be taken to meet it.

C

The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken by them in execution of the Convention in their respective territories.

D

1. It is agreed that, in so far as concerns the United Kingdom of Great Britain and Northern Ireland, the only instruments to which the provisions of this Convention shall apply are bills of exchange presented for acceptance or accepted or payable elsewhere than in the United Kingdom.

2. A similar limitation shall apply in the case of any colonies, protectorates or territories under suzerainty or mandate of His Britannic Majesty to which the Convention may become applicable in virtue of Article 9, provided that a notification claiming such limitation is addressed to the Secretary-General of the League of Nations before the date on which the application of the Convention to such territory takes effect.

3. It is further agreed that in so far as concerns Northern Ireland the provisions of this Convention shall only apply with such modifications as may be found necessary.

4. The Government of any Member of the League of Nations or non-Member States which is ready to accede to the Convention under Article 4, but desires to be allowed the limitation specified in paragraph 1 above, may inform the Secretary-General of the League of Nations to this effect, and the Secretary-General shall forthwith communicate this notification to the Governments of all Members of the League and non-Member States on whose behalf the Convention has been signed or accessions thereto deposited and enquire if they have any objection thereto. If within six months of the date of the communication of the Secretary-General no objections have been received, the limitation shall be deemed to have been accepted.

In faith whereof the Plenipotentiaries have signed the present Protocol.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

...

Reservations and declarations

Australia

Including the territories of Papua and Norfolk Island and the mandated territories of New Guinea and Nauru.

It is agreed that, in so far as concerns the Commonwealth of Australia, the only instruments to which the provisions of this Convention shall apply are bills of exchange presented for acceptance or accepted or payable elsewhere than in the Commonwealth of Australia.

A similar limitation shall apply in the case of the Territories of Papua and Norfolk Island and the Mandated Territories of New Guinea and Nauru.

Cyprus

Maintaining the limitations contained in Section D of the Protocol to the Convention subject to which the Convention was made applicable to its territory before the attainment of independence.

Denmark

The Government of the King, by its acceptance of this Convention, does not intend to assume any obligations as regards Greenland.

Ireland

The Government of Ireland having informed the Secretary-General of the League of Nations of its desire to be allowed the limitation specified in paragraph 1 of Section D of the Protocol to this Convention, the Secretary-General has transmitted this desire to the interested States in application of paragraph 4 of the above-mentioned Section. No objection having been raised on the part of the said States, this limitation should be considered as accepted.

Switzerland

According to a declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising Sections XXIV to XXXIII of the Federal Code of Obligations, or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on July 1st, 1937, the Convention took effect, for Switzerland, as from that date.

United Kingdom of Great Britain and Northern Ireland

His Majesty does not assume any obligation in respect of any of his Colonies or Protectorates or any territories under mandate exercised by his Government in the United Kingdom.

CONVENTION PROVIDING A UNIFORM LAW FOR CHEQUES¹

Signed at Geneva, 19 March 1931

League of Nations, *Treaty Series*, vol. CXLIII, p. 357, No. 3316 (1933-1934)

...

Article I

The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the Uniform Law forming Annex I of the present Convention.

This undertaking shall, if necessary, be subject to such reservations as each High Contracting Party shall notify at the time of its ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

The reservations referred to in Articles 9, 22, 27 and 30 of the said Annex II may, however, be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, who shall forthwith communicate the text thereof to the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been ratified or acceded to. Such reservations shall not take effect until the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.

¹ The Convention entered into force on 1 January 1934.

The following States have deposited their ratifications (r), accessions (a), or notifications of succession (s) with the Secretary-General of the League of Nations (United Nations):

Austria	(r)	—	1 December	1958
Belgium	(r)	—	18 December	1961
Brazil	(a)	—	26 August	1942
Denmark	(r)	—	27 July	1932
Finland	(r)	—	31 August	1932
France	(a)	—	27 April	1936
Germany	(r)	—	3 October	1933
Greece	(r)	—	1 June	1934
Hungary	(a)	—	28 October	1964
Indonesia	(s)	—	9 March	1959
Italy	(r)	—	31 August	1933
Japan	(r)	—	25 August	1933
Luxembourg	(a)	—	1 August	1968
Monaco	(r)	—	9 February	1933
Netherlands				
<i>for the Kingdom in Europe</i>	(r)	—	2 April	1934
<i>for the Netherlands Indies and Curaçao</i>	(a)	—	30 September	1935
<i>for Surinam</i>	(a)	—	7 August	1936
Nicaragua	(a)	—	16 March	1932
Norway	(r)	—	27 July	1932
Poland	(a)	—	19 December	1936
Portugal	(r)	—	8 June	1934
Sweden	(r)	—	27 July	1932
Switzerland	(r)	—	26 August	1932

The following States have signed the Convention: Czechoslovakia, Ecuador, Mexico, Romania, Spain, Turkey, Yugoslavia.

Each of the High Contracting Parties may, in urgent cases, make use of the reservations contained in Articles 17 and 28 of the said Annex II, even after ratification or accession. In such cases, they must immediately notify direct all other High Contracting Parties and the Secretary-General of the League of Nations. The notification of these reservations shall take effect two days following its receipt by the High Contracting Parties.

Article II

In the territories of each of the High Contracting Parties, the Uniform Law shall not apply to cheques already issued at the time of the coming into force of the present Convention.

Article III

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until July 15th, 1931, on behalf of any Member of the League of Nations or non-member State.

Article IV

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1, 1933, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

Article V

As from July 15, 1931, any Member of the League of Nations and any non-member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

Article VI

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-member States, including therein three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles IV and V, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article VII

Every ratification or accession effected after the entry into force of the Convention in accordance with Article VI shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article VIII

Except in urgent cases, the present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of the Member of the League or non-member State denouncing it; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

In urgent cases a High Contracting Party which denounces the Convention shall immediately notify direct all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties. A High Contracting Party denouncing the Convention in these circumstances shall also inform the Secretary-General of the League of Nations of its decision.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article IX

Every Member of the League of Nations and every non-member State in respect of which the present Convention is in force may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of this Convention.

If such request, after being communicated to the other Members or non-member States between which the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article X

The High Contracting Parties may declare at the time of signature, ratification or accession, that it is not their intention in accepting the present Convention to assume any liability in respect of all or any of their colonies, protectorates or territories under suzerainty or mandate, in which case the present Convention shall not be applicable to the territories mentioned in such declaration.

The High Contracting Parties may at any time subsequently inform the Secretary-General of the League of Nations that they intend to apply the present Convention to all or any of their territories referred to in the declaration provided for in the preceding paragraph. In this case, the Convention shall apply to the territories referred to in the notification ninety days after its receipt by the Secretary-General of the League of Nations.

They further reserve the right to denounce it, in accordance with the conditions of Article VIII, on behalf of all or any of their colonies, protectorates or territories under suzerainty or mandate.

Article XI

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the nineteenth day of March, one thousand nine hundred and thirty-one, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-member States represented at the Conference.

...

*ANNEX I**Uniform Law on Cheques*

CHAPTER I. THE DRAWING AND FORM OF A CHEQUE

Article 1

A cheque contains:

1. The term "cheque" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
2. An unconditional order to pay a determinate sum of money;
3. The name of the person who is to pay (drawee);
4. A statement of the place where payment is to be made;
5. A statement of the date when and the place where the cheque is drawn;
6. The signature of the person who draws the cheque (drawer).

Article 2

An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a cheque, except in the cases specified in the following paragraphs:

In the absence of special mention, the place specified beside the name of the drawee is deemed to be the place of payment. If several places are named beside the name of the drawee, the cheque is payable at the first place named.

In the absence of these statements, and of any other indication, the cheque is payable at the place where the drawee has his principal establishment.

A cheque which does not specify the place at which it was drawn is deemed to have been drawn in the place specified beside the name of the drawer.

Article 3

A cheque must be drawn on a banker holding funds at the disposal of the drawer and in conformity with an agreement, express or implied, whereby the drawer is entitled to dispose of those funds by cheque. Nevertheless, if these provisions are not complied with, the instrument is still valid as a cheque.

Article 4

A cheque cannot be accepted. A statement of acceptance on a cheque shall be disregarded.

Article 5

A cheque may be made payable:

To a specified person with or without the express clause "to order", or
To a specified person, with the words "not to order" or equivalent words, or
To bearer.

A cheque made payable to a specified person with the words "or to bearer", or any equivalent words, is deemed to be a cheque to bearer.

A cheque which does not specify the payee is deemed to be a cheque to bearer.

Article 6

A cheque may be drawn to the drawer's own order.

A cheque may be drawn for account of a third person.

A cheque may not be drawn on the drawer himself unless it is drawn by one establishment on another establishment belonging to the same drawer.

Article 7

Any stipulation concerning interest which may be embodied in the cheque shall be disregarded.

Article 8

A cheque may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality, provided always that such third person is a banker.

Article 9

Where the sum payable by a cheque is expressed in words and also in figures, and there is any discrepancy, the sum denoted by the words is the amount payable.

Where the sum payable by a cheque is expressed more than once in words or more than once in figures, and there is any discrepancy, the smaller sum is the sum payable.

Article 10

If a cheque bears signatures of persons incapable of binding themselves by a cheque, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the cheque or on whose behalf it was signed, the obligations of the other persons who have signed it are none the less valid.

Article 11

Whosoever puts his signature on a cheque as representing a person for whom he had no power to act is bound himself as a party to the cheque and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 12

The drawer guarantees payment. Any stipulation by which the drawer releases himself from this guarantee shall be disregarded.

Article 13

If a cheque which was incomplete when issued has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the cheque in bad faith or, in acquiring it, has been guilty of gross negligence.

CHAPTER II. NEGOTIATION

Article 14

A cheque made payable to a specified person, with or without the express clause "to order", may be transferred by means of endorsement.

A cheque made payable to a specified person, in which the words "not to order" or any equivalent expression have been inserted, can only be transferred according to the form and with the effects of an ordinary assignment.

A cheque may be endorsed even to the drawer or to any other party to the cheque. These persons may re-endorse the cheque.

Article 15

An endorsement must be unconditional. Any condition to which it is made subject shall be disregarded.

A partial endorsement is null and void.

An endorsement by the drawee is also null and void.

An endorsement "to bearer" is equivalent to an endorsement in blank.

An endorsement to the drawee has the effect only of a receipt, except in the case where the drawee has several establishments and the endorsement is made in favour of an establishment other than that on which the cheque has been drawn.

Article 16

An endorsement must be written on the cheque or on a slip affixed thereto (*allonge*). It must be signed by the endorser.

The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank). In the latter case, the endorsement, to be valid, must be written on the back of the cheque or on the slip attached thereto (*allonge*).

Article 17

An endorsement transfers all the rights arising out of a cheque.

If the endorsement is in blank, the holder may:

(1) Fill up the blank either with his own name or with the name of some other person;

- (2) Re-endorse the cheque in blank or to some other person;
- (3) Transfer the cheque to a third person without filling up the blank and without endorsing it.

Article 18

In the absence of any contrary stipulation, the endorser guarantees payment. He may prohibit any further endorsement; in this case he gives no guarantee to the persons to whom the cheque is subsequently endorsed.

Article 19

The possessor of an endorsable cheque is deemed to be the lawful holder if he establishes his title to the cheque through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements shall be disregarded. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the cheque by the endorsement in blank.

Article 20

An endorsement on a cheque to bearer renders the endorser liable in accordance with the provisions governing the right of recourse; but it does not convert the instrument into a cheque to order.

Article 21

Where a person has, in any manner whatsoever, been dispossessed of a cheque (whether it is a cheque to bearer or an endorsable cheque to which the holder establishes his right in the manner mentioned in Article 19), the holder into whose possession the cheque has come is not bound to give up the cheque unless he has acquired it in bad faith or unless in acquiring it he has been guilty of gross negligence.

Article 22

Persons sued on a cheque cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder in acquiring the cheque has knowingly acted to the detriment of the debtor.

Article 23

When an endorsement contains the statement "value in collection" ("*valeur en recouvrement*") "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*"), or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the cheque, but he can endorse it only in his capacity as agent.

In this case the parties liable can only set up against the holder defences which could be set up against the endorser.

The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

Article 24

An endorsement after protest or after an equivalent declaration or after the expiration of the limit of time for presentment operates only as an ordinary assignment.

Failing proof to the contrary, an undated endorsement is deemed to have been placed on the cheque prior to the protest or equivalent declaration or prior to the expiration of the limit of time referred to in the preceding paragraph.

CHAPTER III. "AVALS"

Article 25

Payment of a cheque may be guaranteed by an "aval" as to the whole or part of its amount.

This guarantee may be given by a third person other than the drawee, or even by a person who has signed the cheque.

Article 26

An "aval" is given either on the cheque itself or on an "allonge".

It is expressed by the words "good as aval", or by any other equivalent formula. It is signed by the giver of the "aval".

It is deemed to be constituted by the mere signature of the giver of the "aval", placed on the face of the cheque, except in the case of the signature of the drawer.

An "aval" must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

Article 27

The giver of an "aval" is bound in the same manner as the person for whom he has become guarantor.

His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

He has, when he pays the cheque, the rights arising out of the cheque against the person guaranteed and against those who are liable to the latter on the cheque.

CHAPTER IV. PRESENTMENT AND PAYMENT

Article 28

A cheque is payable at sight. Any contrary stipulation shall be disregarded.

A cheque presented for payment before the date stated as the date of issue is payable on the day of presentment.

Article 29

A cheque payable in the country in which it was issued must be presented for payment within eight days.

A cheque issued in a country other than that in which it is payable must be presented within a period of twenty days or of seventy days, according as to whether the place of issue and the place of payment are situated respectively in the same continent or in different continents.

For the purposes of this article cheques issued in a European country and payable in a country bordering on the Mediterranean or *vice versa* are regarded as issued and payable in the same continent.

The date from which the above-mentioned periods of time shall begin to run shall be the date stated on the cheque as the date of issue.

Article 30

Where a cheque is drawn in one place and is payable in another having a different calendar, the day of issue shall be construed as being the corresponding day of the calendar of the place of payment.

Article 31

Presentment of a cheque at a clearing-house is equivalent to presentment for payment.

Article 32

The countermand of a cheque only takes effect after the expiration of the limit of time for presentment.

If a cheque has not been countermanded, the drawee may pay it even after the expiration of the time-limit.

Article 33

Neither the death of the drawer nor his incapacity taking place after the issue of the cheque shall have any effect as regards the cheque.

Article 34

The drawee who pays a cheque may require that it shall be given up to him receipted by the holder.

The holder may not refuse partial payment.

In case of partial payment the drawee may require that the partial payment shall be mentioned on the cheque and that a receipt shall be given to him.

Article 35

The drawee who pays an endorsable cheque is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 36

When a cheque is drawn payable in a currency which is not that of the place of payment, the sum payable may, within the limit of time for the presentment of the cheque, be paid in the currency of the country according to its value on the date of

payment. If payment has not been made on presentment, the holder may at his option demand that payment of the amount of the cheque in the currency of the country shall be made according to the rate on the day of presentment or on the day of payment.

The usages of the place of payment shall be applied in determining the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the cheque.

The foregoing rules shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in a foreign currency).

If the amount of the cheque is specified in a currency having the same denomination but a different value in the country of issue and the country of payment, reference is deemed to be made to the currency of the place of payment.

CHAPTER V. CROSSED CHEQUES AND CHEQUES PAYABLE IN ACCOUNT

Article 37

The drawer or holder of a cheque may cross it with the effects stated in the next article hereof.

A crossing takes the form of two parallel lines drawn on the face of the cheque. The crossing may be general or special.

The crossing is general if it consists of the two lines only or if between the lines the term "banker" or some equivalent is inserted; it is special if the name of a banker is written between the lines.

A general crossing may be converted into a special crossing, but a special crossing may not be converted into a general crossing.

The obliteration either of a crossing or of the name of the banker shall be regarded as not having taken place.

Article 38

A cheque which is crossed generally can be paid by the drawee only to a banker or to a customer of the drawee.

A cheque which is crossed specially can be paid by the drawee only to the named banker, or if the latter is the drawee, to his customer. Nevertheless, the named banker may procure the cheque to be collected by another banker.

A banker may not acquire a crossed cheque except from one of his customers or from another banker. He may not collect it for the account of other persons than the foregoing.

A cheque bearing several special crossings may not be paid by the drawee except in a case where there are two crossings, one of which is for collection through a clearing-house.

The drawee or banker who fails to observe the above provisions is liable for resulting damage up to the amount of the cheque.

Article 39

The drawer or the holder of a cheque may forbid its payment in cash by writing transversally across the face of the cheque the words "payable in account" ("*à porter en compte*") or a similar expression.

In such a case the cheque can only be settled by the drawee by means of book-entry (credit in account, transfer from one account to another, set off or clearing-house settlement). Settlement by book-entry is equivalent to payment.

Any obliteration of the words "payable in account" shall be deemed not to have taken place.

The drawee who does not observe the foregoing provisions is liable for resulting damage up to the amount of the cheque.

CHAPTER VI. RECOURSE FOR NON-PAYMENT

Article 40

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable if the cheque on presentment in due time is not paid, and if the refusal to pay is evidenced:

- (1) By a formal instrument (protest), or
- (2) By a declaration dated and written by the drawee on the cheque and specifying the day of presentment, or
- (3) By a dated declaration made by a clearing-house, stating that the cheque has been delivered in due time and has not been paid.

Article 41

The protest or equivalent declaration must be made before the expiration of the limit of time for presentment.

If the cheque is presented on the last day of the limit of time, the protest may be drawn up or the equivalent declaration made on the first business day following.

Article 42

The holder must give notice of non-payment to his endorser and to the drawer within the four business days which follow the day on which the protest is drawn up or the equivalent declaration is made or, in case of a stipulation (*retour sans frais*), the day of presentment. Every endorser must, within the two business days following the day on which he receives notice, inform his endorser of the notice which he has received, mentioning the names and addresses of those who have given the previous notices and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

When, in conformity with the preceding paragraph, notice is given to a person who has signed a cheque, the same notice must be given within the same limit of time to his *avaliseur*.

Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient if notice is given to the endorser preceding him.

The person who must give notice may give it in any form whatever, even by simply returning the cheque.

He must prove that he has given notice within the limit of time prescribed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the said time.

A person who does not give notice within the limit of time prescribed above does not forfeit his rights. He is liable for the damage, if any, caused by his negligence, but the amount of his liability shall not exceed the amount of the cheque.

Article 43

The drawer, an endorser, or an *avaliseur* may, by the stipulation "*retour sans frais*", "*sans protêt*", or any other equivalent expression written on the instrument and signed, release the holder from having a protest drawn up or an equivalent declaration made in order to exercise his right of recourse.

This stipulation does not release the holder from presenting the cheque within the prescribed limit of time, or from giving the requisite notices. The burden of proving the non-observance of the limit of time lies on the person who seeks to set it up against the holder.

If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the cheque; if it is written by an endorser or an *avaliseur*, it is operative only in respect of such endorser or *avaliseur*. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up or the equivalent declaration made, he must bear the expenses thereof. When the stipulation emanates from an endorser or *avaliseur*, the costs of the protest or equivalent declaration, if drawn up or made, may be recovered from all the persons who have signed the cheque.

Article 44

All the persons liable on a cheque are jointly and severally bound to the holder.

The holder has the right to proceed against all these persons individually or collectively without being compelled to observe the order in which they have become bound.

The same right is possessed by any person signing the cheque who has taken it up and paid it.

Proceedings against one of the parties liable do not prevent proceedings against the others, even though such other parties may be subsequent to the party first proceeded against.

Article 45

The holder may claim from the party against whom he exercises his right of recourse:

- (1) The unpaid amount of the cheque;
- (2) Interest at the rate of 6 % as from the date of presentment;
- (3) The expenses of the protest or equivalent declaration, and of the notices given as well as other expenses.

Article 46

A party who takes up and pays a cheque can recover from the parties liable to him:

- (1) The entire sum which he has paid;
- (2) Interest on the said sum calculated at the rate of 6 %, as from the day on which he made payment;
- (3) Any expenses which he has incurred.

Article 47

Every party liable against whom a right of recourse is, or may be, exercised, can require against payment, that the cheque shall be given up to him with the protest or equivalent declaration and a receipted account.

Every endorser who has taken up and paid a cheque may cancel his own endorsement and those of subsequent endorsers.

Article 48

Should the presentment of the cheque or the drawing up of the protest or the making of the equivalent declaration within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (*prescription légale*) by any State or other case of *vis major*), these limits of time shall be extended.

The holder is bound to give notice without delay of the case of *vis major* to his endorser and to make a dated and signed declaration of this notice, on the cheque or on an *allonge*; in other respects, the provisions of Article 42 shall apply.

