



SUMMARY RECORD OF THE 6th MEETING

Chairman: Mr. DENG (Sudan)

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**AGENDA ITEM 131: REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE
LAW ON THE WORK OF ITS TWENTY-FIRST SESSION (continued)**

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Distr. GENERAL
A/C.6/43/SR.6
10 October 1988
ENGLISH
ORIGINAL: FRENCH

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The meeting was called to order at 10.05 a.m.

AGENDA ITEM 131: REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW ON THE WORK OF ITS TWENTY-FIRST SESSION (continued) (A/43/17)

1. Mr. MARTINEZ GONDRA (Argentina) observed that, during its 20 years of existence, UNCITRAL had produced a series of highly useful instruments which served as links between various legal systems, and said it was clear that the instruments it would produce in the future would make an even greater contribution to the understanding, dissemination and unification of international trade law.
2. International countertrade accounted for an appreciable share of international trade, particularly in the developing countries. In some cases, it raised legal problems that were not easily solved, which was why the preparation of a legal guide on the drawing up of countertrade contracts would be extremely useful.
3. His delegation favoured the adoption of the draft Convention on International Bills of Exchange and International Promissory Notes as finalized by UNCITRAL. While efforts to clarify the text were certainly justified, there was no real need to revise it in so far as the substance was concerned. The working group that was to consider the observations, proposals and amendments made by Governments must reach a compromise solution so that the Commission could then recommend the text of the Convention to the General Assembly for adoption.
4. Regarding the status of conventions established by UNCITRAL, his delegation welcomed the entry into force on 1 January 1988 of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) and, on 1 August 1988, of the Convention on the Limitation Period in the International Sale of Goods (New York, 1974). It was encouraging to note that several States intended to ratify those Conventions and that others had begun the legislative process required for their ratification. In addition, it was to be hoped that the Hamburg Rules, which were intended to govern the activities of carriers and to simplify contracts for the carriage of goods by sea, might enter into force by the end of 1989.
5. It had been acknowledged that UNCITRAL should accord greater priority to the programme of training and assistance, and it was encouraging to note that the Commission continued to organize seminars like the ones held at Geneva and Vienna in spite of administrative and financial problems. His delegation believed that voluntary contributions from individuals, organizations and Governments to a trust fund, as had been suggested, would provide an assured source of financing and would make funds available sufficiently in advance for the holding of such seminars.
6. Mr. BATH (Brazil) noted that UNCITRAL had, as it entered its third decade of activity, considered the perspectives for its future work and, in particular, possible new subjects for inclusion in its agenda; the Commission had also rightly decided to focus on questions relating to the law governing transport documents and on the legal principles applicable to the formation of international commercial contracts by electronic means.

(Mr. Bath, Brazil)

7. His delegation was pleased to note that the Working Group on International Contract Practices had completed its work on the draft uniform rules on the liability of operators of transport terminals, which would be submitted at the next session of the Commission in the form of a draft Convention with final clauses to be prepared by the Secretariat. It was to be hoped that, on the basis of the comments made by States and interested international organisations, the Commission would be able to give final consideration to the draft Convention.

8. At its most recent session, the Working Group on International Payments had begun to formulate Model Rules on electronic funds transfers, which would make a significant contribution to the harmonisation of practices and rules in a field that was evolving rapidly as a consequence of the increasingly widespread use of electronic means in transactions between banks. The developing countries had thus been able to participate in the elaboration of legal rules in a field where a body of custom and jurisprudence had not yet been fully developed, even by more advanced countries. The discussion in the Working Group on the legal issues listed by the Secretariat had served to elucidate some basic points relating to the elaboration of the Model Rules, such as their scope of application, definitions, general provisions, obligations of parties, error, fraud, liability and the finality of transfers. The main question that had arisen with regard to the scope of application of the Model Rules concerned their applicability to domestic transfers as well to international transfers. It was true that the inclusion of domestic transfers would not only make the Working Group's task unwieldy but might also result in a conflict with national laws. The Commission's approach to that issue, set out in paragraph 13 of the report, seemed reasonable and would allow work to proceed without precluding the possibility of a subsequent decision on the applicability of the Model Rules to transfers of domestic funds.

