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Fortieth session Agenda item 135

> REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW ON THE WORK OF ITS EIGHTEENTH SESSION

Report of the Sixth Committee

Rapporteur: Mr. Molefi PHOLO (Lesotho)

1. On the recommendation of the General Committee, the General Assembly decided at its 3rd plenary meeting, on 20 September 1985, to include in the agenda of its fortieth session the item entitled "Report of the United Nations Commission on International Trade Law on the work of its eighteenth session" and to allocate it to the Sixth Committee.

2. In connection with this item, the Sixth Committee had before it the report in question, which was introduced by the Chairman of the United Nations Commission on International Trade Law at the 3rd meeting of the Committee, on 20 September. 1/ In addition to that report, the Committee had before it a note by the Secretary-General (A/C.6/40/L.5) relating to the consideration of the report by the Trade and Development Board of the United Nations Conference on Trade and Development.

3. The Sixth Committee considered the item at its 3rd to 5th meetings, from 2 to 7 October and at its 37th and 38th meetings, on 13 and 14 November 1985. The summary records of those meetings (A/C.6/40/SR.3-5, 37 and 38) contain the views of representatives who spoke during the consideration of the item.

<u>1</u>/ Official Records of the General Assembly, Fortieth Session, Supplement No. 17 (A/40/17). The report was submitted pursuant to a decision by the Sixth Committee at its 1096th meeting, on 13 December 1968 (see Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 88, document A/7408, para. 3).

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4. At the 37th meeting, on 13 November, the representative of Austria introduced a draft resolution (A/C.6/40/L.6) sponsored by <u>Argentina</u>, <u>Australia</u>, <u>Austria</u>, <u>Belgium</u>, Brazil, Canada, Cyprus, Egypt, Finland, France, Germany, Federal Republic of, Greece, Hungary, Italy, Jamaica, Japan, Kenya, the Libyan Arab Jamahiriya, the Netherlands, Nigeria, the Philippines, Romania, Senegal, Singapore, Spain, Sweden <u>Turkey</u>, and Yugoslavia, later joined by <u>Czechoslovakia</u>, <u>Guyana</u> and <u>Morocco</u> as well as a draft resolution (A/C.6/40/L.7) sponsored by <u>Argentina</u>, <u>Australia</u>, <u>Austria</u>, <u>Brazil</u>, <u>Canada</u>, <u>Cyprus</u>, <u>Egypt</u>, <u>Finland</u>, <u>France</u>, <u>Germany</u>, <u>Federal Republic of</u>, <u>Greece</u>, <u>Hungary</u>, Italy, Jamaica, Japan, <u>Kenya</u>, the <u>Netherlands</u>, <u>Nigeria</u>, the <u>Philippines</u>, <u>Senegal</u>, <u>Singapore</u>, <u>Spain</u>, <u>Sweden</u>, and the <u>United States of America</u>, later joined by <u>Czechoslovakia</u> and <u>Guyana</u>.

5. At its 38th meeting, the Committee adopted by consensus draft resolution A/C.6/40/L.6 (see para. 6, draft resolution I) and draft resolution A/C.6/40/L.7 (see para. 6, draft resolution II).

RECOMMENDATIONS OF THE SIXTH COMMITTEE

6. The Sixth Committee recommends to the General Assembly the adoption of the following draft resolution:

DRAFT RESOLUTION I

Report of the United Nations Commission on International Trade Law

The General Assembly,

Having considered the report of the United Nations Commission on International Trade Law on the work of its eighteenth session,

<u>Recalling</u> that the object of the Commission is the promotion of the progressive harmonization and unification of international trade law,

Recalling, in this regard, its resolution 2205 (XXI) of 17 December 1966, as well as all its other resolutions relating to the work of the Commission,

Recalling also its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, 3281 (XXIX) of 12 December 1974 and 3362 (S-VII) of 16 September 1975,

<u>Reaffirming its conviction</u> that the progressive harmonization and unification of international trade law, in reducing or removing legal obstacles to the flow of international trade, especially those affecting the developing countries, would significantly contribute to universal economic co-operation among all States on a basis of equality, equity and common interest and to the elimination of discrimination in international trade and, theraby, to the well-being of all peoples,

Having regard for the need to take into account the different social and legal systems in harmonizing and unifying international prade law,

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<u>Stressing</u> the value of participation by States at all levels of economic development, including developing countries, in the process of harmonizing and unifying international trade law,

1. Takes note with appreciation of the report of the United Nations Commission on International Trade Law on the work of its eighteenth session; 2/