When *vis major* has terminated, the holder must without delay present the cheque for payment and, if need be, procure a protest to be drawn up or an equivalent declaration made.

If *vis major* continues to operate beyond fifteen days after the date on which the holder, even before the expiration of the time-limit for presentment, has given notice of *vis major* to his endorser, recourse may be exercised and neither presentment nor a protest nor an equivalent declaration shall be necessary.

Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the cheque or the drawing up of the protest or the making of the equivalent declaration are not deemed to constitute cases of *vis major*.

CHAPTER VII. PARTS OF A SET

Article 49

With the exception of bearer cheques, any cheque issued in one country and payable in another or payable in a separate part overseas of the same country or *vice versa*, or issued and payable in the same or in different parts overseas of the same country, may be drawn in a set of identical parts. When a cheque is in a set of parts, each part must be numbered in the body of the instrument, failing which each part is deemed to be a separate cheque.

Article 50

Payment made on one part operates as a discharge, even though there is no stipulation that such payment shall render the other parts of no effect.

An endorser who has negotiated parts to different persons and also the endorsers subsequent to him are liable on all the parts bearing their signatures, which have not been given up.

CHAPTER VIII. ALTERATIONS

Article 51

In case of alteration of the text of a cheque, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

CHAPTER IX. LIMITATION OF ACTIONS

Article 52

Actions of recourse by the holder against the endorsers, the drawer and the other parties liable are barred after six months as from the expiration of the limit of time fixed for presentment.

Actions of recourse by the different parties liable for the payment of a cheque against other such parties are barred after six months as from the day on which the party liable has paid the cheque or the day on which he was sued thereon.

Article 53

Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

CHAPTER X. GENERAL PROVISIONS

Article 54

In the present law the word "banker" includes the persons or institutions assimilated by the law to bankers.

Article 55

The presentment or protest of a cheque may only take place on a business day.

When the last day of the limit of time prescribed by the law for performing any act relating to a cheque, and particularly for presentment or for the drawing up of a protest or the making of an equivalent declaration, is a legal holiday, the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays are included in computing limits of time.

Article 56

The limits of time stipulated in the present law shall not include the day on which the period commences.

Article 57

No days of grace, whether legal or judicial, are permitted.

ANNEX II

Article 1

Each of the High Contracting Parties may prescribe that the obligation to insert in cheques drawn in his territory the term "cheque", as laid down in Article 1, No. 1 of the Uniform Law, and the obligation stipulated in No. 5 of the said article to state the place where the cheque was drawn, shall not apply until six months after the entry into force of the present Convention.

Article 2

Each of the High Contracting Parties may, as regards undertakings entered into in respect of cheques in his own territory, determine in what manner an actual signature may be replaced by an authentic declaration written on the cheque which evidences the consent of the party who should have signed.

Article 3

By way of derogation from Article 2, paragraph 3, of the Uniform Law, each of the High Contracting Parties may prescribe that a cheque which does not specify the place of payment shall be regarded as payable at the place where it was drawn.

Article 4

Each of the High Contracting Parties reserves the right, with regard to cheques issued and payable in his territory, to decide that instruments drawn on persons other than bankers or persons or institutions assimilated by the law to bankers, shall not be valid as cheques.

Each of the High Contracting Parties also reserves the right to embody Article 3 of the Uniform Law in his national law in the form and in the terms best suited to the use he may make of the provisions of the preceding paragraph.

Article 5

Each of the High Contracting Parties may determine the moment at which the drawer must have funds available with the drawee.

Article 6

Each of the High Contracting Parties may provide that a drawee may write on the cheque a statement of certification, confirmation, visa, or other equivalent declaration, provided that such declaration shall not operate as an acceptance, and may also determine the legal effects thereof.

Article 7

By way of derogation from Articles 5 and 14 of the Uniform Law, each of the High Contracting Parties reserves the right to prescribe, as regards cheques payable in his territory, and marked "not transferable", that a cheque of this description may be paid only to the holder who has received it thus marked.

Article 8

Each of the High Contracting Parties reserves the right to determine whether, apart from the cases referred to in Article 6 of the Uniform Law, a cheque may be drawn on the drawer himself.

Article 9

By way of derogation from Article 6 of the Uniform Law, each of the High Contracting Parties, whether as a general rule he allows cheques to be drawn on the drawer himself (Article 8 of the present Annex), or whether he allows such cheques to be drawn

only in the case of businesses with several establishments (Article 6 of the Uniform Law), reserves the right to prohibit the issue of cheques of this kind to bearer.

Article 10

By way of derogation from Article 8 of the Uniform Law, each of the High Contracting Parties reserves the right to allow a cheque to be made payable at the domicile of a third person other than a banker.

Article 11

Each of the High Contracting Parties reserves the right not to embody Article 13 of the Uniform Law in his national law.

Article 12

Each of the High Contracting Parties reserves the right not to apply Article 21 of the Uniform Law so far as bearer cheques are concerned.

Article 13

By way of derogation from Article 26 of the Uniform Law, each of the High Contracting Parties has the right to decide that an "aval" may be given in his territory by a separate instrument specifying the place in which the instrument has been executed.

Article 14

Each of the High Contracting Parties reserves the right to prolong the time-limit provided for in the first paragraph of Article 29 of the Uniform Law and to fix the limits of time for presentment as regards the territories under his sovereignty or authority.

Each of the High Contracting Parties, by way of derogation from Article 29, paragraph 2, of the Uniform Law, reserves the right to prolong the time-limits provided for in the said paragraph for cheques issued and payable in different continents or in different countries in a continent other than Europe.

Two or more of the High Contracting Parties may agree, as regards cheques issued and payable in their respective territories, to modify the time-limits provided for in Article 29, paragraph 2, of the Uniform Law.

Article 15

For the purpose of giving effect to Article 31 of the Uniform Law, each of the High Contracting Parties may determine the institutions which according to his national law are to be regarded as clearing-houses.

Article 16

By way of derogation from Article 32 of the Uniform Law, each of the High Contracting Parties reserves the right in regard to cheques payable in his territory:

(a) To allow the countermand of a cheque even before the expiration of the limit of the time for presentment;

(b) To prohibit the countermand of a cheque even after the expiration of the limit of time for presentment.

Furthermore, each of the High Contracting Parties may determine the measures to be taken in case of the loss or theft of a cheque, and may regulate the legal consequences thereof.

Article 17

Each of the High Contracting Parties may, if he deems it necessary, in exceptional circumstances connected with the rate of exchange of the currency of his country, derogate from the stipulation contained in Article 36 of the Uniform Law for effective payment in foreign currency as regards cheques payable in his territory. The above rule may also be applied as regards the issue in the national territory of cheques payable in foreign currency.

Article 18

Each of the High Contracting Parties reserves the right, by way of derogation from Articles 37, 38, and 39 of the Uniform Law, to recognise in his national law only crossed cheques or only cheques payable in account. Nevertheless, crossed cheques and cheques payable in account issued abroad and payable in the territory of each of the High Contracting Parties shall be treated as cheques payable in account and as crossed cheques respectively.

Each of the High Contracting Parties may also determine the wording which, under its national law, shall indicate that the cheque is a cheque payable in account.

Article 19

The question whether the holder has special rights to the cover and the consequences of these rights remain outside the scope of the Uniform Law.

The same applies to any other question concerning the legal relations on the basis of which the cheque is issued.

Article 20

Each of the High Contracting Parties reserves the right not to make it a condition for the exercise of the right of recourse against the drawer that the cheque must be presented and the protest drawn up or an equivalent declaration made within due time, and to determine the effects of this recourse.

Article 21

Each of the High Contracting Parties reserves the right to prescribe, as regards cheques payable in his territory, that the declaration of the refusal of payment stipulated in Articles 40 and 41 of the Uniform Law as a condition of the preservation of the right of recourse must in each and every case take the form of a protest to the exclusion of any equivalent declaration.

Each of the High Contracting Parties may also prescribe that the declarations provided for in Nos. 2 and 3 of Article 40 of the Uniform Law must be entered in a public register within the limit of time fixed for the protest.

Article 22

By way of derogation from Article 42 of the Uniform Law, each of the High Contracting Parties may maintain or introduce the following system of notification by the

public official—viz., that, when drawing up the protest, the notary or official who, under the national law, is authorised to draw up the protest is required to give notice in writing to the persons liable on the cheque whose addresses are specified in the cheque or are known to the public official drawing up the protest, or are specified by the persons demanding the protest. The expenses of such notice shall be added to the expenses of the protest.

Article 23

Each of the High Contracting Parties may prescribe, as regards cheques which are both issued and payable in his territory, that the rate of interest mentioned in Article 45, No. 2, and in Article 46, No. 2, of the Uniform Law may be replaced by the legal rate in force in his territory.

Article 24

By way of derogation from Article 45 of the Uniform Law, each of the High Contracting Parties reserves the right to insert in his national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission the amount of which shall be determined by that law.

By way of derogation from Article 46 of the Uniform Law, the same applies to a person who, having taken up and paid the cheque, claims the amount from the parties liable to him.

Article 25

Each of the High Contracting Parties is free to decide that, in the event of forfeiture of rights or limitation of actions, proceedings may be taken in his territory against a drawer who has not provided cover or against a drawer or endorser who has made an inequitable gain (*condictiones*).

Article 26

It is for the legislation of each of the High Contracting Parties to determine the causes of interruption or suspension of limitation in the case of actions on cheques which are brought before his courts.

The other High Contracting Parties may determine the conditions under which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation laid down in Article 52, paragraph 2, of the Uniform Law.

Article 27

Each of the High Contracting Parties may prescribe that certain business days shall be assimilated to legal holidays as regards the limit of time for presentment and all acts relating to cheques.

Article 28

Each of the High Contracting Parties may enact exceptional measures of a general nature relating to the postponement of payment and to the limits of time for conservatory measures in relation to recourse (*actes conservatoires des recours*).

Article 29

For the purpose of giving effect to the Uniform Law, it is within the competence of each of the High Contracting Parties to determine what persons are to be regarded as bankers and what persons or institutions are, in view of the nature of their activities, to be assimilated to bankers.

Article 30

Each of the High Contracting Parties reserves the right to exclude the application of the Uniform Law in whole or in part in regard to postal cheques, and in regard to the special cheque of banks of issue or of public revenue offices or of public credit institutions, in so far as the instruments mentioned above are subject to special regulations.

Article 31

Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party in virtue of Articles 1 to 13, 14 (paragraphs 1 and 2), 15 and 16, 18 to 25, 27, 29 and 30 of the present Annex.

...

Reservations and declarations

Austria

The ratification by the Government of Austria is made subject to the reservations contained in articles 6, 14, 15, 16 (paragraph 2), 17, 18, 23, 24, 25, 26, 27, 28, 29 and 30 of Annex II to the Convention.

In a communication received on 26 November 1968, the Government of Austria, with reference to the reservations provided for in article 27 of Annex II to the Convention, specified legal holidays or days assimilated to such holidays as regards the limit of time for presentment and all acts relating to cheques. For the list of holidays see p. 265.

Belgium

With a declaration that, in accordance with article X of the Convention, the Government of Belgium does not intend to assume any obligations in respect of the Trust Territory of Ruanda-Urundi. Moreover the Government of Belgium reserves its right to avail itself of all the provisions of Annex II to the Convention.

Brazil

This accession is given subject to the reservations mentioned in articles 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 23, 25, 26, 29 and 30 of Annex II to the Convention.

Denmark

The undertaking of the Government of the King to introduce in Denmark the Uniform Law forming Annex I to this Convention is subject to the reservations referred to in articles 4, 6, 9, 14, paragraph 1, 16 (a), 18, 25, 26, 27 and 29 of Annex II to the said Convention.

See pp. 265-266 for the notification by Denmark, which also applies to this Convention.

Finland

This ratification is subject to the reservations mentioned in Articles 4, 6, 9, 14, paragraph 1, 16 (a), 18 and 27 of Annex II to this Convention, and Finland has availed itself of the right granted to the High Contracting Parties by Articles 25, 26 and 29 of the said Annex to legislate on the matters referred to therein.

See p. 266 for the notification by Finland, which also applies to this Convention.

France

Declares that articles 1, 2, 4, 5, 6, 9, 11, 12, 13, 15, 16, 18, 19, 21, 22, 23, 25, 26, 27, 28, 29, 30 and 31 of Annex II to this Convention are being applied.

The Minister for Foreign Affairs of the French Republic informed the Secretary-General, by a communication received at the Secretariat in October 20th, 1937, that, in consequence of certain changes introduced into French legislation regarding the maturity of commercial bills by the Decree-Law of 31 August 1937, and in application of article 27 of Annex II to the Convention and article II of the Final Act of the Conference by which it was adopted, no payment whatsoever, in respect of a bill, draft cheque, current account, deposit of funds or securities or otherwise, may be demanded and no protest may be drawn up on Saturdays or Mondays, which for these purposes only, are assimilated to legal holidays.

Germany

This ratification is given subject to the reservations mentioned in articles 6, 14, 15, 16, paragraph 2, 18, 23, 24, 25, 26 and 29 of Annex II to the Convention.

Greece

Subject to the following conditions:

- A. The Hellenic Government does not avail itself of the reservations provided in articles 1, 2, 5-8, 10-14, 16, paragraph 1 (a) and (b), 18, paragraph 1, 19-22, 24 and 26, paragraph 2, of Annex II.
- B. The Hellenic Government avails itself of the following reservations provided in Annex II:
 - (1) The reservation in article 3, paragraph 3 of article 2 of the Uniform Law being replaced by the words: "A cheque which does not specify the place of payment shall be regarded as payable at the place where it was drawn".
 - (2) The reservation in article 4, the following paragraph being added to article 3: "A cheque issued and payable in Greece shall not be valid as a cheque unless it is drawn on a banking Company or Greek legal person having the status of an institution of public law, engaging in banking business".
 - (3) The reservation in article 9, the following provision being added to paragraph 3 of article 6 of the Uniform Law: "But in such exceptional case the issue of the cheque to bearer is prohibited".
 - (4) The reservation in article 15, the following paragraph being added to article 31 of the Uniform Law: "By presidential decree, promulgated at the instance of the Ministers of Justice and National Economy, it may be decided what institutions in Greece are to be regarded as clearing-houses."
 - (5) The reservation in the second paragraph of article 16, it being laid down that "provisions with regard to the loss or theft of cheques shall be embodied in Greek law".
 - (6) The reservation in article 17, the following paragraph being added at the end of article 35: "In exceptional circumstances connected with the rate of exchange of Greek currency, the effects of the stipulation contained in paragraph 3 of the present Article may be abrogated in each case by special legislation as regards cheques payable in Greece. The above provision may also be applied as regards cheques issued in Greece."

- (7) The reservation in article 23, the following being added to No. 2 in article 45, of the Uniform Law: "which, however, in the case of cheques issued and payable in Greece, shall be calculated in each case at the legal rate of interest in force in Greece". Similarly, the following is added to No. 2. of article 46 of the Uniform Law: "except in the special case dealt with in No. 2 of the preceding Article".
- (8) The reservation in article 25, the following article being added to the National Law: "In the event of forfeiture of the bearer's rights or limitation of the right of action, proceedings may be taken against the drawer or endorser on the ground of his having made an inequitable gain. The right to take such proceedings lapses after three years from the date of the issue of the cheque."
- (9) The reservation in the first paragraph of article 26, a provision being enacted to the following effect: "The causes of interruption or suspension of limitation of actions enacted in the present law shall be governed by the rules regarding limitation and short-term limitation of actions."
- (10) The reservation in article 27, a separate article being appended in the following terms: "Legal holidays within the meaning of the present law shall be all Sundays and all full days of rest observed by public offices."
- (11) The reservation in article 28 and the reservation in article 29.
- (12) The reservation in article 30.

Hungary

In accordance with article 30 of Annex II to the Convention, the Hungarian People's Republic declares that the Uniform Law for Cheques shall not be applicable to the special kinds of cheques used in inland trade between Socialist economic organizations.

In a communication received on 5 January 1966, the Government of Hungary, with reference to the third paragraph of article I of the Convention and article 27 of Annex II to the Convention, notified the Secretary-General that "in respect of cheques, no payment may be demanded in Hungary on legal holidays". For list of holidays, see p. 179.

Italy

In accordance with article I of this Convention, the Royal Italian Government intends to avail itself of the rights provided in articles 2, 3, 4, 5, 6, 7, 9, 10, 14, 16, paragraph 2, 23, 25, 26, 29 and 30 of Annex II.

In connection with article 15 of Annex II to this Convention, the institutions referred to in the said article are, in Italy, solely the "Stanze di compensazione".

Japan

By application of article I, paragraph 2, of the Convention, this ratification is subject to the benefit of the provisions mentioned in Annex II to this Convention.

Netherlands

for the kingdom in Europe

This ratification is subject to the reservations mentioned in Annex II to the Convention.

for the Netherlands Indies and Curaçao

Subject to the reservations mentioned in Annex II to the Convention.

for Surinam

Subject to the reservations mentioned in Annex II to the Convention.

Norway

This ratification is subject to the reservations mentioned in articles 4, 6, 9, 14, paragraph 1, 16 (a) and 18 of Annex II to the Convention, and the Royal Norwegian Government reserves

the right, at the same time, to avail itself of the right, granted to each of the High Contracting Parties by articles 25, 26, 27 and 29 of the said Annex, to legislate on the matters referred to therein.

In a communication received on 15 April 1970, the Government of Norway notified the Secretary-General that as from 1 June 1970, legislation would be promulgated in Norway assimilating Saturdays and the first day of the month of May to legal holidays.

Poland

This accession is given subject to the reservations mentioned in articles 3, 4, 5, 8, 9, 14, paragraph 1, 15, 16, paragraph 1 (a), 16, paragraph 2, 17, 23, 24, 25, 26, 28, 29 and 30 of Annex II to the Convention.

Sweden

This ratification is subject to the reservations mentioned in articles 4, 6, 9, 14, paragraph 1, 16 (a) and 18 of Annex II to the Convention, and the Royal Swedish Government has availed itself of the right granted to the High Contracting Parties by articles 25, 26 and 29 of the said Annex to legislate on the matters referred to therein.

See p. 180, for the notification by Sweden, which also applies to this Convention.

Switzerland

This ratification is given subject to the reservations mentioned in articles 2, 4, 8, 15, 16, paragraph 2, 19, 24, 25, 26, 27, 29 and 30 of Annex II.

According to the declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising Sections XXIV to XXXIII of the Federal Code of Obligations or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on 1 July 1937, the Convention took effect, for Switzerland, as from that date.

CONVENTION FOR THE SETTLEMENT OF CERTAIN CONFLICTS OF LAWS IN CONNECTION WITH CHEQUES¹

Signed at Geneva, 19 March 1931

League of Nations, *Treaty Series*, vol. CXLIII, p. 409, No. 3317 (1933-1934)

...

Article 1

The High Contracting Parties mutually undertake to apply, for the settlement of the conflicts of laws hereinafter mentioned, in connection with cheques, the rules set out in the following Articles.

Article 2

The capacity of a person to bind himself by a cheque shall be determined by his national law. If this national law provides that the law of another country is competent in the matter, this latter law shall be applied.

A person who lacks capacity, according to the law specified in the preceding paragraph, is nevertheless bound if his signature has been given in any territory in which, according to the law in force there, he would have the requisite capacity.

¹ The Convention entered into force on 1 January 1934.

The following States have deposited their ratifications (r), accessions (a), or notifications of succession (s) with the Secretary-General of the League of Nations (United Nations):

Austria	(r)	—	1 December	1958
Belgium	(r)	—	18 December	1961
Brazil	(a)	—	26 August	1942
Denmark	(r)	—	27 July	1932
Finland	(r)	—	31 August	1932
France	(a)	—	27 April	1936
Germany	(r)	—	3 October	1933
Greece	(r)	—	1 June	1934
Hungary	(a)	—	28 October	1964
Indonesia	(s)	—	9 March	1959
Italy	(r)	—	31 August	1933
Japan	(r)	—	25 August	1933
Luxembourg	(a)	—	1 August	1968
Monaco	(r)	—	9 February	1933
Netherlands				
<i>for the Kingdom in Europe</i>	(r)	—	2 April	1934
<i>for the Netherlands Indies and Curaçao</i>	(a)	—	30 September	1935
<i>for Surinam</i>	(a)	—	7 August	1936
Nicaragua	(a)	—	16 March	1932
Norway	(r)	—	27 July	1932
Poland	(a)	—	19 December	1936
Portugal	(r)	—	8 June	1934
Sweden	(r)	—	27 July	1932
Switzerland	(r)	—	26 August	1932

The following States have signed the Convention: Czechoslovakia, Ecuador, Mexico, Romania, Spain, Turkey, Yugoslavia.