9. His delegation had taken note with interest of the preliminary study of legal issues in international countertrade prepared by the Secretariat for the Commission's twenty-first session. As the study indicated, countertrade transactions had become common between countries of differing types of economic, social and political systems. They were of particular interest to countries suffering from foreign currency shortages. His delegation believed that UNCITRAL could do very useful work in that area and therefore supported the decision to prepare a legal guide on the drawing up of countertrade contracts.

10. His delegation was pleased to note that the Working Group on the New International Economic Order would take up the topic of procurement at its tenth session. Its consideration of that topic was the logical continuation of the work just completed by UNCITRAL on the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, and ensured the continuity of the Commission's work in a field of particular interest to developing countries.

11. Ms. MOSALA (Lesotho) said that her country had had the singular privilege of hosting a seminar recently on international trade law organised in co-operation with UNCITRAL, the Preferential Trade Area for Eastern and Southern African States and the National University of Lesotho. In view of its resounding success, her

(Ms. Mosala, Lesotho)

delegation was confident that the seminar would earn its rightful place amongst the notable achievements of the Commission's programme of training and assistance.

12. Her delegation fully endorsed the formulation of Model Rules on electric funds transfers to facilitate the increasing volume of transactions carried out by computers. Lesotho was also appreciative of the high quality of the draft Convention on International Bills of Exchange and International Promissory Notes, which had succeeded in striking a balance between the different legal systems, and she expressed the hope that the questions still pending would not unduly hinder its adoption.

13. Her delegation noted with satisfaction that UNCITRAL was considering the question of stand-by letters of credit and guarantees, and that its secretariat would be preparing a legal guide on drawing up countertrade contracts. Her delegation hoped that the draft uniform rules on the liability of operators of transport terminals would be presented for adoption as soon as possible.

14. The issue of procurement was very important to the developing countries, and Lesotho was eagerly awaiting the outcome of the forthcoming session of the Working Group in Vienna. Moreover, Lesotho fully supported the idea of close co-operation between UNCITRAL and other institutions engaged in activities in the field of international trade law.

15. In conclusion, Lesotho, as a developing country, was already benefiting from the guidelines offered by the Commission's Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, which was an effective instrument in rectifying the inequalities brought about by the economic imbalances between negotiating partners.

16. Mr. DELON (France) said that UNCITRAL could be proud of the work that it had accomplished since its establishment 20 years before; tribute should be paid not only to the experts from member States and the observers but also to the secretariat, which was the kingpin of the Commission. During its twenty-first session, UNCITRAL had concentrated on a useful assessment of its overall activities and had undertaken exchanges of views on the general direction of its programme of work for the medium term. It had set forth four principal topics on which it would focus its work: independent contractual guarantees or stand-by letters of credit; countertrade; formation of contracts by electronic means; and transport documents. France firmly supported those choices. The Commission's work and research would fill a void in important fields, and it was to be hoped that UNCITRAL would undertake or continue its work on them, as soon as possible.

17. His delegation noted with satisfaction that the issue of independent contractual guarantees and stand-by letters of credit would soon be the subject of a report by the Working Group on International Contract Practices. Similarly, the preliminary study to be undertaken by the secretariat on the question of the formation of contracts by electronic means would be useful in exploring an unknown field. His delegation also welcomed the progress of the other work of the Commission.

(Mr. Delon, France)

18. France was quite satisfied with the quality of the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, adopted the previous year. It agreed with the Commission that its use should be encouraged and that steps should be taken so that it became as widely known as possible to potential users.

19. With regard to other activities, his delegation noted that the consideration of the question of electronic funds transfers had been pursued successfully during the 1988 session. France had always been particularly interested in that important field because the use of computers in international payments was becoming increasingly common.

20. Lastly, on reading the report, his delegation noted with satisfaction that the Commission was continuing its fruitful collaboration with other organizations engaged in similar activities, and that it was continuing to give priority to training and assistance in its field of competence.