2. <u>Commends</u> the Commission for the progress made in its work and for having reached decisions by consensus;

3. <u>Calls upon</u> the Commission to continue to take account of the relevant provisions of the resolutions concerning the new international economic order, as adopted by the General Assembly at its sixth and seventh special sessions, and reaffirms the importance, in particular for developing countries, of the work carried out by the Working Group on the New International Economic Order on a legal guide on the drawing up of international contracts for construction of industrial works;

4. <u>Notes with particular satisfaction</u> the completion and adoption of the UNCITRAL Model Law on International Commercial Arbitration; <u>3</u>/

5. <u>Welcomes</u> the Commission's work on the legal implications of automated data processing to the flow of international trade as an activity of vital importance to States at all levels of economic development, including developing countries, and in this connection:

(a) Commends the Commission for its recommendation on the legal value of computer records 4/ which, in conjunction with the preparatory study by the secretariat, aids in clarifying the legal issues;

(b) Calls upon Governments and international organizations to take, where appropriate, action in conformity with the Commission's recommendation so as to ensure legal security in the context of the widest possible use of automated data processing in international trade;

6. <u>Reaffirms</u> the mandate of the Commission, as the core legal body within the United Nations system in the field of international trade law, to co-ordinate legal activities in this field in order to avoid duplication of effort and to promote efficiency, consistency and coherence in the unification and harmonization of international trade law, and, in this connection, recommends that the Commission, through its secretariat, should continue to maintain close co-operation with the other international organs and organizations, including regional organizations, active in the field of international trade law;

2/ Official Records of the General Assembly, Fortieth Session, Supplement No. 17 (A/40/17).

<u>3/ Ibid.</u>, annex I.

/ <u>Ibid</u>., chap. VI, sect. B.

> 7. <u>Reaffirms also</u> the importance, in particular for the developing countries, of the work of the Commission concerned with training and assistance in the field of international trade law and the desirability for it to sponsor symposia and seminars, in particular those organized on a regional basis, to promote such training and assistance, and, in this connection:

(a) Expresses its appreciation to those Governments, regional organizations and institutions that have collaborated with the secretariat of the Commission in organizing regional seminars and symposia in the field of international trade law;

(b) Welcomes the initiatives being undertaken by the Commission and its secretariat to collaborate with other organizations and institutions in the organization of regional seminars;

(c) Invites Governments, international organizations and institutions to assist the secretariat of the Commission in financing and organizing regional seminars and symposia, in particular in developing countries;

(d) Invites Governments, relevant United Nations organs, organizations, institutions and individuals to make voluntary contributions to allow the resumption of the programme of the Commission for the award of fellowships on a regular basis to candidates from developing countries to enable them to participate in such symposia and seminars;

8. <u>Stresses</u> the importance of bringing into effect the conventions emanating from the work of the United Nations Commission on International Trade Law for the global unification and harmonization of international trade law;

9. <u>Recommends</u> that the Commission should continue its work on the topics included in its programme of work;

10. Expresses its appreciation for the important role played by the International Trade Law Branch of the Office of Legal Affairs of the Secretariat, as the substantive secretariat of the Commission, in assisting in the implementation of the work programme of the Commission.

DRAFT RESOLUTION II

Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law

The General Assembly,

Recognizing the value of arbitration as a method of settling disputes arising in international commercial relations,

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Being convinced that the establishment of a model law on arbitration that is acceptable to States with different legal, social and economic systems contributes to the development of harmonious international economic relations,

Noting that the Model Law on International Commercial Arbitration was adopted by the United Nations Commission on International Trade Law at its eighteenth session, after due deliberation and extensive consultation with arbitral institutions and individual experts of international commercial arbitration,

Being convinced that this Model Law, together with the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 5/ and the Arbitration Rules of the United Nations Commission on International Trade Law, 6/ recommended by the General Assembly in its resolution 31/98 of 15 December 1976, significantly contributes to the establishment of a unified legal framework for the fair and efficient settlement of disputes arising in international commercial relations,

1. <u>Requests</u> the Secretary-General to transmit the text of the Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law, together with the <u>travaux préparatoires</u> from the eighteenth session of the Commission, to Governments and to arbitral institutions and other interested bodies such as chambers of commerce;

2. <u>Recommends</u> that all States give due consideration to the Model Law on International Commercial Arbitration, in view of the desirability of uniformity of the law of arbitral procedures and the specific needs of international commercial arbitration practice.

5/ United Nations Treaty Series, vol. 330, No. 4739, p. 38.

6/ United Nations publication, Sales No. E.77.V.6.