Each of the High Contracting Parties may refuse to recognise the validity of a contract by means of a cheque entered into by one of his nationals which would not be deemed valid in the territory of the other High Contracting Parties otherwise than by means of the application of the preceding paragraph of the present Article.

Article 3

The law of the country in which the cheque is payable determines the persons on whom a cheque may be drawn.

If, under this law, the instrument is not valid as a cheque by reason of the person on whom it is drawn, the obligations arising out of the signatures affixed thereto in other countries whose laws provide otherwise shall nevertheless be valid.

Article 4

The form of any contract arising out of a cheque is regulated by the laws of the territory in which the contract has been signed. Nevertheless, it shall be sufficient if the forms prescribed by the law of the place of payment are observed.

If, however, the obligations entered into by means of a cheque are not valid according to the provisions of the preceding paragraph, but are in conformity with the laws of the territory in which a subsequent contract has been entered into, the circumstance that the previous contracts are irregular in form shall not invalidate the subsequent contract.

Each of the High Contracting Parties may prescribe that contracts by means of a cheque entered into abroad by one of his nationals shall be valid in respect of another of his nationals in his territory, provided that they are in the form laid down by the national law.

Article 5

The law of the country in whose territory the obligations arising out of a cheque have been assumed shall determine the effects of such obligations.

Article 6

The limits of time for the exercise of rights of recourse shall be determined for all signatories by the law of the place where the instrument was created.

Article 7

The law of the country in which the cheque is payable shall determine:

(1) Whether a cheque must necessarily be payable at sight or whether it can be drawn payable at a fixed period after sight, and also what the effects are of the post-dating of a cheque;

(2) The limit of time for presentment;

(3) Whether a cheque can be accepted, certified, confirmed or visaed, and what the effects are respectively of such acceptance, certification, confirmation or visa;

(4) Whether the holder may demand, and whether he is bound to accept, partial payment;

(5) Whether a cheque can be crossed or marked either with the words "payable in account" or with some equivalent expression, and what the effects are of such crossing or of the words "payable in account" or any equivalent expression;

(6) Whether the holder has special rights to the cover and what the nature is of these rights;

(7) Whether the drawer may countermand payment of a cheque or take proceedings to stop its payment (*opposition*);

(8) The measures to be taken in case of loss or theft of a cheque;

(9) Whether a protest or any equivalent declaration is necessary in order to preserve the right of recourse against the endorsers, the drawer and the other parties liable.

Article 8

The form of and the limits of time for protest, as well as the form of the other measures necessary for the exercise or preservation of rights concerning cheques, shall be regulated by the law of the country in whose territory the protest must be drawn up or the measures in question taken.

Article 9

Each of the High Contracting Parties reserves the right not to apply the principles of private international law contained in the present Convention so far as concerns:

(1) An obligation undertaken outside the territory of one of the High Contracting Parties;

(2) Any law which may be applicable in accordance with these principles and which is not a law in force in the territory of any High Contracting Party.

Article 10

In the territory of each of the High Contracting Parties the provisions of the present Convention shall not apply to cheques already issued at the time of the coming into force of the present Convention.

Article 11

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until July 15, 1931, on behalf of any Member of the League of Nations or non-Member State.

Article 12

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1933, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States on whose behalf the present Convention has been signed or acceded to.

Article 13

As from July 15, 1931, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all the Members of the League of Nations and to the non-Member States on whose behalf the present Convention has been signed or acceded to.

Article 14

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notification provided for in Articles 12 and 13, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article 15

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 14 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 16

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the Members of the League of Nations and to the non-Member States on whose behalf the present Convention has been signed or acceded to.

Each denunciation shall take effect only as regards the Member of the League of Nations or the non-Member State, on whose behalf it has been made.

Article 17

Every Member of the League of Nations and every non-Member State, in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request, after being communicated to the other Members or non-Member States between whom the Convention is at that time in force, is supported within one year

by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 18

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 19

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the nineteenth day of March, one thousand nine hundred and thirty-one, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

...

Reservations and declarations

Belgium

With a declaration that, in accordance with article 18 of the Convention, the Government of Belgium does not intend to assume any obligations in respect of the Trust Territory of Ruanda-Urundi.

Denmark

The Government of the King, by its acceptance of this Convention, does not intend to assume any obligations as regards Greenland.

Switzerland

According to a declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising Sections XXIV to XXXIII of the Federal Code of Obligations or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on 1 July 1937, the Convention took effect, for Switzerland, as from that date.

CONVENTION ON THE STAMP LAWS IN CONNECTION WITH CHEQUES ¹

Signed at Geneva, 19 March 1931

League of Nations, *Treaty Series*, vol. CXLIII, p. 9, No. 3301 (1933-1934)

...

Article 1

If their laws do not already make provision to this effect, the High Contracting Parties undertake to alter their laws in all the territories placed under their sovereignty or authority to which the present Convention is applicable, so that the validity of obligations arising out of a cheque or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

¹ The Convention entered into force on 29 November 1933.

The following States have deposited their ratifications (r), accessions (a), or notifications of succession (s) with the Secretary-General of the League of Nations (United Nations):

Australia	(a)	—	3 September 1938
Austria	(r)	—	1 December 1958
Belgium	(r)	—	18 December 1961
Brazil	(a)	—	26 August 1942
Cyprus	(s)	—	5 March 1968
Denmark	(r)	—	27 July 1932
Finland	(r)	—	31 August 1932
France	(a)	—	27 April 1936
Germany	(r)	—	3 October 1933
Greece	(r)	—	1 June 1934
Hungary	(a)	—	28 October 1964
Indonesia	(s)	—	9 March 1959
Ireland	(a)	—	10 July 1936
Italy	(r)	—	31 August 1933
Japan	(r)	—	25 August 1933
Luxembourg	(a)	—	1 August 1968
Malaysia	(s)	—	14 January 1960
Malta	(s)	—	6 December 1966
Monaco	(r)	—	9 February 1933
Netherlands			
<i>for the Kingdom in Europe</i>	(r)	—	2 April 1934
<i>for the Netherlands Indies and Curaçao,</i>	(a)	—	30 September 1935
<i>for Surinam</i>	(a)	—	7 August 1936
France-United Kingdom			
<i>New Hebrides</i>	(a)	—	16 March 1939
Nicaragua	(a)	—	16 March 1932
Norway	(r)	—	27 July 1932
Poland	(a)	—	19 December 1936
Portugal	(r)	—	8 June 1934
Sweden	(r)	—	27 July 1932
Switzerland	(r)	—	26 August 1932
United Kingdom of Great Britain and			
Northern Ireland	(r)	—	13 January 1932
<i>Barbados, Basutoland, Bechuanaland Protectorate, Bermuda, British Guiana, British Honduras, Ceylon, Cyprus, Fiji, Gambia (Colony and Protectorate), Gibraltar, Gold Coast [(a) Colony, (b) Ashanti, (c) Northern Territories, (d) Togoland under British</i>			

(Continued on next page.)

Nevertheless, the High Contracting Parties may suspend the exercise of the se rights until payment of the stamp duties they prescribe or of any penalties incurred. They may also decide that the quality and effects of an instrument "immediately executory" which, according to their legislation may be attributed to a cheque, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

Article 2

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until July 15th, 1931, on behalf of any Member of the League of Nations or non-member State.

Article 3

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1933, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

Article 4

As from July 15th, 1931, any Member of the League of Nations and any non-member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

Article 5

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-member

(Continued) *Mandate], Kenya (Colony and Protectorate), Malay States [(a) Federated Malay States: Negri Sembilan, Pahang, Perak, Selangor; (b) Unfederated Malay States: Johore, Kedah, Kelantan, Perlis, Trengganu, and Brunei], Malta, Northern Rhodesia, Nyasaland Protectorate, Palestine (excluding Trans-Jordan), Seychelles, Sierra Leone (Colony and Protectorate), Straits Settlements, Swaziland, Trinidad and Tobago, Uganda Protectorate, Windward Islands (Grenada, St. Lucia, St. Vincent)*

(a) — 18 July 1936

Bahamas, British Solomon Islands Protectorate, Falkland Islands and Dependencies, Gilbert and Ellice Islands Colony, Mauritius, Saint Helena and Ascension, Tanganyika Territory, Tonga, Trans-Jordan, Zanzibar

(a) — 7 September 1938

Jamaica, including the Turks and Caicos Islands and the Cayman Islands

(a) — 3 August 1939

Somaliland Protectorate

(a) — 3 August 1939

The following States have signed the Convention: Czechoslovakia, Ecuador, Mexico, Romania, Spain, Turkey, Yugoslavia.

States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notification provided for in Articles 3 and 4, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article 6

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 5 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 7

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

Each denunciation shall take effect only as regards the Member of the League of Nations or the non-member State, on whose behalf it has been made.

Article 8

Every Member of the League of Nations and every non-member State in respect of which the present Convention is in force may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request, after being communicated to the other Members or non-member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 9

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories

named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 10

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the nineteenth day of March one thousand nine hundred and thirty-one, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-member States represented at the Conference.

...

Reservations and declarations

Australia

Including the territories of Papua and Norfolk Island and the mandated territories of New Guinea and Nauru.

Belgium

With a declaration that, in accordance with article 9 of the Convention, the Government of Belgium does not intend to assume any obligations in respect of the Trust Territory of Ruanda-Urundi.

Denmark

The Government of the King, by its acceptance of this Convention, does not intend to assume any obligation as regards Greenland.

Switzerland

According to a declaration made by the Swiss Government when depositing the instrument of ratification of this Convention, the latter was to take effect, in respect of Switzerland, only after the adoption of a law revising Sections XXIV to XXXIII of the Federal Code of Obligations or, if necessary, of a special law regarding bills of exchange, promissory notes and cheques. The law above referred to having entered into force on July 1st, 1937, the Convention took effect, for Switzerland, as from that date.

United Kingdom of Great Britain and Northern Ireland

This ratification does not include any British Colony or Protectorate or any mandated territory in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom.

TREATY ON INTERNATIONAL COMMERCIAL TERRESTRIAL LAW¹

Signed at Montevideo, 19 March 1940

[*Excerpt—translation*²]

...

TITLE VI OF BILLS OF EXCHANGE AND OTHER INSTRUMENTS PAYABLE TO ORDER

ART. 23. The form of drafts, endorsements, acceptances, guaranties, protests, and acts necessary for the exercise or preservation of rights relating to bills of exchange, shall be governed by the law of the State in whose territory the said acts are executed.

ART. 24. If the obligations contracted in a bill of exchange are not valid under the law to which the preceding article refers, but do conform to the law of the State where an ulterior obligation has been contracted, the irregularity in the form of the said bill does not affect the validity of that obligation.

ART. 25. Juridical relations which arise between the drawer and the payee of a bill of exchange, as a result of the drawing thereof, shall be governed by the law of the place where the bill was drawn; those which result between the drawer and the drawee shall be governed by the law of the locality where the acceptance was to take place.

ART. 26. The obligations of the drawee with respect to the bearer and the exceptions which may favor the former, shall be regulated by the law of the locality where the acceptance took place.

ART. 27. The juridical effects which endorsement produces as between the endorser and the transferee shall depend upon the law of the place where the bill was negotiated or endorsed.

ART. 28. The juridical effects of acceptance by intervention shall be governed by the law of the State where the third party intervenes.

ART. 29. The time-limit for bringing an action of reëxchange is determined, for all the signers of a bill, by the law of the State in whose territory the obligation was created.

ART. 30. A bill of exchange drawn in currency without legal rate in the State where it is collectible, shall be honored in the currency of that State at the rate of exchange corresponding to the date of maturity.

If the debtor delays payment, the bearer may demand, according to his preference, that the amount of the bill be paid at the rate of exchange corresponding to the date of maturity, or that it be paid at the rate corresponding to the date of payment.

¹ The Treaty entered into force on 29 January 1958.

The following States have deposited their ratifications with the Government of Uruguay:

Argentina — 18 June 1965

Paraguay — 29 January 1958

Uruguay — 12 November 1942

The following States have signed the Treaty: Bolivia, Brazil, Colombia, Peru.

² *American Journal of International Law*, vol. 37, 1943, Supp., p. 132. Translators: J. Irizarry y Puente and Gwladys L. Williams. Reproduced with permission.

If the amount of the bill is specified in currency which has the same name but different values in the State of issue and in the place of payment, it is presumed that the specification refers to the currency of the latter.

The law of the place of payment determines the other conditions and circumstances of payment, such as maturity occurring on holidays, days of grace, etc.

ART. 31. The law of the State where the bill is to be paid determines the measures that should be taken in case of theft, loss, or destruction of the document, or circumstances rendering it materially useless.

ART. 32. The provisions set forth under this title govern, in so far as they are applicable, in regard to vouchers, banknotes, and other instruments payable to order.

ART. 33. The provisions set forth under this title also govern in regard to checks, with the following modifications:

The law of the State where the check is to be paid determines:

1. The time of presentation;
2. Whether or not the check can be accepted, crossed, certified or confirmed, and the effects of these operations;
3. The rights of the holder in regard to remittance of funds, and the nature of such funds;
4. The right of the drawer to revoke the check or to oppose payment;
5. The necessity of protest or some equivalent act, for the preservation of rights against the endorsers, the drawer, or other obligated parties;
6. Such other circumstances as relate to the modal attributes of the check.

ART. 34. Rights arising from bills of exchange, checks, and other instruments payable to order or to the bearer, and the validity of obligations originating in such instruments, are not subordinated to observance of the provisions contained in the laws relative to the stamp tax. However, the laws of the contracting States may suspend the exercise of the said rights until payment has been made of the tax and of such penalties as may have been incurred.

ART. 35. Questions arising between persons who have intervened in the negotiation of a bill of exchange, check, or other instrument payable to order or to the bearer, shall be laid before the judges of the place which was the domicile of the defendants on the date when they incurred the obligation, or which is their domicile at the time of the action.

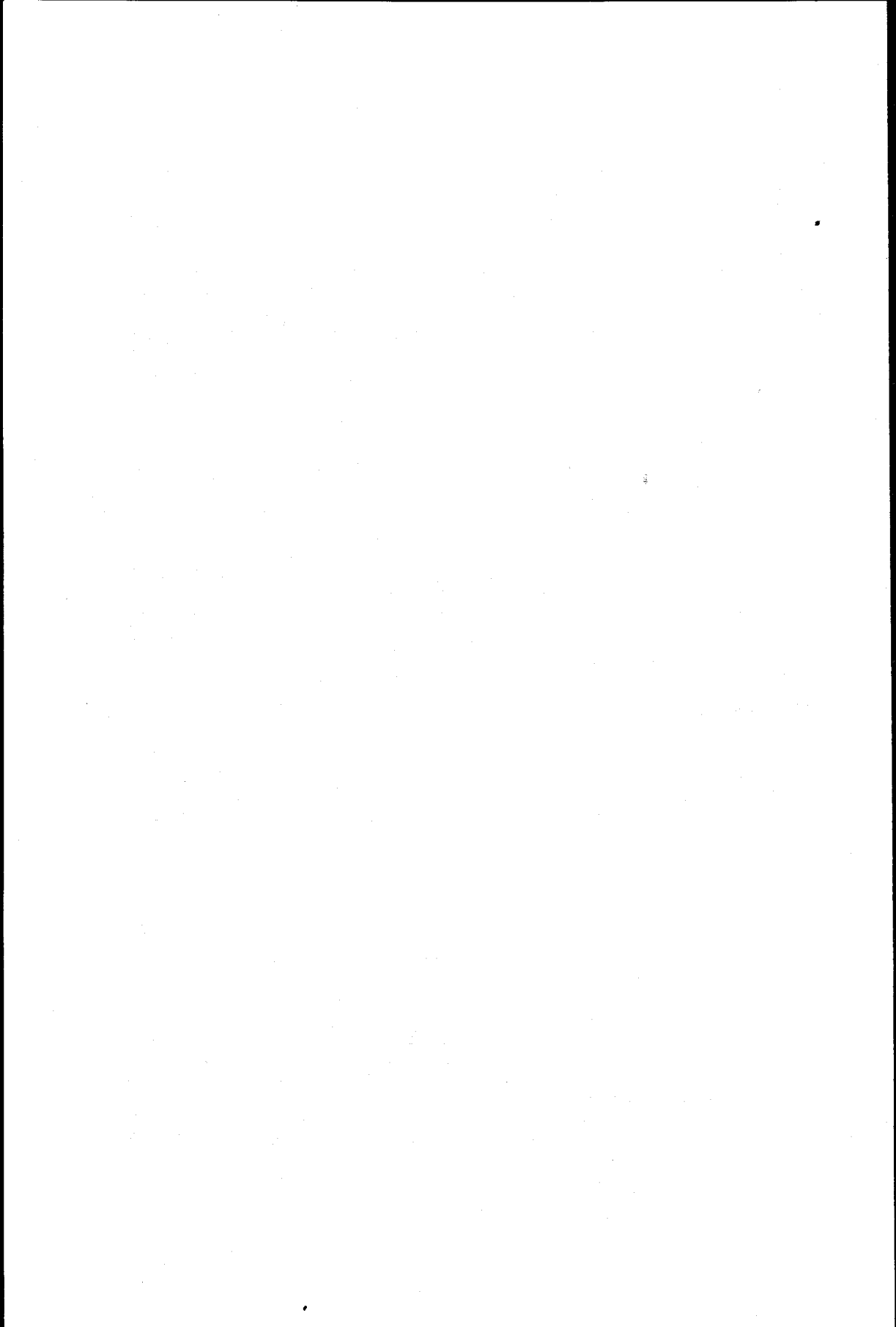
TITLE VII OF BONDS AND INSTRUMENTS PAYABLE TO BEARER

ART. 36. Formalities relative to bonds and other instruments payable to bearer, as well as the juridical effects of such instruments, are governed by the law in force within the State where these were issued.

ART. 37. Transfer of bonds and instruments payable to bearer is regulated by the law of the State where the transfer is effected.

ART. 38. The formalities and requirements which must be complied with, as well as the juridical effects which may result, in the cases contemplated in Article 31, are subject to the law of the debtor's domicile; and publicity may also be given to the matter in the other contracting States.

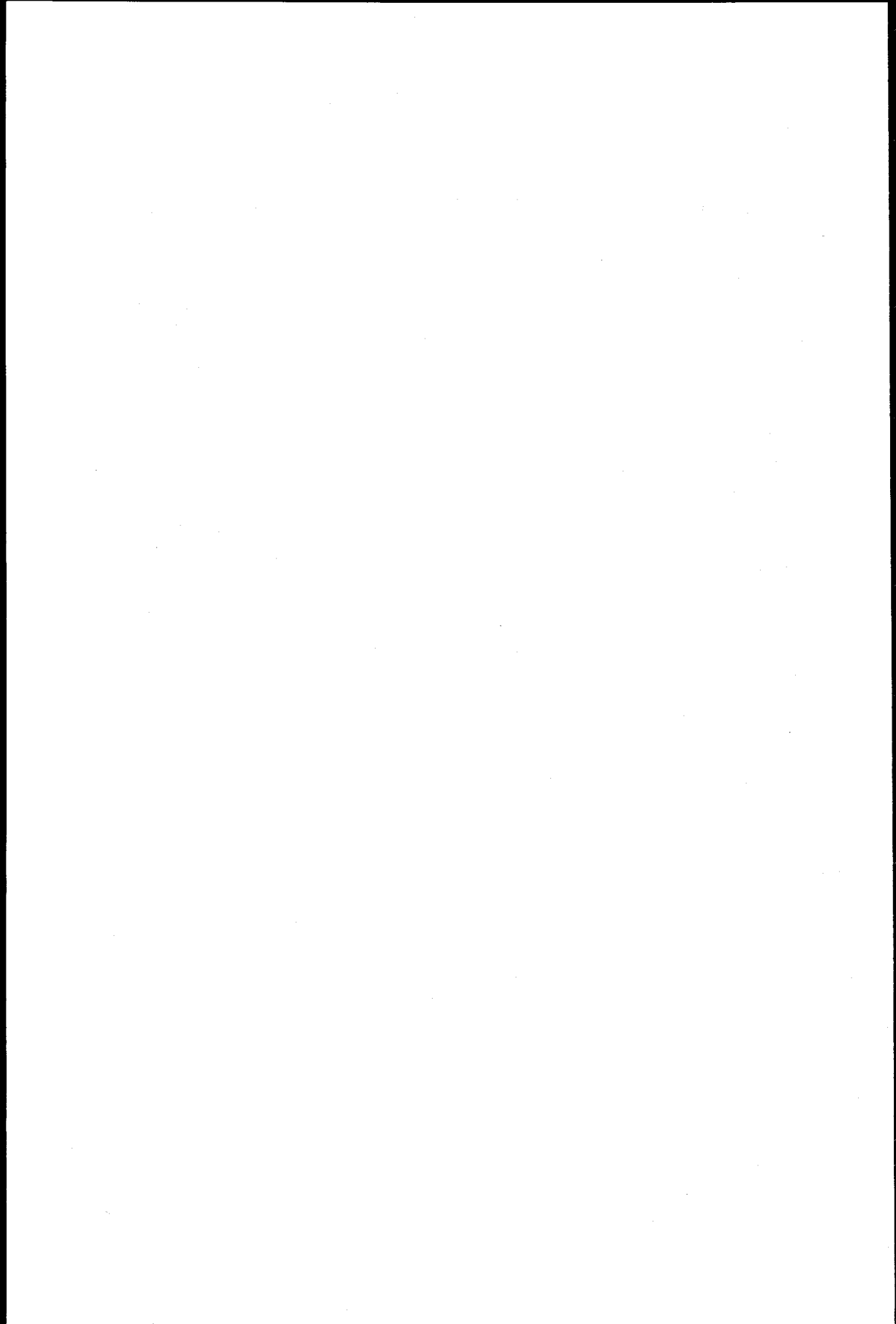
ART. 39. In the cases specified in Article 31, the rights of the third holder in regard to the bonds or commercial instruments in question are regulated by the law of the State where he acquired possession.



2. DRAFT CONVENTIONS AND SIMILAR INSTRUMENTS

DRAFT UNIFORM LAW FOR LATIN AMERICA ON COMMERCIAL DOCUMENTS. Prepared by the Institute for Latin American Integration of the Inter-American Development Bank. *Publication of the Organization of American States OEA/Ser. G/V, C-d-1589 (text in English and Spanish).* [The Council of the Organization of American States decided on 25 June 1968 to transmit the Draft Uniform Law for Latin America on Commercial Documents to the Inter-American Juridical Committee and requested the Committee to prepare the studies and draft convention it deems necessary for regulating the subject and to remit these studies and draft to the Council of the Organization for transmittal to the governments of the member states for consideration.]

The draft sets forth rules with respect to the following types of commercial documents: bills of exchange, promissory notes, cheques, corporate bonds, certificates of deposit and pledge bonds (notes issued for loans against goods in warehouse), waybills and bills of lading, exchange invoices. The Uniform Law sets forth provisions that must be included in the foregoing documents, the interpretation of standard provisions and their legal effect, and procedures and related rules for collection under these documents.



B. *Bankers' commercial credits*

UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1962 REVISION)¹

International Chamber of Commerce (ICC), brochure 222

GENERAL PROVISIONS AND DEFINITIONS

(a) These provisions and definitions and the following articles apply to all documentary credits and are binding upon all parties thereto unless otherwise expressly agreed.

(b) For the purposes of such provisions, definitions and articles the expressions "documentary credit(s)" and "credit(s)" used therein mean any arrangement, however named or described, whereby a bank (the issuing bank), acting at the request and in accordance with the instructions of a customer (the applicant for the credit), is to make payment to or to the order of a third party (the beneficiary) or is to pay, accept or negotiate bills of exchange (drafts) drawn by the beneficiary, or authorises such payments to be made or such drafts to be paid, accepted or negotiated by another bank, against stipulated documents and compliance with stipulated terms and conditions.

(c) Credits, by their nature, are separate transactions from the sales or other contracts on which they may be based and banks are in no way concerned with or bound by such contracts.

(d) Credit instructions and the credits themselves must be complete and precise and, in order to guard against confusion and misunderstanding, issuing banks should discourage any attempt by the applicant for the credit to include excessive detail.

(e) When the bank first entitled to avail itself of an option it enjoys under the following articles does so, its decision shall be binding upon all the parties concerned.

(f) A beneficiary can in no case avail himself of the contractual relationship existing between banks or between the applicant for the credit and the issuing bank.

A. FORM AND NOTIFICATION OF CREDITS

Article 1

Credits may be either

- (a) revocable, or
- (b) irrevocable.

All credits, therefore, should clearly indicate whether they are revocable or irrevocable.

¹ Adopted by the Council of the International Chamber of Commerce, November 1962.

In the absence of such indication the credit shall be deemed to be revocable, even though an expiry date is stipulated.

Article 2

A revocable credit does not constitute a legally binding undertaking between the bank or banks concerned and the beneficiary because such a credit may be modified or cancelled at any moment without notice to the beneficiary.

When, however, a revocable credit has been transmitted to and made available at a branch or other bank, its modification or cancellation shall become effective only upon receipt of notice thereof by such branch or other bank and shall not affect the right of that branch or other bank to be reimbursed for any payment, acceptance or negotiation made by it prior to receipt of such notice.

Article 3

An irrevocable credit is a definite undertaking on the part of an issuing bank and constitutes the engagement of that bank to the beneficiary or, as the case may be, to the beneficiary and bona fide holders of drafts drawn and/or documents presented thereunder, that the provisions for payment, acceptance or negotiation contained in the credit will be duly fulfilled, provided that all the terms and conditions of the credit are complied with.

An irrevocable credit may be advised to a beneficiary through another bank without engagement on the part of that other bank (the advising bank), but when an issuing bank authorises another bank to confirm its irrevocable credit and the latter does so, such confirmation constitutes a definite undertaking on the part of the confirming bank either that the provisions for payment or acceptance will be duly fulfilled or, in the case of a credit available by negotiation of drafts, that the confirming bank will negotiate drafts without recourse to drawer.

Such undertakings can neither be modified nor cancelled without the agreement of all concerned.

Article 4

When an issuing bank instructs a bank by cable, telegram or telex to notify a credit and the original letter of credit itself is to be the operative credit instrument, the issuing bank must send the original letter of credit, and any subsequent amendments thereto, to the beneficiary through the notifying bank.

The issuing bank will be responsible for any consequences arising from its failure to follow this procedure.

Article 5

When a bank is instructed by cable, telegram or telex to issue, confirm or advise a credit similar in terms to one previously established and which has been the subject of amendments, it shall be understood that the details of the credit being issued, confirmed or advised will be transmitted to the beneficiary excluding the amendments, unless the instructions specify clearly any amendments which are to apply.

Article 6

If incomplete or unclear instructions are received to issue, confirm or advise a credit, the bank requested to act on such instructions may give preliminary notification

of the credit to the beneficiary for information only and without responsibility; and in that case the credit will be issued, confirmed or advised only when the necessary information has been received.

B. LIABILITIES AND RESPONSIBILITIES

Article 7

Banks must examine all documents with reasonable care to ascertain that they appear on their face to be in accordance with the terms and conditions of the credit.

Article 8

In documentary credit operations all parties concerned deal in documents and not in goods.

Payment, acceptance or negotiation against documents which appear on their face to be in accordance with the terms and conditions of a credit by a bank authorised to do so, binds the party giving the authorisation to take up the documents and reimburse the bank which has effected the payment, acceptance or negotiation.

If, upon receipt of the documents, the issuing bank considers that they appear on their face not to be in accordance with the terms and conditions of the credit, that bank must determine, on the basis of the documents alone, whether to claim that payment, acceptance or negotiation was not effected in accordance with the terms and conditions of the credit.

If such claim is to be made, notice to that effect, stating the reasons therefor, must be given by cable or other expeditious means to the bank from which the documents have been received and such notice must state that the documents are being held at the disposal of such bank or are being returned thereto. The issuing bank shall have a reasonable time to examine the documents.

Article 9

Banks assume no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any documents, or for the general and/or particular conditions stipulated in the documents or superimposed thereon; nor do they assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods represented thereby, or for the good faith or acts and/or omissions, solvency, performance or standing of the consignor, the carriers or the insurers of the goods or any other person whomsoever.

Article 10

Banks assume no liability or responsibility for the consequences arising out of delay and/or loss in transit of any messages, letters or documents, or for delay, mutilation or other errors arising in the transmission of cables, telegrams or telex, or for errors in translation or interpretation of technical terms, and banks reserve the right to transmit credit terms without translating them.

Article 11

Banks assume no liability or responsibility for consequences arising out of the interruption of their business by strikes, lock-outs, riots, civil commotions, insurrections,

wars, Acts of God or any other causes beyond their control. Unless specifically authorised, banks will not effect payment, acceptance or negotiation after expiration under credits expiring during such interruption of business.

Article 12

Banks utilising the services of another bank for the purpose of giving effect to the instructions of the applicant for the credit do so for the account and at the risk of the latter.

They assume no liability or responsibility should the instructions they transmit not be carried out, even if they have themselves taken the initiative in the choice of such other bank.

The applicant for the credit shall be bound by and liable to indemnify the banks against all obligations and responsibilities imposed by foreign laws and usages.

C. DOCUMENTS

Article 13

All instructions to issue, confirm or advise a credit must state precisely the documents against which payment, acceptance or negotiation is to be made.

Terms such as "first class", "well known", "qualified" and the like shall not be used to describe the issuers of any documents called for under credits and if they are incorporated in the credit terms banks will accept documents as presented without further responsibility on their part.

DOCUMENTS EVIDENCING SHIPMENT OR DESPATCH (SHIPPING DOCUMENTS)

Article 14

Except as stated in Article 18, the date of the Bill of Lading, or date indicated in the reception stamp or by notation on any other document evidencing shipment or despatch, will be taken in each case to be the date of shipment or despatch of the goods.

Article 15

If the words "freight paid" or "freight prepaid" appear by stamp or otherwise on documents evidencing shipment or despatch they will be accepted as constituting evidence of the payment of freight.

If the words "freight prepayable" or "freight to be prepaid" or words of similar effect appear by stamp or otherwise on such documents they will not be accepted as constituting evidence of the payment of freight.

Unless otherwise specified in the credit or inconsistent with any of the documents presented under the credit, banks may honour documents stating that freight or transportation charges are payable on delivery.

Article 16

A clean shipping document is one which bears no superimposed clause or notation which expressly declares a defective condition of the goods and/or the packaging.

Banks will refuse shipping documents bearing such clauses or notations unless the credit expressly states clauses or notations which may be accepted.

MARINE BILLS OF LADING

Article 17

Unless specifically authorised in the credit, Bills of Lading of the following nature will be rejected:

- (a) Bills of Lading issued by forwarding agents.
- (b) Bills of Lading which are issued under and are subject to the conditions of a Charter-Party.
- (c) Bills of Lading covering shipment by sailing vessels.

However, unless otherwise specified in the credit, Bills of Lading of the following nature will be accepted:

- (a) "Port" or "Custody" Bills of Lading for shipments of cotton from the United States of America.
- (b) "Through" Bills of Lading issued by steamship companies or their agents even though they cover several modes of transport.

Article 18

Unless otherwise specified in the credit, Bills of Lading must show that the goods are loaded on board.

Loading on board may be evidenced by an on board Bill of Lading or by means of a notation to that effect dated and signed or initialled by the carrier or his agent, and the date of this notation shall be regarded as the date of loading on board and shipment.

Article 19

Unless transshipment is prohibited by the terms of the credit, Bills of Lading will be accepted which indicate that the goods will be transhipped en route, provided the entire voyage is covered by one and the same Bill of Lading.

Bills of Lading incorporating printed clauses stating that the carriers have the right to tranship will be accepted notwithstanding the fact that the credit prohibits transshipment.

Article 20

Banks will refuse a Bill of Lading showing the stowage of goods on deck, unless specifically authorised in the credit.

Article 21

Banks may require the name of the beneficiary to appear on the Bill of Lading as shipper or endorser, unless the terms of the credit provide otherwise.

OTHER SHIPPING DOCUMENTS, ETC.

Article 22

Banks will consider a Railway or Inland Waterway Bill of Lading or Consignment Note, Counterfoil Waybill, Postal Receipt, Certificate of Mailing, Air Mail Receipt, Air

Transportation Waybill, Air Consignment Note or Air Receipt, Trucking Company Bill of Lading or any other similar document as regular when such document bears the reception stamp of the carrier or issuer, or when it bears a signature.

Article 23

When a credit calls for an attestation or certification of weight in the case of transport other than by sea, banks will accept a weight stamp or any other official indication of weight on the shipping documents unless the credit calls for a separate or independent certificate of weight.

INSURANCE DOCUMENTS

Article 24

Insurance documents must be as specifically described in the credit, and must be issued and/or signed by insurance companies or their agents or by underwriters.

Cover notes issued by brokers will not be accepted, unless specifically authorised in the credit.

Article 25

Unless otherwise specified in the credit, banks may refuse any insurance documents presented if they bear a date later than the date of shipment as evidenced by the shipping documents.

Article 26

Unless otherwise specified in the credit, the insurance document must be expressed in the same currency as the credit.

The minimum amount for which insurance must be effected is the CIF value of the goods concerned. However, when the CIF value of the goods cannot be determined from the documents on their face, banks will accept as such minimum amount the amount of the drawing under the credit or the amount of the relative commercial invoice, whichever is the greater.

Article 27

Credits must expressly state the type of insurance required and, if any, the additional risks which are to be covered. Imprecise terms such as "usual risks" or "customary risks" shall not be used.

Failing specific instructions, banks will accept insurance cover as tendered.

Article 28

When a credit stipulates "insurance against all risks", banks will accept an insurance document which contains any "all risks" notation or clause, and will assume no responsibility if any particular risk is not covered.

Article 29

Banks may accept an insurance document which indicates that the cover is subject to a franchise, unless it is specifically stated in the credit that the insurance must be issued irrespective of percentage.

COMMERCIAL INVOICES

Article 30

Unless otherwise specified in the credit, commercial invoices must be made out in the name of the applicant for the credit.

Unless otherwise specified in the credit, banks may refuse invoices issued for amounts in excess of the amount permitted by the credit.

The description of the goods in the commercial invoice must correspond with the description in the credit. In the remaining documents the goods may be described in general terms.

OTHER DOCUMENTS

Article 31

When other documents are required, such as Warehouse Receipts, Delivery Orders, Consular Invoices, Certificates of Origin, of Weight, of Quality or of Analysis, etc., without further definition, banks may accept such documents as tendered, without responsibility on their part.

D. MISCELLANEOUS PROVISIONS
QUANTITY AND AMOUNT*Article 32*

The words "about", "circa" or similar expressions are to be construed as allowing a difference not to exceed 10 % more or 10 % less, applicable, according to their place in the instructions, to the amount of the credit or to the quantity or unit price of the goods.

Unless a credit stipulates that the quantity of the goods specified must not be exceeded or reduced, a tolerance of 3 % more or 3 % less will be permissible, always provided that the total amount of the drawings does not exceed the amount of the credit. This tolerance does not apply when the credit specifies quantity in terms of packing units or containers or individual items.

PARTIAL SHIPMENTS

Article 33

Partial shipments are allowed, unless the credit specifically states otherwise.

Shipments made on the same ship and for the same voyage, even if the Bills of Lading evidencing shipment "on board" bear different dates, will not be regarded as partial shipments.

Article 34

If shipment by instalments within given periods is stipulated and any instalment is not shipped within the period allowed for that instalment, the credit ceases to be available for that or any subsequent instalment, unless otherwise specified in the credit.

VALIDITY AND EXPIRY DATE

Article 35

All irrevocable credits must stipulate an expiry date for presentation of documents for payment, acceptance or negotiation, notwithstanding the indication of a latest date for shipment.

Article 36

The words "to", "until", "till" and words of similar import applying to the expiry date for presentation of documents for payment, acceptance or negotiation, or to the stipulated latest date for shipment, will be understood to include the date mentioned.

Article 37

When the stipulated expiry date falls on a day on which banks are closed for reasons other than those mentioned in Article 11, the period of validity will be extended until the first following business day.

This does not apply to the date for shipment which, if stipulated, must be respected.

Banks paying, accepting or negotiating on such extended expiry date must add to the documents their certification in the following wording:

"Presented for payment (or acceptance or negotiation as the case may be) within the expiry date extended in accordance with Article 37 of the Uniform Customs."

Article 38

The validity of a revocable credit, if no date is stipulated, will be considered to have expired six months from the date of the notification sent to the beneficiary by the bank with which the credit is available.

Article 39

Unless otherwise expressly stated, any extension of the stipulated latest date for shipment shall extend for an equal period the validity of the credit.

Where a credit stipulates a latest date for shipment, an extension of the period of validity shall not extend the period permitted for shipment unless otherwise expressly stated.

SHIPMENT, LOADING OR DESPATCH

Article 40

Unless the terms of the credit indicate otherwise, the words "departure", "despatch", "loading" or "sailing" used in stipulating the latest date for shipment of the goods will be understood to be synonymous with "shipment".

Expressions such as "prompt", "immediately", "as soon as possible" and the like should not be used. If they are used, banks will interpret them as a request for shipment within thirty days from the date on the advice of the credit to the beneficiary by the issuing bank or by an advising bank, as the case may be.

PRESENTATION

Article 41

Documents must be presented within a reasonable time after issuance. Paying, accepting or negotiating banks may refuse documents if, in their judgment, they are presented to them with undue delay.

Article 42

Banks are under no obligation to accept presentation of documents outside their banking hours.

DATE TERMS

Article 43

The terms "first half", "second half" of a month shall be construed respectively as from the 1st to the 15th, and the 16th to the last day of each month, inclusive.

Article 44

The terms "beginning", "middle" or "end" of a month shall be construed respectively as from the 1st to the 10th, the 11th to the 20th, and the 21st to the last day of each month, inclusive.

Article 45

When a bank issuing a credit instructs that the credit be confirmed or advised as available "for one month", "for six months" or the like, but does not specify the date from which the time is to run, the confirming or advising bank will confirm or advise the credit as expiring at the end of such indicated period from the date of its confirmation or advice.

E. TRANSFER

Article 46

A transferable credit is a credit under which the beneficiary has the right to give instructions to the bank called upon to effect payment or acceptance or to any bank entitled to effect negotiation to make the credit available in whole or in part to one or more third parties (second beneficiaries).

A credit can be transferred only if it is expressly designated as "transferable" by the issuing bank. Terms such as "divisible", "fractionable", "assignable" and "transmissible" add nothing to the meaning of the term "transferable" and shall not be used.

A transferable credit can be transferred once only. Fractions of a transferable credit (not exceeding in the aggregate the amount of the credit) can be transferred separately, provided partial shipments are not prohibited, and the aggregate of such transfers will be considered as constituting only one transfer of the credit. The credit can be transferred only on the terms and conditions specified in the original credit, with the exception

of the amount of the credit, of any unit price stated therein, and of the period of validity or period for shipment, any or all of which may be reduced or curtailed. Additionally, the name of the first beneficiary can be substituted for that of the applicant for the credit, but if the name of the applicant for the credit is specifically required by the original credit to appear in any document other than the invoice, such requirement must be fulfilled.

The first beneficiary has the right to substitute his own invoices for those of the second beneficiary, for amounts not in excess of the original amount stipulated in the credit and for the original unit prices stipulated in the credit, and upon such substitution of invoices the first beneficiary can draw under the credit for the difference, if any, between his invoices and the second beneficiary's invoices. When a credit has been transferred and the first beneficiary is to supply his own invoices in exchange for the second beneficiary's invoices but fails to do so on demand, the paying, accepting or negotiating bank has the right to deliver to the issuing bank the documents received under the credit, including the second beneficiary's invoices, without further responsibility to the first beneficiary.

The first beneficiary of a transferable credit can transfer the credit to a second beneficiary in the same country, but if he is to be permitted to transfer the credit to a second beneficiary in another country this must be expressly stated in the credit. The first beneficiary shall have the right to request that payment or negotiation be effected to the second beneficiary at the place to which the credit has been transferred, up to and including the expiry date of the original credit, and without prejudice to the first beneficiary's right subsequently to substitute his own invoices for those of the second beneficiary and to claim any difference due to him.

The bank requested to effect the transfer, whether it has confirmed the credit or not, shall be under no obligation to make such transfer except to the extent and in the manner expressly consented to by such bank, and until such bank's charges for transfer are paid.

Bank charges entailed by transfers are payable by the first beneficiary unless otherwise specified.

UNIFORM RULES FOR THE COLLECTION OF COMMERCIAL PAPER ¹

International Chamber of Commerce (ICC), brochure 254

GENERAL PROVISIONS AND DEFINITIONS

(a) These provisions and definitions and the following articles apply to all collections of commercial paper and are binding upon all parties thereto unless otherwise expressly agreed or unless contrary to the provisions of a national, state or local law and/or regulation which cannot be departed from.

(b) For the purpose of such provisions, definitions and articles:

(i) "commercial paper" consists of clean remittances and documentary remittances. "Clean remittances" means items consisting of one or more bills of exchange, whether already accepted or not, promissory notes, cheques, receipts, or other similar documents for obtaining the payment of money (there being neither invoices, shipping documents, documents of title, or other similar documents, nor any other documents whatsoever attached to the said items).

"Documentary remittances" means all other commercial paper, with documents attached to be delivered against payment, acceptance, trust receipt or other letter of commitment, free or on other terms and conditions.

(ii) The "parties thereto" are the principal who entrusts the operation of collection to his bank (the customer), the said bank (the remitting bank), and the correspondent commissioned by the remitting bank to see to the acceptance or collection of the commercial paper (the collecting bank).

(iii) The "drawee" is the party specified in the remittance letter as the one to whom the commercial paper is to be presented.

(c) All commercial paper sent for collection must be accompanied by a remittance letter giving complete and precise instructions. Banks are only permitted to act upon the instructions given in such remittance letter.

If the collecting bank cannot, for any reason, comply with the instructions given in the remittance letter received by it, it must advise the remitting bank immediately.

PRESENTATION

Article 1

Commercial paper is to be presented to the drawee in the form in which it is received from the customer, except that the collecting bank is to affix any necessary stamps, at the expense of the customer unless otherwise instructed.

Remitting and collecting banks have no obligation to examine the commercial paper or the accompanying documents if any, and assume no responsibility for the form and/or regularity thereof.

¹ Adopted by the Council of the International Chamber of Commerce, 14 May 1967.

Article 2

Commercial paper should bear the complete address of the drawee or of the domicile at which the collecting bank is to make the presentation. If the address is incomplete or incorrect, the collecting bank may, without obligation and responsibility on its part, endeavour to ascertain the proper address.

Article 3

In the case of commercial paper payable at sight the collecting bank must make presentation for payment without delay.

In the case of commercial paper payable at a usance other than sight the collecting bank must, where acceptance is called for, make presentation for acceptance without delay, and must, in every instance, make presentation for payment not later than the appropriate maturity date.

Article 4

In respect of a documentary remittance accompanied by a bill of exchange payable at a future date, the remittance letter should state whether the documents are to be released to the drawee against acceptance (D/A) or against payment (D/P.)

In the absence of instructions, the documents will be released only against payment.

PAYMENT

Article 5

In the case of commercial paper expressed to be payable in the currency of the country of payment (local currency) the collecting bank will only release the commercial paper to the drawee against payment in local currency which can immediately be disposed of in accordance with the instructions given in the remittance letter.

Article 6

In the case of commercial paper expressed to be payable in a currency other than that of the country of payment (foreign currency) the collecting bank will only release the commercial paper to the drawee against payment in the relative foreign currency which can immediately be remitted in accordance with the instructions given in the remittance letter.

Article 7

In respect of clean remittances partial payments may be accepted if and to the extent to which and on the conditions on which partial payments are authorized by the law in force in the place of payment. The clean remittance will only be released to the drawee when full payment thereof has been received.

In respect of documentary remittances partial payments will only be accepted if specifically authorized in the remittance letter, but unless otherwise instructed the collecting bank will only release the documents to the drawee after full payment has been received.

In all cases where partial payments are acceptable, either by reason of a specific authorization or in accordance with the provisions of this Article, such partial payments will be received and dealt with in accordance with the provisions of Articles 5 and 6.

ACCEPTANCE

Article 8

The collecting bank is responsible for seeing that the form of the acceptance appears to be complete and correct, but is not responsible for the genuineness of any signature or for the authority of any signatory to sign the acceptance.

PROTEST

Article 9

The remittance letter should give specific instructions regarding legal process in the event of non-acceptance or non-payment.

In the absence of such specific instructions the banks concerned with the collection are not responsible for any failure to have the commercial paper protested (or subjected to legal process in lieu thereof) for non-payment or non-acceptance.

The collecting bank is not responsible for the regularity of the form of the protest (or other legal process).

CASE-OF-NEED (CUSTOMER'S REPRESENTATIVE) AND PROTECTION OF GOODS

Article 10

If the customer nominates a representative to act as case-of-need in the event of non-acceptance and/or non-payment the remittance letter should clearly and fully indicate the powers of such case-of-need.

Whether a case-of-need is nominated or not, in the absence of specific instructions the collecting bank has no obligation to take any action in respect of the goods represented by a documentary remittance.

ADVICE OF FATE, ETC.

Article 11

The collecting bank is to send advice of payment or advice of acceptance, with appropriate detail, to the remitting bank without delay.

Article 12

The collecting bank is to send advice of non-payment or advice of non-acceptance, with appropriate detail, to the remitting bank without delay.

Article 13

In the absence of specific instructions the collecting bank is to send all advices or information to the remitting bank by quickest mail.

If, however, the collecting bank considers the matter to be urgent, it may advise by other quicker methods at the expense of the customer.

CHARGES AND EXPENSES

Article 14

If the remittance letter includes an instruction that collection charges and/or expenses are to be for account of the drawee and the drawee refuses to pay them, the collecting bank, unless expressly instructed to the contrary, may deliver the commercial paper against payment or acceptance as the case may be without collecting charges and/or expenses. In such a case collection charges and/or expenses will be for account of the customer.

Article 15

In all cases where in the express terms of a collection, or under these Rules, disbursements and/or expenses and/or collection charges are to be borne by the customer, the collecting bank is entitled to recover its outlay in respect of disbursements and expenses and its charges from the remitting bank and the remitting bank has the right to recover from the customer any amount so paid out by it, together with its own disbursements, expenses and charges.

LIABILITIES AND RESPONSIBILITIES

Article 16

Banks utilising the services of another bank for the purpose of giving effect to the instructions of the customer do so for the account of and at the risk of the latter.

Banks are free to utilise as the collecting bank any of their correspondent banks in the country of payment or acceptance as the case may be.

If the customer nominates the collecting bank, the remitting bank nevertheless has the right to direct the commercial paper to such nominated collecting bank through a correspondent bank of its own choice.

Article 17

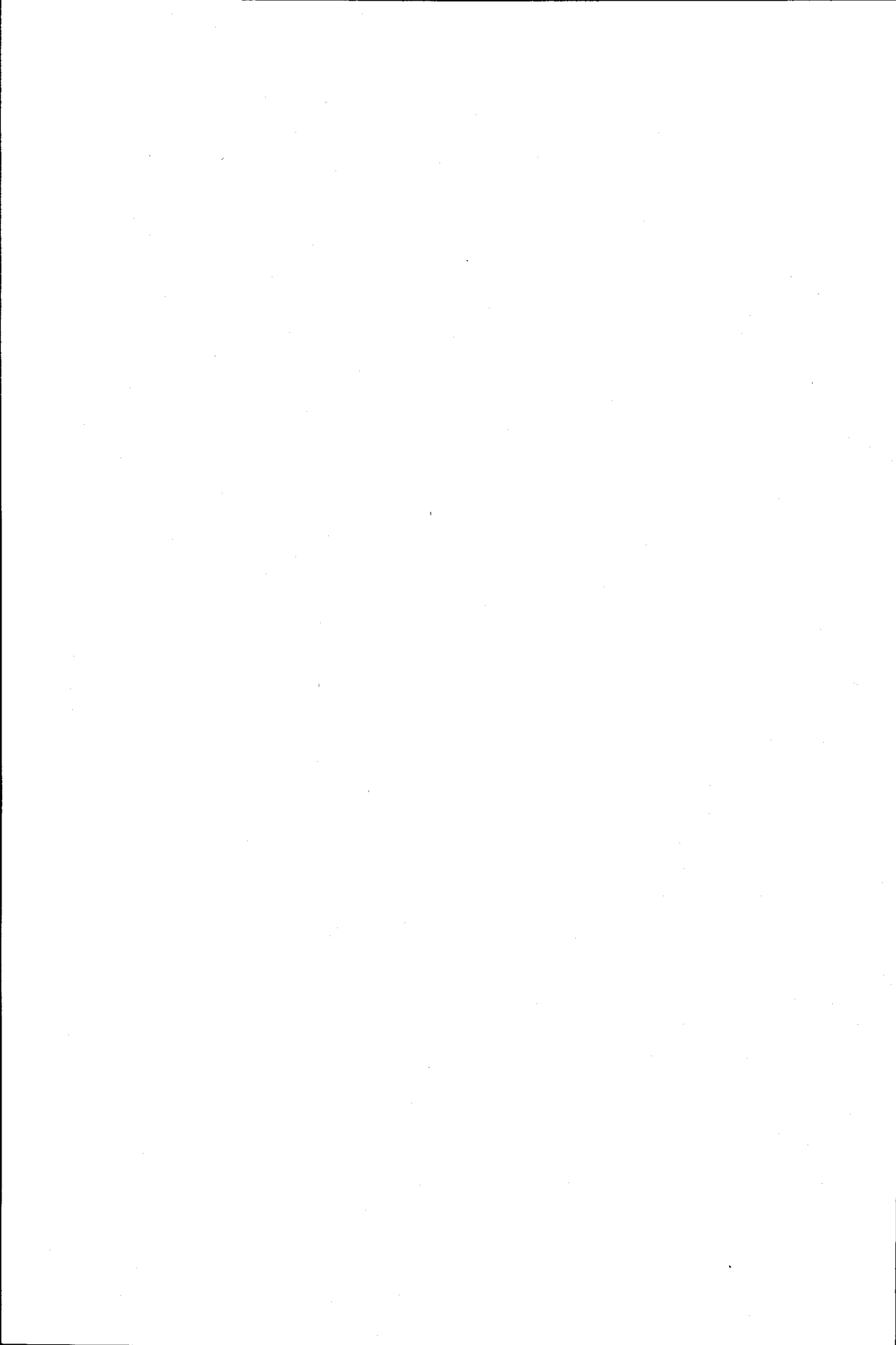
Banks concerned with a collection of commercial paper assume no liability or responsibility for the consequences arising out of delay and/or loss in transit of any messages, letters or documents, or for delay, mutilation or other errors arising in the transmission of cables, telegrams or telex, or for errors in translation or interpretation of technical terms.

Article 18

Banks concerned with a collection of commercial paper assume no liability or responsibility for consequences arising out of the interruption of their business by strikes, lock-outs, riots, civil commotions, insurrections, wars, Acts of God or any other causes beyond their control.

Article 19

In the event of goods being despatched direct to the address of a bank for delivery to a drawee against payment or acceptance or upon other terms without prior agreement on the part of that bank, the bank has no obligation to take delivery of the goods, which remain at the risk and responsibility of the party despatching the goods.



C. *Guarantees and securities*

INTERNATIONAL CONVENTION FOR THE UNIFICATION OF CERTAIN RULES RELATING TO MARITIME LIENS AND MORTGAGES ¹

Signed at Brussels, 10 April 1926 ²

[Translation ³]

...

Article 1

Mortgages, hypothecations, and other similar charges upon vessels, duly effected in accordance with the law of the contracting state to which the vessel belongs, and registered in a public register either at the port of the vessel's registry or a central office, shall be regarded as valid and respected in all the other contracting countries.

¹ The Convention entered into force on 2 June 1931.

The following States have deposited their ratifications (r) or accessions (a) with the Government of Belgium:

Algeria	(a)	—	13 April	1964
Argentina	(a)	—	19 April	1961
Belgium	(r)	—	2 June	1930
Brazil	(r)	—	23 April	1931
Democratic Republic of the Congo	(a)	—	17 July	1967
Estonia	(r)	—	2 June	1930
France	(r)	—	23 August	1935
Haiti	(a)	—	19 March	1965
Hungary	(r)	—	2 June	1930
Iran	(a)	—	8 September	1966
Italy	(r)	—	7 December	1949
Lebanon	(a)	—	18 March	1969
Madagascar	(r)	—	23 August	1935
Monaco	(a)	—	15 May	1931
Poland	(r)	—	26 October	1936
Portugal	(a)	—	24 December	1931
Romania	(r)	—	4 August	1937
Spain	(r)	—	2 June	1930
Switzerland	(a)	—	28 May	1954
Syria	(a)	—	14 February	1951
Turkey	(a)	—	4 July	1955

The following States have signed the Convention: Chile, Denmark, Germany, Japan, Mexico, Norway, Netherlands, Poland, United Kingdom of Great Britain and Northern Ireland, Sweden, Yugoslavia.

² Cf. International Convention for the Unification of Certain Rules relating to Maritime Liens and Mortgages, signed at Brussels on 27 May 1967, p. 379 below.

³ League of Nations, *Treaty Series*, vol. CXX, p. 189, No. 2765 (1931-1932). Translation taken from the Treaty Information Bulletin, No. 19, 1931, of the Department of State of the United States of America.

Article 2

The following give rise to maritime liens on a vessel, on the freight for the voyage during which the claim giving rise to the lien arises, and on the accessories of the vessel and freight accrued since the commencement of the voyage:

1. Law costs due to the state, and expenses incurred in the common interest of the creditors in order to preserve the vessel or to procure its sale and the distribution of the proceeds of sale; tonnage dues, light or harbor dues, and other public taxes and charges of the same character; pilotage dues; the cost of watching and preservation from the time of the entry of the vessel into the last port;
2. Claims arising out of the contract of engagement of the master, crew, and other persons hired on board;
3. Remuneration for assistance and salvage, and the contribution of the vessel in general average;
4. Indemnities for collision or other accident of navigation, as also for damage caused to works forming part of harbors, docks, and navigable ways; indemnities for bodily injury to passengers or crew; indemnities for loss of or damage to cargo or baggage;
5. Claims arising on contracts entered into or acts done by the master, acting within the scope of his authority, away from the vessel's home port, where such contracts or acts are necessary for the preservation of the vessel or the continuation of its voyage, whether the master is or is not at the same time owner of the vessel, and whether the claim is his own or that of ship-chandlers, repairers, lenders, or other contractual creditors.

Article 3

The mortgages, hypothecations, and other charges on vessels referred to in article 1 rank immediately after the secured claims referred to in the last preceding article.

National laws may grant a lien in respect of claims other than those referred to in the said last-mentioned article, so, however, as not to modify the ranking of claims secured by mortgages, hypothecations, and other similar charges, or by the liens taking precedence thereof.

Article 4

The accessories of the vessel and the freight mentioned in article 2, mean:

1. Compensation due to the owner for material damage sustained by the vessel and not repaired, or for loss of freight;
2. General average contributions due to the owner, in respect of material damage sustained by the vessel and not repaired, or in respect of loss of freight;
3. Remuneration due to the owner for assistance and salvage services rendered at any time before the end of the voyage, any sums allotted to the master or other persons in the service of the vessel being deducted.

The provisions as to freight apply also to passage money, and, in the last resort to the sums due under article 4 of the convention on the limitation of shipowners' liability.

Payments made or due to the owner on policies of insurance, as well as bounties, subventions, and other national subsidies are not deemed to be accessories of the vessel or of the freight.

Notwithstanding anything in the opening words of article 2, the lien in favor of persons in the service of the vessel extends to the total amount of freight due for all voyages made during the subsistence of the same contract of engagement.

Article 5

Claims secured by a lien and relating to the same voyage rank in the order in which they are set out in article 2. Claims included under any one heading share concurrently and ratably in the event of the fund available being insufficient to pay the claims in full.

The claims mentioned under Nos. 3 and 5 in that article rank, in each of the two categories, in the inverse order of the dates on which they came into existence.

Claims arising from one and the same occurrence are deemed to have come into existence at the same time.

Article 6

Claims secured by a lien and attaching to the last voyage have priority over those attaching to previous voyages.

Provided that claims, arising on one and the same contract of engagement extending over several voyages, all rank with claims attaching to the last voyage.

Article 7

As regards the distribution of the sum resulting from the sale of the property subject to a lien, the creditors whose claims are secured by a lien have the right to put forward their claims in full, without any deduction on account of the rules relating to limitation of liability, provided, however, that the sum apportioned to them may not exceed the sum due having regard to the said rules.

Article 8

Claims secured by a lien follow the vessel into whatever hands it may pass.

Article 9

The liens cease to exist, apart from other cases provided for by national laws, at the expiration of one year, and, in the case of liens for supplies mentioned in No. 5 of article 2, shall continue in force for not more than six months.

The periods for which the lien remains in force in the case of liens securing claims in respect of assistance and salvage runs from the day when the services terminated; in the case of liens securing claims in respect of collision and other accidents and in respect of bodily injuries from the day when the damage was caused; in the case of liens for the loss of or damage to cargo or baggage from the day of the delivery of the cargo or baggage or from the day when they should have been delivered; for repairs and supplies and other cases mentioned in No. 5 of article 2 from the day when the claim originated.

In all the other cases the period runs from the enforceability of the claim.

The fact that any of the persons employed on board, mentioned in No. 2 article 2 has a right to any payment in advance or on account does not render his claim enforceable.

As respects the cases provided for in the national laws in which a lien is extinguished, a sale shall extinguish a lien only if accompanied by formalities of publicity which shall be laid down by the national laws. These formalities shall include a notice given in such form and within such time as the national laws may prescribe to the authority charged with keeping the registers referred to in article 1 of this convention.

The grounds upon which the above periods may be interrupted are determined by the law of the court where the case is tried.

The High Contracting Parties reserve to themselves the right to provide, by legislation, in their respective countries, that the said periods shall be extended in cases where it has not been possible to arrest the vessel to which a lien attaches in the territorial waters of the state in which the claimant has his domicile or his principal place of business, provided that the extended period shall not exceed three years from the time when the claim originated.

Article 10

A lien on freight may be enforced so long as the freight is still due or the amount of the freight is still in the hands of the master or the agent of the owner. The same principle applies to a lien on accessories.

Article 11

Subject to the provisions of this convention, liens established by the preceding provisions are subject to no formality and to no special condition of proof.

This provision does not affect the right of any state to maintain in the legislation provisions requiring the master of a vessel to fulfil special formalities in the case of certain loans raised on the security of the vessel, or in the case of the sale of its cargo.

Article 12

National laws must prescribe the nature and the form of documents to be carried on board the vessel on which entry must be made of the mortgages, hypothecations, and other charges referred to in article 1; so, however, that the mortgages requiring such entry in the said form be not held responsible for any omission, mistake, or delay in inscribing the same on the said documents.

Article 13

The foregoing provisions of this convention apply to vessels under the management of a person who operates them without owning them or to the principal charterer, except in cases where the owner has been dispossessed by an illegal act, or where the claimant is not a *bona fide* claimant.

Article 14

The provisions of this convention shall be applied in each contracting state in cases in which the vessel to which the claim relates belongs to a contracting state, as well as in any other cases provided for by the national laws.

Nevertheless the principle formulated in the preceding paragraph does not affect the right of the contracting states not to apply the provisions of this convention in favor of the nationals of a non-contracting state.

Article 15

This convention does not apply to vessels of war, nor to government vessels appropriated exclusively to the public service.

Article 16

Nothing in the foregoing provisions shall be deemed to affect in any way the competence of tribunals, modes of procedure or methods of execution authorized by the national law.

Article 17

After an interval of not more than two years from the day on which the convention is signed, the Belgian Government shall place itself in communication with the Governments of the High Contracting Parties which have declared themselves prepared to ratify the convention, with a view to deciding whether it shall be put into force. The ratifications shall be deposited at Brussels at a date to be fixed by agreement among the said Governments. The first deposit of ratifications shall be recorded in a *procès verbal* signed by the representatives of the powers which take part therein and by the Belgian Minister for Foreign Affairs.

The subsequent deposits of ratification shall be made by means of a written notification, addressed to the Belgian Government, and accompanied by the instrument of ratification.

A duly certified copy of the *procès verbal* relating to the first deposit of ratifications, of the notifications referred to in the previous paragraph, and also of the instruments of ratification accompanying them, shall be immediately sent by the Belgian Government through the diplomatic channel to the powers who have signed this convention or who have acceded to it. In the cases contemplated in the preceding paragraph the said Government shall inform them at the same time of the date on which it received the notification.

Article 18

Non-signatory states may accede to the present convention whether or not they have been represented at the international conference at Brussels.

A state which desires to accede shall notify its intention in writing to the Belgian Government, forwarding to it the document of accession which shall be deposited in the archives of the said Government.

The Belgian Government shall immediately forward to all the states which have signed or acceded to the convention a duly certified copy of the notification and of the act of accession, mentioning the date on which it received the notification.

Article 19

The High Contracting Parties may at the time of signature, ratification, or accession declare that their acceptance of the present convention does not include any or all of the self-governing dominions, or of the colonies, overseas possessions, protectorates, or territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any self-governing dominion, colony, overseas possession, protectorate or territory excluded in their declaration. They may also denounce the convention separately in accordance with its provision in respect of any self-governing dominion, or

any colony, overseas possession, protectorate, or territory under their sovereignty or authority.

Article 20

The present convention shall take effect, in the case of the states which have taken part in the first deposit of ratifications, one year after the date of the *procès verbal* recording such deposit. As respects the states which ratify subsequently or which accede, and also in case in which the convention is subsequently put into effect in accordance with article 19, it shall take effect six months after the notifications specified in article 17, paragraph 2, and article 18, paragraph 2, have been received by the Belgian Government.

Article 21

In the event of one of the contracting states wishing to denounce the present convention, the denunciation shall be notified in writing to the Belgian Government, which shall immediately communicate a duly certified copy of the notification to all the other states informing them of the date on which it was received.

The denunciation shall only operate in respect of the state which made the notification, and on the expiration of one year after the notification has reached the Belgian Government.

Article 22

Any one of the contracting states shall have the right to call for a fresh conference with a view to considering possible amendments.

A state which would exercise this right should give one year advance notice of its intention to the other states through the Belgian Government, which would make arrangements for convening the conference.

PROTOCOL OF SIGNATURE

In proceeding to the signature of the international convention for the unification of certain rules relating to maritime liens and mortgages, the undersigned plenipotentiaries have adopted the present protocol, which will have the same force and the same value as if the provisions were inserted in the text of the convention to which it relates:

- I. It is understood that the legislation of each state remains free:
 1. To establish among the claims mentioned in No. 1 of article 2 a definite order of priority with a view to safeguarding the interests of the Treasury;
 2. To confer on the authorities administering harbors, docks, lighthouses, and navigable ways, who have caused a wreck or other obstruction to navigation to be removed, or who are creditors in respect of harbor dues, or for damage caused by the fault of a vessel, the right, in case of non-payment, to detain the vessel, wreck, or other property, to sell the same, and to indemnify themselves out of the proceeds in priority to other claimants, and
 3. To determine the rank of the claimants for damages done to works otherwise than as stated in article 5 and in article 6.

II. There is no impairment of the provisions in the national laws of the contracting states conferring a lien upon public insurance associations in respect of claims arising out of the insurance of the personnel of vessels.

Reservations and declarations

Belgium

In proceeding to the deposit of the ratifications of His Majesty the King of the Belgians, the Minister for Foreign Affairs declared, in accordance with the provisions of article 19 of the Convention, that these ratifications extend only to Belgium and do not apply to the Belgian Congo and Ruanda-Urundi, territories under mandate.

BUSTAMANTE CODE
(Convention on Private International Law)¹

Signed at Havana, 20 February 1928

[Excerpts]

League of Nations, *Treaty Series*, vol. LXXXVI, p. 246, No. 1950 (1929)

...

OBLIGATIONS AND CONTRACTS

CHAPTER XII. SECURITY

ART. 212. A rule forbidding the surety to assume a greater liability than that of the principal debtor is of an international public order.

ART. 213. To the same class belong the provisions relating to legal or judicial security.

CHAPTER XIII. PLEDGE, MORTGAGE, AND ANTICHRESIS

ART. 214. The provision forbidding the creditor to appropriate to himself the chattels received by him as pledge or mortgage is territorial.

ART. 215. The precepts fixing the essential requirements of the pledge contract are also territorial, and they must be complied with when the thing which is pledged is taken to a place where such requirements are different from those required when the contract was executed.

ART. 216. The provisions by virtue of which the pledge is to remain in the possession of the creditor or of a third party, the one which requires as against strangers that a certain date be expressed in a public instrument, and the one which fixes the procedure for the alienation of the pledge, are also territorial.

ART. 217. The special rules and regulations of pawn shops and analogous public establishments are territorially binding in respect to all transactions made with them.

ART. 218. The provisions fixing the objects, conditions, requisites, extent, and recording of the mortgage contract are territorial.

ART. 219. A prohibition against the creditor acquiring the property of the real estate involved in the antichresis, or default in payment of the debt, is also territorial.

¹ For entry into force, signatures and ratifications see the Section on Negotiable Instruments, p. 235.

MARITIME AND AIR COMMERCE

CHAPTER I. SHIPS AND AIRCRAFT

...

ART. 278. Maritime hypothecation, privileges, and real guaranties, constituted in accordance with the law of the flag, have extraterritorial effect even in those countries the legislation of which does not recognize nor regulate such hypothecation.

...

ART. 282. The preceding provisions of this chapter are also applicable to aircraft.

...

TREATY ON INTERNATIONAL COMMERCIAL TERRESTRIAL LAW ¹

Signed at Montevideo, 19 March 1940

[*Excerpt—Translation* ²]

...

TITLE V OF COMMERCIAL PLEDGES

ART. 19. The law which governs a particular contract of pledge determines the character of the corresponding document. The forms and requirements involved are regulated by the law of the place where the contract is made; the means of publicity, by the laws of the respective States.

ART. 20. The rights and obligations of the contracting parties in regard to the object given as a pledge, are governed, whether that object has been moved or not, by the law of its location at the time when the pledge was constituted as such.

ART. 21. A change in the location of the object given in pledge does not affect the rights acquired in accordance with the law of the State where the pledge was constituted as such; but, for the preservation of those rights, it is necessary to comply with the conditions of form and substance imposed by the law of the State of the said object's new location.

ART. 22. In the case to which the foregoing article refers, the rights of *bona fide* third parties with respect to the object given in pledge, are regulated by the law of the State of that object's new location.

...

¹ For entry into force, signatures and ratifications see the Section on Negotiable Instruments, p. 327.

² *American Journal of International Law*, No. 37, 1943, Supp., p. 132. Translators: J. Irizarry y Puente and Gwladys L. Williams. Reproduced with permission.

CONVENTION ON THE INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT¹

Done at Geneva, 19 June 1948

United Nations, *Treaty Series*, vol. 310, p. 152, No. 4492 (1958)

Whereas the International Civil Aviation Conference, held at Chicago in November-December 1944, recommended the early adoption of a Convention dealing with the transfer of title to aircraft,

Whereas it is highly desirable in the interest of the future expansion of international civil aviation that rights in aircraft be recognised internationally,

¹ In accordance with article XX (1) and XXI, the Convention came into force as between the United States of America and Pakistan on 17 September 1953, the ninetieth day after the deposit of the second instrument of ratification, and for each State that deposited after that date on the ninetieth day after the deposit of its instrument of ratification or accession.

The following States have deposited their ratifications (r) or accessions (a) with the International Civil Aviation Organization:

Algeria	(a)	—	10 August	1964
Argentina	(r)	—	31 January	1958
Brazil	(r)	—	3 July	1953
Cameroon	(a)	—	23 July	1969
Central African Republic	(a)	—	2 June	1969
Chile	(r)	—	19 December	1955
Cuba	(r)	—	20 June	1961
Denmark	(r)	—	18 January	1963
Ecuador	(a)	—	14 July	1958
El Salvador	(a)	—	14 August	1958
France	(r)	—	27 February	1964
Federal Republic of Germany	(a)	—	7 July	1959
Gabon	(a)	—	14 January	1970
Haiti	(a)	—	24 March	1961
Iceland	(r)	—	6 February	1967
Italy	(r)	—	6 December	1960
Ivory Coast	(a)	—	23 August	1965
Laos	(a)	—	4 June	1956
Lebanon	(a)	—	11 April	1969
Mali	(a)	—	28 December	1961
Mauritania	(a)	—	23 July	1962
Mexico	(r)	—	5 April	1950
Netherlands				
for the Kingdom in Europe	(r)	—	1 September	1959
Niger	(a)	—	27 December	1962
Norway	(r)	—	5 March	1954
Pakistan	(r)	—	19 June	1953
Paraguay	(a)	—	26 September	1969
Sweden	(r)	—	16 November	1955
Switzerland	(r)	—	3 October	1960
Thailand	(a)	—	10 October	1967
Tunisia	(a)	—	4 May	1966
United Arab Republic	(a)	—	10 September	1969
United States of America	(r)	—	6 September	1949

The following States have signed the Convention: Australia, Belgium, China, Colombia, Dominican Republic, Greece, Iran, Ireland, Peru, Portugal, United Kingdom of Great Britain and Northern Ireland, Venezuela.

The undersigned, duly authorized, have agreed, on behalf of their respective Governments, as follows:

Article I

- (1) The Contracting States undertake to recognise:
 - (a) rights of property in aircraft;
 - (b) rights to acquire aircraft by purchase coupled with possession of the aircraft;
 - (c) rights to possession of aircraft under leases of six months or more;
 - (d) mortgages, hypothèques and similar rights in aircraft which are contractually created as security for payment of an indebtedness; provided that such rights
 - (i) have been constituted in accordance with the law of the Contracting State in which the aircraft was registered as to nationality at the time of their constitution, and
 - (ii) are regularly recorded in a public record of the Contracting State in which the aircraft is registered as to nationality.

The regularity of successive recordings in different Contracting States shall be determined in accordance with the law of the State where the aircraft was registered as to nationality at the time of each recording.

- (2) Nothing in this Convention shall prevent the recognition of any rights in aircraft under the law of any Contracting State; but Contracting States shall not admit or recognise any right as taking priority over the rights mentioned in paragraph (1) of this Article.

Article II

- (1) All recordings relating to a given aircraft must appear in the same record.
- (2) Except as otherwise provided in this Convention, the effects of the recording of any right mentioned in Article I, paragraph (1), with regard to third parties shall be determined according to the law of the Contracting State where it is recorded.
- (3) A Contracting State may prohibit the recording of any right which cannot validity be constituted according to its national law.

Article III

- (1) The address of the authority responsible for maintaining the record must be shown on every aircraft's certificate of registration as to nationality.
- (2) Any person shall be entitled to receive from the authority duly certified copies or extracts of the particulars recorded. Such copies or extracts shall constitute *prima facie* evidence of the contents of the record.
- (3) If the law of a Contracting State provides that the filing of a document for recording shall have the same effect as the recording, it shall have the same effect for the purposes of this Convention. In that case, adequate provision shall be made to ensure that such document is open to the public.
- (4) Reasonable charges may be made for services performed by the authority maintaining the record.

Article IV

- (1) In the event that any claims in respect of:
 - (a) compensation due for salvage of the aircraft, or

(b) extraordinary expenses indispensable for the preservation of the aircraft give rise, under the law of the Contracting State where the operations of salvage or preservation were terminated, to a right conferring a charge against the aircraft, such right shall be recognised by Contracting States and shall take priority over all other rights in the aircraft.

(2) The rights enumerated in paragraph (1) shall be satisfied in the inverse order of the dates of the incidents in connexion with which they have arisen.

(3) Any of the said rights may, within three months from the date of the termination of the salvage or preservation operation, be noted on the record.

(4) The said rights shall not be recognised in other Contracting States after expiration of the three months mentioned in paragraph (3) unless, within this period,

(a) the right has been noted on the record in conformity with paragraph (3), and

(b) the amount has been agreed upon or judicial action on the right has been commenced. As far as judicial action is concerned, the law of the forum shall determine the contingencies upon which the three months period may be interrupted or suspended.

(5) This Article shall apply notwithstanding the provisions of Article I, paragraph (2).

Article V

The priority of a right mentioned in Article I, paragraph (1) (d), extends to all sums thereby secured. However, the amount of interest included shall not exceed that accrued during the three years prior to the execution proceedings together with that accrued during the execution proceedings.

Article VI

In case of attachment or sale of an aircraft in execution, or of any right therein, the Contracting States shall not be obliged to recognise, as against the attaching or executing creditor or against the purchaser, any right mentioned in Article I, paragraph (1), or the transfer of any such right, if constituted or effected with knowledge of the sale or execution proceedings by the person against whom the proceedings are directed.

Article VII

(1) The proceedings of a sale of an aircraft in execution shall be determined by the law of the Contracting State where the sale takes place.

(2) The following provisions shall however be observed:

(a) The date and place of the sale shall be fixed at least six weeks in advance.

(b) The executing creditor shall supply to the Court or other competent authority a certified extract of the recordings concerning the aircraft. He shall give public notice of the sale at the place where the aircraft is registered as to nationality, in accordance with the law there applicable, at least one month before the day fixed, and shall concurrently notify by registered letter, if possible by air mail, the recorded owner and the holders of recorded rights in the aircraft and of rights noted on the record under Article IV, paragraph (3), according to their addresses as shown on the record.

(3) The consequences of failure to observe the requirements of paragraph (2) shall be as provided by the law of the Contracting State where the sale takes place. However, any sale taking place in contravention of the requirements of that paragraph may be annulled upon demand made within six months from the date of the sale by any person suffering damage as the result of such contravention.

(4) No sale in execution can be effected unless all rights having priority over the claim of the executing creditor in accordance with this Convention which are established before the competent authority, are covered by the proceeds of sale or assumed by the purchaser.

(5) When injury or damage is caused to persons or property on the surface of the Contracting State where the execution sale takes place, by any aircraft subject to any right referred to in Article I held as security for an indebtedness, unless adequate and effective insurance by a State or an insurance undertaking in any State has been provided by or on behalf of the operator to cover such injury or damage, the national law of such Contracting State may provide in case of the seizure of such aircraft or any other aircraft owned by the same person and encumbered with any similar right held by the same creditor:

(a) that the provisions of paragraph (4) above shall have no effect with regard to the person suffering such injury or damage or his representative if he is an executing creditor;

(b) that any right referred to in Article I held as security for an indebtedness encumbering the aircraft may not be set up against any person suffering such injury or damage or his representative in excess of an amount equal to 80 % of the sale price.

In the absence of other limit established by the law of the Contracting State where the execution sale takes place, the insurance shall be considered adequate within the meaning of the present paragraph if the amount of the insurance corresponds to the value when new of the aircraft seized in execution.

(6) Costs legally chargeable under the law of the Contracting State where the sale takes place, which are incurred in the common interest of creditors in the course of execution proceedings leading to sale, shall be paid out of the proceeds of sale before any claims, including those given preference by Article IV.

Article VIII

Sale of an aircraft in execution in conformity with the provisions of Article VII shall effect the transfer of the property in such aircraft free from all rights which are not assumed by the purchaser.

Article IX

Except in the case of a sale in execution in conformity with the provisions of Article VII, no transfer of an aircraft from the nationality register or the record of a Contracting State to that of another Contracting State shall be made, unless all holders of recorded rights have been satisfied or consent to the transfer.

Article X

(1) If a recorded right in an aircraft of the nature specified in Article I, and held as security for the payment of an indebtedness, extends, in conformity with the law of the Contracting State where the aircraft is registered, to spare parts stored in a specified place or places, such right shall be recognised by all Contracting States, as long as the spare parts remain in the place or places specified, provided that an appropriate public notice, specifying the description of the right, the name and address of the holder of this right and the record in which such right is recorded, is exhibited

at the place where the spare parts are located, so as to give due notification to third parties that such spare parts are encumbered.

(2) A statement indicating the character and the approximate number of such spare parts shall be annexed to or included in the recorded document. Such parts may be replaced by similar parts without affecting the right of the creditor.

(3) The provisions of Article VII, paragraphs (1) and (4), and of Article VIII shall apply to a sale of spare parts in execution. However, where the executing creditor is an unsecured creditor, paragraph 4 of Article VII in its application to such a sale shall be construed so as to permit the sale to take place if a bid is received in an amount not less than two-thirds of the value of the spare parts as determined by experts appointed by the authority responsible for the sale. Further, in the distribution of the proceeds of sale, the competent authority may, in order to provide for the claim of the executing creditor, limit the amount payable to holders of prior rights to two-thirds of such proceeds of sale after payment of the costs referred to in Article VII, paragraph (6).

(4) For the purpose of this Article the term "spare parts" means parts of aircraft, engines, propellers, radio apparatus, instruments, appliances, furnishings, parts of any of the foregoing, and generally any other articles of whatever description maintained for installation in aircraft in substitution for parts or articles removed.

Article XI

(1) The provisions of this Convention shall in each Contracting State apply to all aircraft registered as to nationality in another Contracting State.

(2) Each Contracting State shall also apply to aircraft there registered as to nationality:

(a) The provisions of Articles II, III, IX, and

(b) The provisions of Article IV, unless the salvage or preservation operations have been terminated within its own territory.

Article XII

Nothing in this Convention shall prejudice the right of any Contracting State to enforce against an aircraft its national laws relating to immigration, customs or air navigation.

Article XIII

This Convention shall not apply to aircraft used in military, customs or police services.

Article XIV

For the purpose of this Convention, the competent judicial and administrative authorities of the Contracting States may, subject to any contrary provision in their national law, correspond directly with each other.

Article XV

The Contracting States shall take such measures as are necessary for the fulfilment of the provisions of this Convention and shall forthwith inform the Secretary General of the International Civil Aviation Organization of these measures.

Article XVI

For the purposes of this Convention the term "aircraft" shall include the airframe, engines, propellers, radio apparatus, and all other articles intended for use in the aircraft whether installed therein or temporarily separated therefrom.

Article XVII

If a separate register of aircraft for purposes of nationality is maintained in any territory for whose foreign relations a Contracting State is responsible, references in this Convention to the law of the Contracting State shall be construed as references to the law of that territory.

Article XVIII

This Convention shall remain open for signature until it comes into force in accordance with the provisions of Article XX.

Article XIX

- (1) This Convention shall be subject to ratification by the signatory States.
- (2) The instruments of ratification shall be deposited in the archives of the International Civil Aviation Organization, which shall give notice of the date of deposit to each of the signatory and adhering States.

Article XX

- (1) As soon as two of the signatory States have deposited their instruments of ratification of this Convention, it shall come into force between them on the ninetieth day after the date of the deposit of the second instrument of ratification. It shall come into force, for each State which deposits its instrument of ratification after that date, on the ninetieth day after the deposit of its instrument of ratification.
- (2) The International Civil Aviation Organization shall give notice to each signatory State of the date on which this Convention comes into force.
- (3) As soon as this Convention comes into force, it shall be registered with the United Nations by the Secretary General of the International Civil Aviation Organization.

Article XXI

- (1) This Convention shall, after it has come into force, be open for adherence by non-signatory States.
- (2) Adherence shall be effected by the deposit of an instrument of adherence in the archives of the International Civil Aviation Organization, which shall give notice of the date of the deposit to each signatory and adhering State.
- (3) Adherence shall take effect as from the ninetieth day after the date of the deposit of the instrument of adherence in the archives of the International Civil Aviation Organization.

Article XXII

- (1) Any Contracting State may denounce this Convention by notification of denunciation to the International Civil Aviation Organization, which shall give notice of the date of receipt of such notification to each signatory and adhering State.

(2) Denunciation shall take effect six months after the date of receipt by the International Civil Aviation Organization of the notification of denunciation.

Article XXIII

(1) Any State may at the time of deposit of its instrument of ratification or adherence, declare that its acceptance of this Convention does not apply to any one or more of the territories for the foreign relations of which such State is responsible.

(2) The International Civil Aviation Organization shall give notice of any such declaration to each signatory and adhering State.

(3) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this Article, this Convention shall apply to all territories for the foreign relations of which a Contracting State is responsible.

(4) Any State may adhere to this Convention separately on behalf of all or any of the territories regarding which it has made a declaration in accordance with paragraph (1) of this Article and the provisions of paragraphs (2) and (3) of Article XXI shall apply to such adherence.

(5) Any Contracting State may denounce this Convention, in accordance with the provisions of Article XXII, separately for all or any of the territories for the foreign relations of which such State is responsible.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, having been duly authorized, have signed this Convention.

DONE at Geneva, on the nineteenth day of the month of June of the year one thousand nine hundred and forty-eight in the English, French and Spanish languages, each text being of equal authenticity.

This Convention shall be deposited in the archives of the International Civil Aviation Organization where, in accordance with Article XVIII, it shall remain open for signature.

Reservations and declarations

Mexico

The Mexican Government expressly reserves the rights belonging to it to recognize the priorities granted by Mexican laws to fiscal claims and claims arising out of work contracts over any other claims. Therefore, the priorities referred to in the Convention on the International Recognition of Rights in Aircraft, signed at Geneva, shall be subject, within the national territory, to the priorities accorded by Mexican laws to fiscal claims and claims arising out of work contracts.

**ARTICLE 15 OF THE CONVENTION ON THE REGISTRATION OF INLAND
NAVIGATION VESSELS, AND PROTOCOL NO. 1 CONCERNING
RIGHTS *IN REM* IN INLAND NAVIGATION VESSELS¹**

Done at Geneva, 25 January 1965

United Nations, document of the Economic Commission for Europe E/ECE/579;
E/ECE/TRANS/540

...

Article 15

1. Any country may, at the time of signing this Convention or of depositing its instruments of ratification or accession, or at any subsequent time, declare that it accepts Protocol No. 1 concerning rights *in rem* in inland navigation vessels, annexed hereto; at the time of such declaration, or at any subsequent time, it may declare that it also accepts Protocol No. 2 on attachment and forced sale of inland navigation vessels, annexed hereto.

2. Protocol No. 1 shall be deemed to be an integral part of the Convention as between the Contracting Parties which have made declarations concerning that Protocol under paragraph 1 of this article; similarly, Protocol No. 2 shall be deemed to be an integral part of the Convention as between the Contracting Parties which have made declarations concerning that Protocol also. Nevertheless, if the declaration of a country is made after that country has become a Contracting Party to the Convention the Protocol to which the declaration relates shall not be deemed to be an integral part of the Convention as between that Contracting Party and the other Contracting Parties which have made a like declaration until the expiry of the ninetieth day after notice of the declaration has been given to the Secretary-General of the United Nations.

3. Any Contracting Party which has made a declaration under paragraph 1 of this article may withdraw the same at any time by notice addressed to the Secretary-General; the withdrawal of a declaration concerning Protocol No. 1 shall imply the withdrawal of any declaration which may have been made concerning Protocol No. 2. The Protocol or Protocols in respect of which a Contracting Party notifies the withdrawal of its declaration shall cease to have effect for that Contracting Party twelve months after the date of the notice.

¹ Neither the Convention nor the Protocol has entered into force.

The Secretary-General of the United Nations exercises the depositary function.

The following States have signed the Convention: Austria, Belgium, France, Federal Republic of Germany, Luxembourg, Netherlands, Switzerland, Yugoslavia. Only France and Switzerland have made a declaration at the time of signature that they accept Protocol No. 1.

PROTOCOL NO. 1 CONCERNING RIGHTS *IN REM* IN INLAND NAVIGATION VESSELS

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Protocol the term "Contracting Parties" means those of the Contracting Parties to the Convention on the Registration of Inland Navigation Vessels which are bound by this Protocol.

Article 2

This Protocol shall apply to rights *in rem* in any vessel used in inland navigation, even if it is under construction, has run aground or has sunk, which is registered in a register of a Contracting Party.

Article 3

The only rights *in rem* of which a vessel can be the object are ownership, usufruct, mortgages and liens; but the Contracting Parties may attach the effect of a right *in rem* to attachment.

CHAPTER II

OWNERSHIP, USUFRUCT AND MORTGAGES

Article 4

1. The Contracting Parties shall arrange for the entry of the rights of ownership, usufruct or mortgage in a vessel in the register in which that vessel is registered.

2. Separate registers kept for the entry of rights *in rem* in vessels shall be deemed to be part of a register of vessels, in which such vessels are registered, provided that the entries relating to each vessel include cross-references between the registers of rights *in rem* and the register of vessels.

Article 5

Rights of ownership, usufruct or mortgage entered in a register of one of the Contracting Parties shall be recognized in the territory of the other Contracting Parties in the manner specified in this chapter.

Article 6

In any case in which the order of priority of the rights *in rem* referred to in this chapter has to be settled, the said order shall be that of the entries in the register.

Article 7

The entry relating to a registered mortgage shall specify at least the following particulars:

- (a) the amount of the mortgage and, if the interest is added to that amount, the rate of interest;
- (b) the name and the address or domicile of the mortgagee;
- (c) the circumstances in which payments become due, or a reference to the document, deposited with the registration office, which determine those circumstances.

Article 8

Where, in accordance with the law of the Contracting Party in whose register a mortgage has been registered, a mortgage is put in possession of a vessel in execution of a clause, recorded in the register, of the mortgage deed, the rights conferred upon him by the writ of possession in the territory of that Contracting Party shall be recognized as an effect of the mortgage in the territory of all the other Contracting Parties, provided that the writ of possession is recorded in the register.

Article 9

1. A mortgage shall extend to all objects permanently attached to the vessel by virtue of the purpose they serve and belonging to the owner of the vessel; nevertheless, the law of the country of registration may permit agreements between the parties which provide otherwise.

2. If, under the law of the country in which the vessel is registered, the mortgage extends to the freight charges or any compensation payable under a policy of insurance of the vessel covering loss or damage, it shall be recognized, for the purposes of article 5 of this Protocol, as extending to such freight charges or such compensation.

3. Recognition of a mortgage under article 5 of this Protocol shall not extend, apart from the vessel itself, to any items other than those specified in paragraphs 1 and 2 of this article.

Article 10

The rules relating to the rights *in rem* referred to in this chapter, except those determined by this Protocol and those applying to the transfer of ownership or to the extinction of other rights *in rem* by a forced sale, shall be determined by the law of the country of registration.

CHAPTER III

LIENS

Article 11

1. The following claims shall be protected by a lien on the vessel ranking ahead of mortgages:

- (a) in the case of attachment, claims in respect of the cost of upkeep after attachment, including repairs necessary for the maintenance of the vessel;

(b) claims arising from contracts of employment of the master or any other person employed in the service of the vessel, on the understanding that in the case of salaries, wages or other remuneration, a lien shall exist only with regard to the amount due for a period not exceeding six months;

(c) claims in respect of assistance, salvage or the vessel's contributions under the rules of general average.

Article 12

1. Any Contracting Party may provide in its legislation that in the case of forced sale of a vessel legal costs incurred with a view to the sale shall be paid out of the proceeds of the sale before these are distributed to the creditors, including the beneficiaries of liens or mortgages; the legal costs in question may include custody charges and the cost of distributing the proceeds of the sale but not costs incurred in obtaining a writ of execution.

2. Any Contracting Party may provide in its legislation that in the case of the sale of a vessel which has run aground, is disabled or has sunk and which the public authorities have had removed in the public interest, the costs of removal shall be paid out of the proceeds of the sale of the vessel, ranking ahead of the claims of creditors, including the beneficiaries of liens or mortgages.

Article 13

Each Contracting Party may provide in its legislation that claims other than those listed in article 11 of this Protocol shall be protected by a lien on the vessel ranking ahead of mortgages; but

(a) in respect of a vessel registered in one of its registers, these claims shall be protected in the territory of another Contracting Party by a lien ranking ahead of mortgages only if they are also protected by such a lien under the law of that other Contracting Party;

(b) in respect of a vessel registered in the register of another Contracting Party, these claims shall be protected in the territory of the first Contracting Party by a lien ranking ahead of mortgages only if they are also protected by such a lien under the law of that other Contracting Party.

Article 14

1. Where a claim is protected by a lien under article 11 of this Protocol, the lien shall extend to the interest on the claim and to the costs incurred in obtaining a writ of execution.

2. The liens listed in article 11 of this Protocol shall extend to

(a) all objects permanently attached to the vessel by virtue of the purpose they serve and belonging to its owner;

(b) compensation payable in respect of the loss of the vessel or any unrepaired material damage to the vessel, including that portion of payment for assistance, salvage or refloating or compensation for general average which represents unrepaired material damage, even after transfer or pledging of such compensation or payment. Nevertheless such compensation shall not include compensation payable by virtue of an insurance policy on the vessel covering loss or damage.

3. Any Contracting Party may provide in its legislation that, in the event of a forced sale in its territory, the liens listed in article 11 of this Protocol shall extend to freight charges.

Article 15

1. The claims protected by lien listed in article 11 of this Protocol shall rank ahead of those referred to in article 13.

2. The claims protected by lien listed in article 11 of this Protocol shall rank in the order in which they are listed; those mentioned in article 11, sub-paragraph (c), shall rank in the reverse order of the dates on which they arose; if the proceeds for distribution are insufficient, they shall be divided *pro rata* among creditors whose claims are of the same rank.

Article 16

The claims listed in article 11 of this Protocol shall give rise to a lien, even if they arise during the operation of the vessel by a person other than the owner, save where the owner has been dispossessed by an unlawful act and, in addition, the claimant has not acted in good faith.

Article 17

1. The liens listed in article 11 of this Protocol shall be extinguished at the end of one year if the beneficiary of the lien has not exercised his rights through the courts. This period shall run from the date on which payment of the claim becomes due. In the case of claims in respect of assistance or salvage, however, it shall run from the date on which the operations are completed.

2. Upon the extinction of the claim, the lien is likewise extinguished.

Article 18

The law of the country of registration shall govern:

(a) in the case of a voluntary sale of the vessel, the conditions and formalities observable for the extinction of the liens listed in article 11 of this Protocol;

(b) the scope, respective ranks and extinction of the liens referred to in article 13 of this Protocol;

(c) any other matter concerning the liens referred to in article 11 or article 13 which is not governed by this Protocol.

CHAPTER IV

RESERVATIONS

Article 19

Pursuant to article 21, paragraph 2, of the Convention, any country may declare that it will not apply the provisions of article 14, paragraph 2(b), of this Protocol in the event of a forced sale in its territory.

*Reservations and declarations**Belgium*

Belgium enters the reservations provided for in article 21, paragraph 1 (b), (c) and (d).

Federal Republic of Germany

The Federal Republic of Germany declares that

(1) German registration offices will supply extracts from documents deposited with them and referred to by the entries in the register only to applicants who produce evidence of a legitimate interest in obtaining such extracts;

(2) It will not apply the Convention to vessels navigating on lakes and adjacent sections of waterways and belonging to the German Federal Railways.

France

France declares that it accepts Protocol No. 1, annexed hereto, concerning Rights *In Rem* in Inland Navigation Vessels, and Protocol No. 2, also annexed hereto, concerning Attachment and Forced Sale of Inland Navigation Vessels.

Switzerland

Switzerland enters the following reservations pursuant to article 21, paragraph 1 (b), (c), and (d), of the Convention:

ad (b): Its registration offices will supply extracts as specified in article 2, paragraph 3, of the Convention only to applicants who produce evidence of a legitimate interest in obtaining such extracts;

ad (c): It will not apply the Convention to vessels navigating on lakes and adjacent sections of waterways and belonging to national railways administration or operating under licence;

ad (d): It will not apply the Convention to vessels used exclusively for a non-commercial government service.

Switzerland declares that it accepts Protocol No. 1 concerning Rights *In Rem* in Inland Navigation Vessels and declares that, pursuant to article 19 of the said Protocol and to article 21, paragraph 2, of the Convention, it will not apply the provisions of article 14, paragraph 2 (b), of the said Protocol in the event of a forced sale in its territory.

**INTERNATIONAL CONVENTION FOR THE UNIFICATION OF CERTAIN
RULES RELATING TO MARITIME LIENS AND MORTGAGES¹**

Signed at Brussels, 27 May 1967

Le Droit Maritime Français, vol. XIX, 1967, p. 586

The Contracting Parties,

Having recognized the desirability of determining by agreement certain rules relating to maritime liens and mortgages.

Have resolved to conclude a convention for this purpose, and thereto agreed as follows:

Article 1

Mortgages and "hypothèques" on sea-going vessels shall be enforceable in Contracting States provided that:

(a) such mortgages and "hypothèques" have been effected and registered in accordance with the law of the State where the vessel is registered;

(b) the register and any instruments required to be deposited with the registrar in accordance with the law of the State where the vessel is registered are open to public inspection, and that extracts of the register and copies of such instruments are obtainable from the registrar, and

(c) either the register or any instruments referred to in paragraph (b) above specifies the name and address of the person in whose favour the mortgage or "hypothèque" has been effected or that it has been issued to bearer, the amount secured and the date and other particulars which, according to the law of the State of registration, determine the rank as respects other registered mortgages and "hypothèques".

Article 2

The ranking of registered mortgages and "hypothèques" as between themselves and, without prejudice to the provisions of this Convention, their effect in regard to third parties shall be determined by the law of the State of registration; however, without prejudice to the provisions of this Convention, all matters relating to the procedure of enforcement shall be regulated by the law of the State where enforcement takes place.

¹ The Convention has not entered into force.

The Government of Belgium exercises the depositary function.

The following States have signed the Convention: Austria, Belgium, China, Democratic Republic of the Congo, Denmark, Finland, Federal Republic of Germany, Greece, Holy See, India, Iran, Ireland, Israel, Italy, Liberia, Monaco, Poland, Portugal, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, Uruguay, Yugoslavia.

Article 3

1. Subject to the provisions of Article 11, no Contracting State shall permit the deregistration of a vessel without the written consent of all holders of registered mortgages and "hypothèques".

2. A vessel which is or has been registered in a Contracting State shall not be eligible for registration in another Contracting State, unless:

(a) a certificate has been issued by the former State to the effect that the vessel has been deregistered, or

(b) a certificate has been issued by the former State to the effect that the vessel will be deregistered on the day when such new registration is effected.

Article 4

1. The following claims shall be secured by maritime liens on the vessel:

(i) wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel;

(ii) port, canal, and other waterway dues and pilotage dues;

(iii) claims against the owner in respect of loss of life or personal injury occurring, whether on land or on water, in direct connection with the operation of the vessel;

(iv) claims against the owner, based on tort and not capable of being based on contract, in respect of loss of or damage to property occurring, whether on land or on water, in direct connection with the operation of the vessel;

(v) claims for salvage, wreck removal and contribution in general average.

The word "owner" mentioned in this paragraph shall be deemed to include the demise or other charterer, manager or operator of the vessel.

2. No maritime lien shall attach to the vessel securing claims as set out in paragraph 1 (iii) and (iv) of this Article which arise out of or result from the radioactive properties or a combination of radioactive properties with toxic, explosive or other hazardous properties of nuclear fuel or of radioactive product or waste.

Article 5

1. The maritime liens set out in Article 4 shall take priority over registered mortgages and "hypothèques", and no other claim shall take priority over such maritime liens or over mortgages and "hypothèques" which comply with the requirements of Article 1, except as provided in Article 6 (2).

2. The maritime liens set out in Article 4 shall rank in the order listed, provided however that maritime liens securing claims for salvage, wreck removal and contribution in general average shall take priority over all other maritime liens which have attached to the vessel prior to the time when the operations giving rise to the said liens were performed.

3. The maritime liens set out in each of sub-paragraphs (i), (ii), (iii) and (iv) of paragraph (1) of Article 4 shall rank *pari passu* as between themselves.

4. The maritime liens set out in sub-paragraph (v) of paragraph (1) of Article 4 shall rank in the inverse order of the time when the claims secured thereby accrued. Claims for contribution in general average shall be deemed to have accrued on the date on which the general average act was performed; claims for salvage shall be deemed to have accrued on the date on which the salvage operation was terminated.

Article 6

1. Each Contracting State may grant liens or rights of retention to secure claims other than those referred to in Article 4. Such liens shall rank after all maritime liens set out in Article 4 and after all registered mortgages and "hypothèques" which comply with the provisions of Article 1; and such rights of retention shall not prejudice the enforcement of maritime liens set out in Article 4 or registered mortgages or "hypothèques" which comply with the provisions of Article 1, nor the delivery of the vessel to the purchaser in connection with such enforcement.

2. In the event that a lien or right of retention is granted in respect of a vessel in possession of

(a) a shipbuilder, to secure claims for the building of the vessel, or

(b) a ship repairer, to secure claims for repair of the vessel effected during such possession,

such lien or right of retention shall be postponed to all maritime liens set out in Article 4, but may be preferred to registered mortgages or "hypothèques". Such lien or right of retention may be exercisable against the vessel notwithstanding any registered mortgage or "hypothèque" on the vessel, but shall be extinguished when the vessel ceases to be in the possession of the shipbuilder or ship repairer, as the case may be.

Article 7

1. The maritime liens set out in Article 4 arise whether the claims secured by such liens are against the owner or against the demise or other charterer, manager or operator of the vessel.

2. Subject to the provisions of Article 11, the maritime liens securing the claims set out in Article 4 follow the vessel notwithstanding any change of ownership or of registration.

Article 8

1. The maritime liens set out in Article 4 shall be extinguished after a period of one year from the time when the claims secured thereby arose unless, prior to the expiry of such period, the vessel has been arrested, such arrest leading to a forced sale.

2. The one year period referred to in the preceding paragraph shall not be subject to suspension or interruption, provided however that time shall run during the period that the lienor is legally prevented from arresting the vessel.

Article 9

The assignment of or subrogation to a claim secured by a maritime lien set out in Article 4 entails the simultaneous assignment of or subrogation to such maritime lien.

Article 10

Prior to the forced sale of a vessel in a Contracting State, the competent authority of such State shall give, or cause to be given at least thirty days written notice of the time and place of such sale to:

(a) all holders of registered mortgages and "hypothèques" which have not been issued to bearer;

(b) such holders of registered mortgages and "hypothèques" issued to bearer and to such holders of maritime liens set out in Article 4 whose claims have been notified to the said authority;

(c) the registrar of the register in which the vessel is registered.

Article 11

1. In the event of the forced sale of the vessel in a Contracting State all mortgages and "hypothèques", except those assumed by the purchaser with the consent of the holders, and all liens and other encumbrances of whatsoever nature shall cease to attach to the vessel, provided however that:

(a) at the time of the sale, the vessel is in the jurisdiction of such Contracting State, and

(b) the sale has been effected in accordance with the law of the said State and the provisions of this Convention.

No charter party or contract for the use of the vessel shall be deemed a lien or encumbrance for the purpose of this Article.

2. The cost awarded by the Court and arising out of the arrest and subsequent sale of the vessel and the distribution of the proceeds shall first be paid out of the proceeds of such sale. The balance shall be distributed among the holders of maritime liens, liens and rights of retention mentioned in paragraph 2 of Article 6 and registered mortgages and "hypothèques" in accordance with the provisions of this Convention to the extent necessary to satisfy their claims.

3. When a vessel registered in a Contracting State has been the object of a forced sale in a Contracting State, the Court or other competent authority having jurisdiction shall, at the request of the purchaser, issue a certificate to the effect that the vessel is sold free of all mortgages and "hypothèques", except those assumed by the purchaser, and all liens and other encumbrances, provided that the requirements set out in paragraph 1, sub-paragraphs (a) and (b) have been complied with, and that the proceeds of such forced sale have been distributed in compliance with paragraph 2 of this Article or have been deposited with the authority that is competent under the law of the place of the sale. Upon production of such certificate the registrar shall be bound to delete all registered mortgages and "hypothèques", except those assumed by the purchaser, and to register the vessel in the name of the purchaser or to issue a certificate of deregistration for the purpose of reregistration, as the case may be.

Article 12

1. Unless otherwise provided in this Convention, its provisions shall apply to all sea-going vessels registered in a Contracting State or in a non Contracting State.

2. Nothing in this Convention shall require any rights to be conferred in or against, or enable any rights to be enforced against any vessel owned, operated or chartered by a State and appropriated to public non-commercial services.

Article 13

For the purposes of Articles 3, 10 and 11 of this Convention, the competent authorities of the Contracting States shall be authorized to correspond directly between themselves.

Article 14

Any Contracting Party may at the time of signing, ratifying or acceding to this Convention make the following reservations:

1. to give effect to this Convention either by giving it the force of law or by including the provisions of this Convention in its national legislation in a form appropriate to that legislation;
2. to apply the International Convention relating to the limitation of the liability of owners of sea-going ships signed at Brussels on the 10th October 1957.

Article 15

Any dispute between two or more Contracting Parties concerning the interpretation or application of this Convention which cannot be settled through negotiation, shall, at the request of one of them, be submitted to arbitration. If within six months from the date of the request for arbitration the Parties are unable to agree on the organization of the arbitration, any one of those Parties may refer the dispute to the International Court of Justice by request in conformity with the Statute of the Court.

Article 16

1. Each Contracting Party may at the time of signature or ratification of this Convention or accession thereto, declare that it does not consider itself bound by Article 15 of the Convention. The other Contracting Parties shall not be bound by this Article with respect to any Contracting Party having made such a reservation.

2. Any Contracting Party having made a reservation in accordance with paragraph 1 may at any time withdraw this reservation by notification to the Belgian Government.

Article 17

This Convention shall be open for signature by the States represented at the twelfth session of the Diplomatic Conference on Maritime Law.

Article 18

This Convention shall be ratified and the instruments of ratification shall be deposited with the Belgian Government.

Article 19

1. This Convention shall come into force three months after the date of the deposit of the fifth instrument of ratification.

2. This Convention shall come into force in respect of each signatory State which ratifies it after the deposit of the fifth instrument of ratification, three months after the date of the deposit of the instrument of ratification.

Article 20

1. States, Members of the United Nations or Members of the specialized agencies, not represented at the twelfth session of the Diplomatic Conference on Maritime Law, may accede to this Convention.

2. The instruments of accession shall be deposited with the Belgian Government.

3. The Convention shall come into force in respect of the acceding State three months after the date of deposit of the instrument of accession of that State, but not before the date of entry into force of the Convention as established by Article 19 (1).

Article 21

Each Contracting Party shall have the right to denounce this Convention at any time after the coming into force thereof in respect of such Contracting Party. Nevertheless, this denunciation shall only take effect one year after the date on which notification thereof has been received by the Belgian Government.

Article 22

1. Any Contracting Party may at the time of signature, ratification or accession to this Convention or at any time thereafter declare by written notification to the Belgian Government which, among the territories under its sovereignty or for whose international relations it is responsible, are those to which the present Convention applies.

The Convention shall three months after the date of the receipt of such notification by the Belgian Government, extend to the territories named therein.

2. Any Contracting Party which has made a declaration under paragraph (1) of this Article may at any time thereafter declare by notification given to the Belgian Government that the Convention shall cease to extend to such territories.

This denunciation shall take effect one year after the date on which notification thereof has been received by the Belgian Government.

Article 23

The Belgian Government shall notify the States represented at the twelfth session of the Diplomatic Conference on Maritime Law, and the acceding States to this Convention, of the following:

1. The signatures, ratifications and accessions received in accordance with Articles 17, 18 and 20.

2. The date on which the present Convention will come into force in accordance with Article 19.

3. The notifications with regard to Articles 14, 16 and 22.

4. The denunciations received in accordance with Article 21.

Article 24

Any Contracting Party may three years after the coming into force of this Convention, in respect of such Contracting Party, or at any time thereafter request that a Conference be convened in order to consider amendments to this Convention.

Any Contracting Party proposing to avail itself of this right shall notify the Belgian Government which, provided that one third of the Contracting Parties are in agreement, shall convene the Conference within six months thereafter.

Article 25

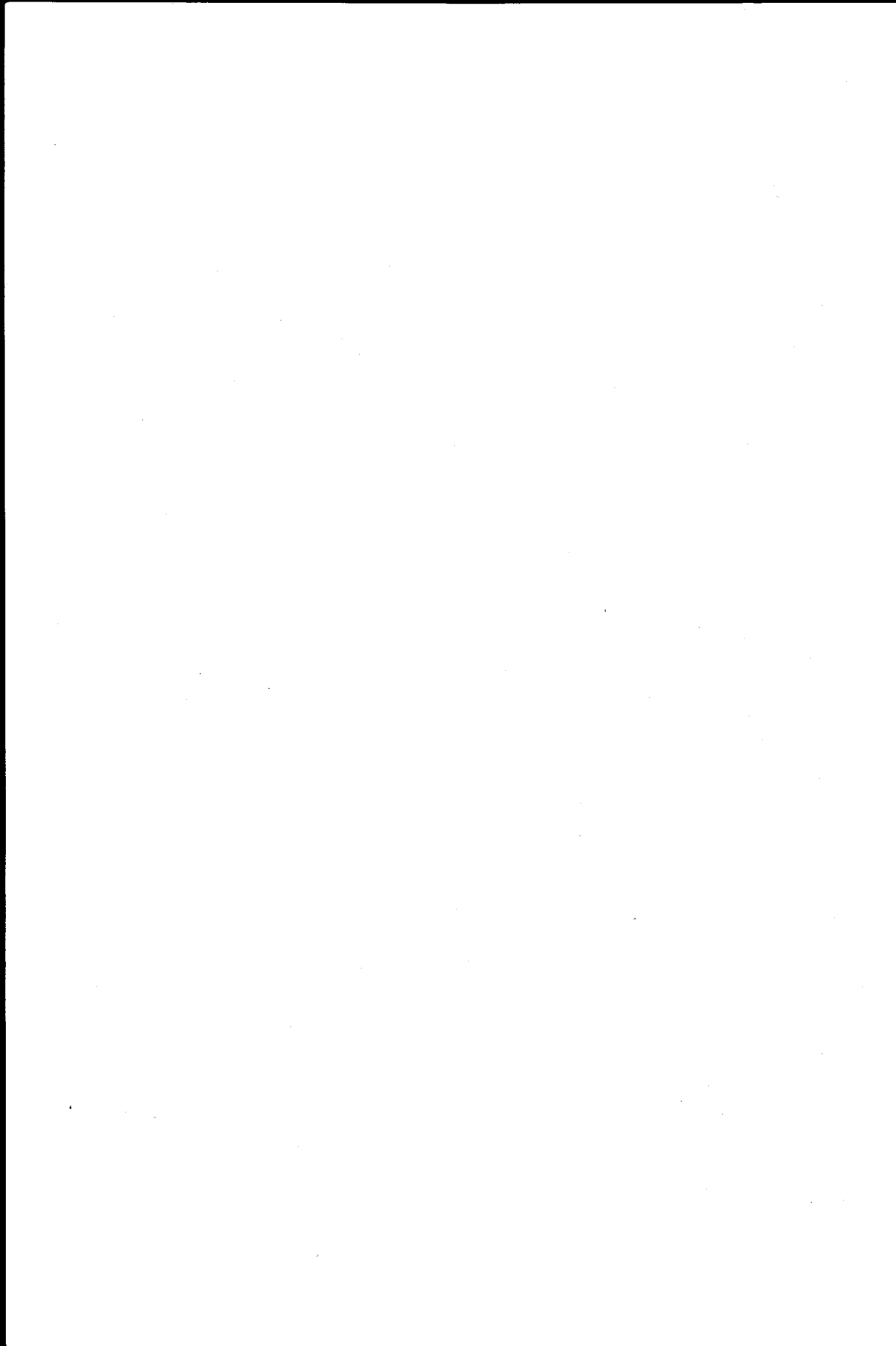
In respect of the relations between States which ratify this Convention or accede to it, this Convention shall replace and abrogate the International Convention for the

unification of certain rules relating to Maritime Liens and Mortgages and Protocol of signature, signed at Brussels on April 10th, 1926.

IN WITNESS WHEREOF the undersigned plenipotentiaries, duly authorised, have signed this Convention.

DONE at Brussels, this 27th day of May 1967, in the French and English languages, both texts being equally authentic, in a single copy, which shall remain deposited in the archives of the Belgian Government, which shall issue certified copies.

Chapter III
INTERNATIONAL COMMERCIAL ARBITRATION



*List of Conventions and Other Instruments **

1. CONVENTIONS AND SIMILAR INSTRUMENTS

Treaty concerning the Union of South American States in respect of procedural law. Montevideo, 11 January 1889

[Spanish] Martens, *Nouveau Recueil général de Traités*, 2^e série, tome XVIII, p. 414
Protocol on Arbitration Clauses. Geneva, 24 September 1923

League of Nations, *Treaty Series*, vol. XXVII, p. 157, No. 678 (1924); *International Legislation (Hudson)*, vol. 2, p. 1062, No. 98

Convention on the Execution of Foreign Arbitral Awards. Geneva, 26 September 1927

League of Nations, *Treaty Series*, vol. XCII, p. 301, No. 2096 (1929-1930); *International Legislation (Hudson)*, vol. 3, p. 2153, No. 183

Bustamante Code, (Convention on Private International Law). Havana, 20 February 1928 (arts. 210, 211 and 423-435)

League of Nations, *Treaty Series*, vol. LXXXVI, p. 246, No. 1950 (1929); *International Legislation (Hudson)*, vol. 4, p. 2283, No. 186 a

Treaty on International Procedural Law, Montevideo, 19 March 1940 (Arts. 5-15)

International Legislation (Hudson), vol. 8, p. 472, No. 581

Convention on the Recognition and Enforcement of Foreign Arbitral Awards. New York, 10 June 1958

United Nations, *Treaty Series*, vol. 330, p. 38, No. 4739 (1959)

European Convention on International Commercial Arbitration. Geneva, 21 April 1961

United Nations, *Treaty Series*, vol. 484, p. 364, No. 7041 (1963-1964)

Agreement relating to Application of the European Convention on International Commercial Arbitration. Paris, 17 December 1962

United Nations, *Treaty Series*, vol. 523, p. 94, No. 7555 (1965)

Convention on the Settlement of Investment Disputes between States and Nationals of Other States. Washington, 18 March 1965

United Nations, *Treaty Series*, vol. 575, p. 160, No. 8359 (1966)

* Immediately following each title of a convention or other instrument is a reference to a source for the full text. These references have been compiled from the materials available at the Dag Hammarskjöld Library of the United Nations. In cases where the original language of the text is not English, and where no translation into English has been found, a citation to the text in the original language is set out.

European Convention providing a Uniform Law on Arbitration, 20 January 1966
European Treaty Series, No. 56

General Conditions for the Delivery of Goods between Organizations of Member Countries of the Council for Mutual Economic Assistance (sects. 90 and 91), 1968
The text of these articles may be found in chapter I of this *Register* p. 99

2. UNIFORM RULES FOR ARBITRATION *

Rules for International Commercial Arbitration and Standards for Conciliation of the United Nations Economic Commission for Asia and the Far East, 1966

United Nations, Economic Commission for Asia and the Far East, publication of the Center for Commercial Arbitration, 1966

Arbitration Rules of the United Nations Economic Commission for Europe, 1966
United Nations, document E/ECE/TRADE 81

Rules of Procedure of the Inter-American Commercial Arbitration Commission, 1969
Document AAA—19—2M—6/69 of the Inter-American Commercial Arbitration Commission

3. DRAFT CONVENTIONS AND SIMILAR INSTRUMENTS

Rules on International Commercial Arbitration, (Copenhagen Rules), formulated by the International Law Association, 1950

Report on the Forty-fourth Conference of the International Law Association, Copenhagen 1950, p. 271

Draft Uniform Law on Arbitration in respect of International Relations of Private Law, prepared by the International Institute for the Unification of Private Law (UNIDROIT)

UNIDROIT Yearbook, 1957, p. 135

Arbitration in Private International Law, articles adopted at Amsterdam (1957) and Neuchâtel (1959) by the Institute of International Law

Annuaire de l'Institut de Droit International (1959), vol. 48 II, p. 394

Draft Convention on the Protection of Foreign Property, prepared by the Organisation for Economic Co-operation and Development

Organisation for Economic Co-operation and Development (OECD), publication No. 23081/November 1967

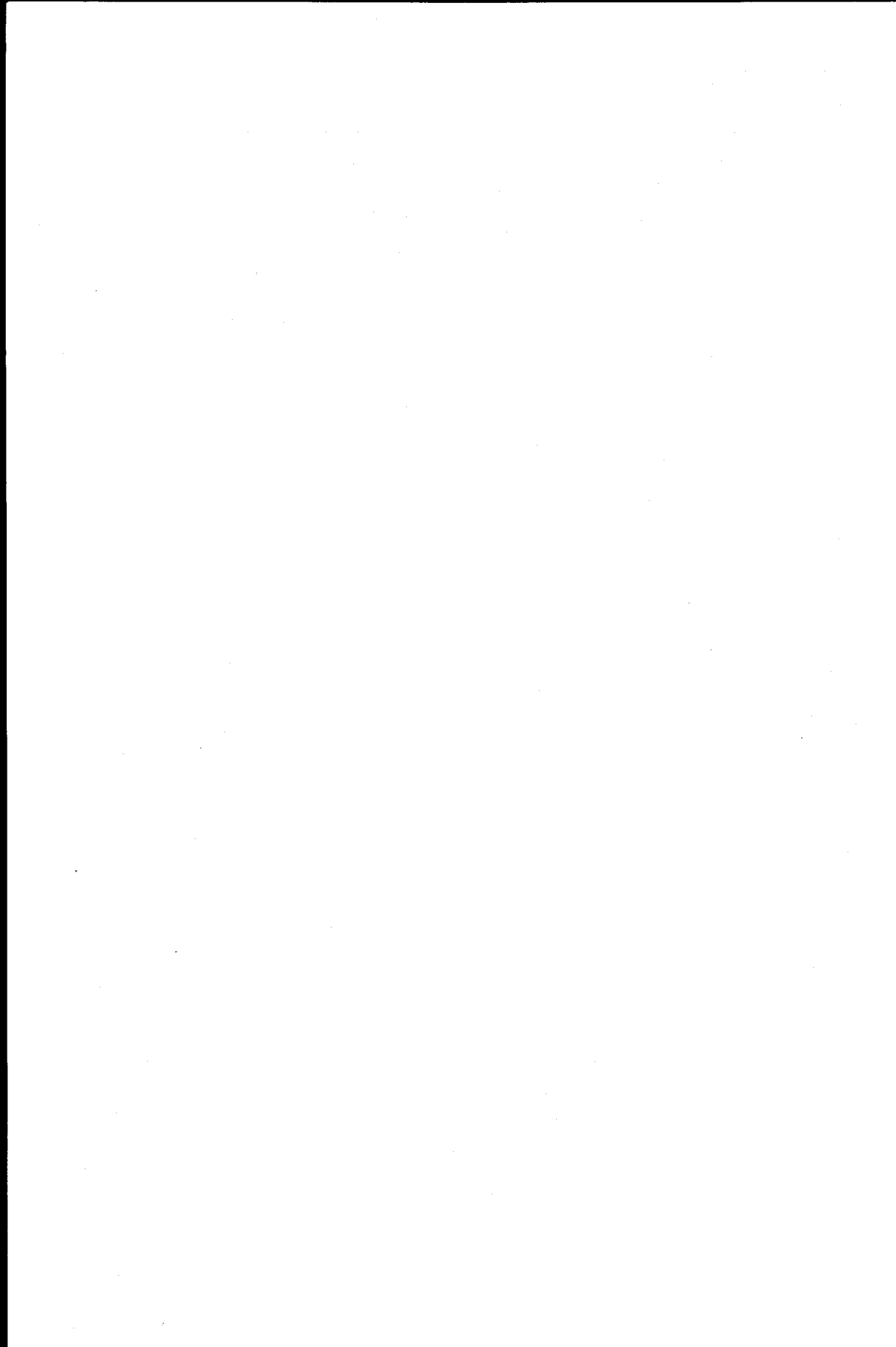
* The list does not include the rules of permanent arbitral tribunals such as the Rules of Conciliation and Arbitration of the International Chamber of Commerce.

Draft Protocol on the Recognition and Enforcement of Arbitral Awards, prepared by the Council of Europe

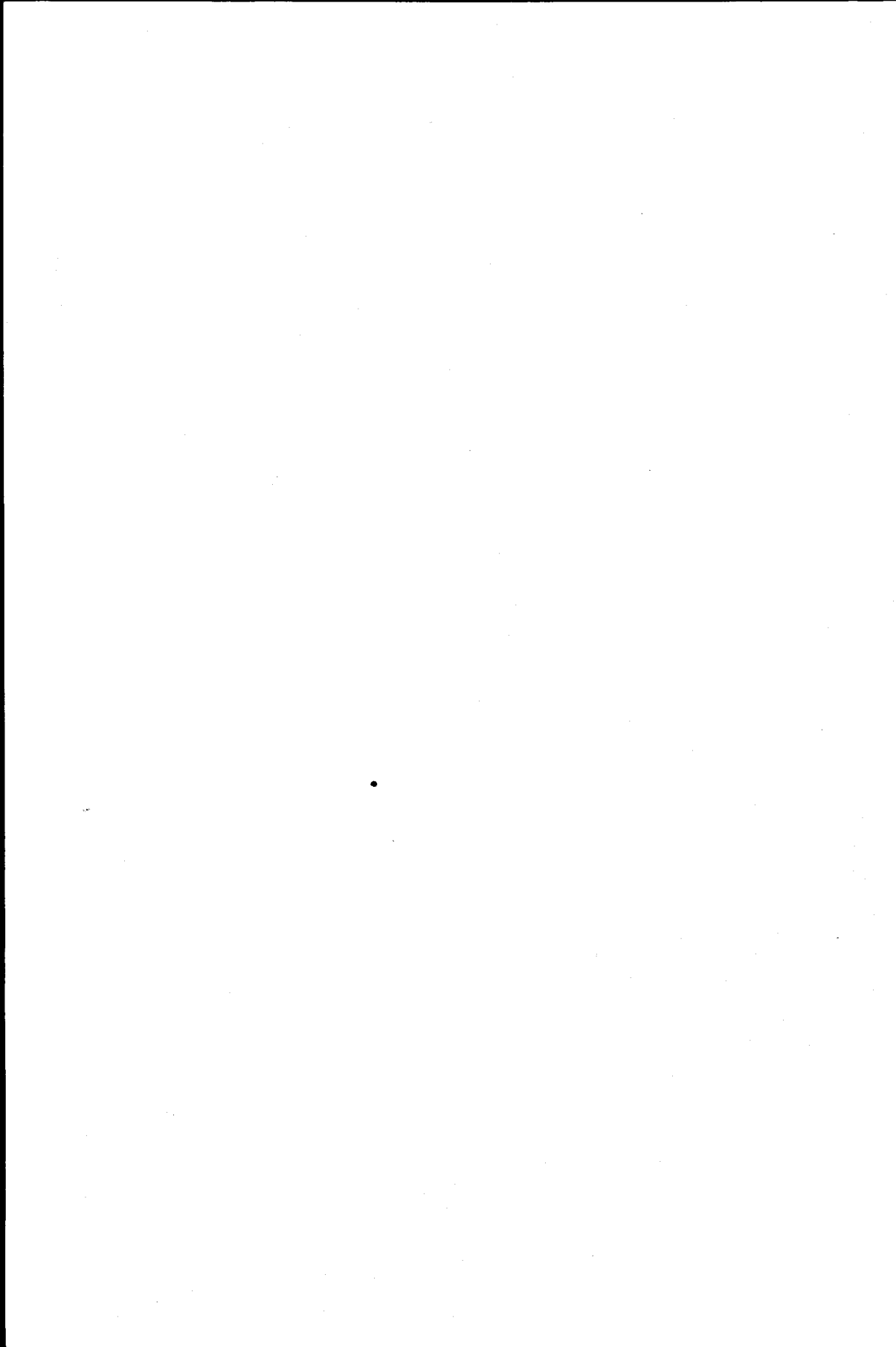
Restricted Addendum to Doc. CM (67) 71 of the Council of Europe

Draft Convention on International Commercial Arbitration, to which is attached a Draft Uniform Law on Inter-American Commercial Arbitration, prepared by the Organization of American States.

Organization of American States, (OAS), document OEA/SER. I/VI.1, CIJ—91, p. 48



Chapter IV
INTERNATIONAL LEGISLATION ON SHIPPING



*List of Conventions and Other Instruments **

1. CONVENTIONS AND SIMILAR INSTRUMENTS

Convention for the Unification of Certain Rules of Law with respect to Assistance and Salvage at Sea. Brussels, 23 September 1910

Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1112

International Convention for the Unification of Certain Rules of Law with respect to Collisions between Vessels. Brussels, 23 September 1910

Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1047

International Convention for the Unification of Certain Rules of Law relating to Bills of Lading. Brussels, 25 August 1924

League of Nations, *Treaty Series*, vol. CXX, p. 157 No. 2764 (1931-1932); Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1080; *International Legislation (Hudson)*, vol. 2, p. 1344, No. 119

International Convention for the Unification of Certain Rules relating to the Limitation of the Liability of Owners of Seagoing Vessels. Brussels, 15 August 1924

League of Nations, *Treaty Series*, vol. CXX, p. 125, No. 2763 (1931-1932); Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1051; *International Legislation (Hudson)*, vol. 2, p. 1332, No. 118

International Convention for the Unification of Certain Rules relating to Maritime Liens and Mortgages. Brussels, 10 April 1926

League of Nations, *Treaty Series*, vol. CXX, p. 189, No. 2765 (1931-1932); *International Legislation (Hudson)*, vol. 3, p. 1845, No. 155; this text may also be found in chapter II of this Register p. 357

International Convention for the Unification of Certain Rules relating to the Immunity of State-owned Ships. Brussels, 10 April 1926

Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1121; *International Legislation (Hudson)*, vol. 3, p. 1837, No. 154

Bustamante Code (Convention on Private International Law). Havana, 20 February 1928, (Arts. 274-294)

League of Nations, *Treaty Series*, vol. LXXXVI, p. 246, No. 1950 (1929); *International Legislation (Hudson)*, vol. 4, p. 2283, No. 186 a

* Immediately following each title of a convention or other instrument is a reference to a source for the full text. These references have been compiled from the materials available at the Dag Hammarskjöld Library of the United Nations. In cases where the original language of the text is not English, and where no translation into English has been found, a citation to the text in the original language is set out.

Treaty on International Commercial Navigation Law. Montevideo, 19 March 1940
Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1099; *International Legislation (Hudson)*, vol. 8, p. 460, No. 580.

International Convention relating to the Arrest of Seagoing Ships. Brussels, 10 May 1952
United Nations, *Treaty Series*, vol. 439, p. 194, No. 6330 (1962); Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1126

International Convention on Certain Rules concerning Civil Jurisdiction in Matters of Collision. Brussels, 10 May 1952
United Nations, *Treaty Series*, vol. 439, p. 219, No. 6331; (1962); Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1131

International Convention relating to the Limitation of the Liability of Owners of Sea-Going Ships. Brussels, 10 October 1957
UNIDROIT Yearbook, 1957, p. 303; Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1058

Convention relating to the Unification of Certain Rules concerning Collision in Inland Navigation. Geneva, 15 March 1960
United Nations, *Treaty Series*, vol. 572, p. 147, No. 8310 (1966)

Convention on the Liability of Operators of Nuclear Ships. Brussels, 25 May 1962
Nagendra Singh, *British Shipping Laws*, vol. 8 (International Conventions of Merchant Shipping), p. 1071

Convention on the Registration of Inland Navigation Vessels, with annexed Protocols:
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