21. Mrs. MANNHEIMER (Sweden), speaking on behalf of Denmark, Finland, Iceland, Norway and Sweden, said that those countries appreciated the successful work accomplished by the Commission, which had made it possible to resolve many legal problems concerning international trade. She referred, in particular, to the 1980 Vienna Convention on Contracts for the International Sale of Goods and the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works. The 1980 United Nations Sales Convention could already be regarded as a success. Finland, Norway and Sweden had ratified it and had incorporated its provisions into their national law; the other two Nordic countries were expected to follow shortly. The Convention would enter into force on 1 January 1989 for Finland, for Sweden, and in August 1989 for Norway. Her delegation was satisfied to learn that measures had been taken by the secretariat to achieve widespread distribution and to promote the use of the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works. The Nordic countries were considering taking steps to make the existence of the Legal Guide known, and they hoped that other countries would do the same.

22. In 1987 UNCITRAL had finished its work on the draft Convention on International Bills of Exchange and International Promissory Notes, and a special Working Group created by the Sixth Committee was considering observations and proposals made by States concerning the draft. The Nordic countries looked forward to the outcome of that important and difficult work and hoped that the work could be successfully finalized at the current session.

23. With regard to the present and future work of the Commission, the Nordic countries were especially interested in the efforts of the Working Group on International Payments concerning electronic funds transfers and the work of the Working Group on International Contract Practices on stand-by letters of credit and guarantees. Both questions were of great importance in banking transactions. The question of electronic funds transfers also touched upon the more general issue of the effects of new techniques on contract law. The question of stand-by letters of

(Mrs. Munnheimer, Sweden)

credit and guarantees was frequently being discussed in banking circles in the Nordic countries because of the practical problems faced by banks in that field.

24. The importance of the Commission's activities in training and assistance deserved to be underlined; the Nordic countries had taken part in financing the UNCITRAL seminar in Lesotho in 1988, and they hoped that other countries would be willing to support the Commission's programme in that field by making financial contributions.

25. Mr. HAYASHI (Japan) again welcomed the Commission's important contribution to the unification and harmonisation of laws relating to international business transactions.

26. With regard to the question of electronic funds transfers, which was assuming increasing importance with the rapid development of technology for international electronic transfers, his delegation noted with satisfaction the progress being made in the preparation of Model Rules by the Working Group on International Payments and was pleased that the Commission had decided that the scope of the rules should be limited, for the time being, to problems arising in international funds transfers. It considered that the draft Convention on International Bills of Exchange and International Promissory Notes, which was currently being considered by a working group of the Sixth Committee, was the result of reasonable compromise reached after 15 years of negotiations, and it hoped that the draft Convention would be adopted at the current session without substantive changes. However, if the Working Group concluded that some modifications to the text might ensure wider acceptance of the Convention, it would not oppose them, provided that they were limited to the absolute minimum, and that they enabled the Convention to be adopted by consensus.

27. With regard to the liability of operators of transport terminals, the delegation noted with satisfaction that the Working Group on International Contract Practices had completed preparation of a draft text of uniform rules and that the Commission had decided to consider the text at its next session with a view to its adoption in the form of a draft Convention. It hoped that the final draft Convention, which was to be completed the following year, would reflect the actual practice of terminal operators, and that care would be taken to ensure that its provisions were compatible with those of the various existing conventions in the area of carriage of goods.

28. His Government was intending to take part in the work on the topic of procurement, which the Working Group on the New International Economic Order was to begin considering the following month at Vienna.

29. With regard to collection and dissemination of information on interpretation of UNCITRAL legal texts, a question on which the Commission had held a very useful exchange of views at its last session, he noted with satisfaction that the Secretariat would be instructed to collect the relevant materials, with the co-operation of States parties or "national correspondents" designated by them, and

(Mr. Hayashi, Japan)

to distribute them as widely as possible. By promoting the uniform application and interpretation of convention texts, the decision would, in his view, contribute to the progressive harmonization and unification of the law in the field of international trade.

30. Mr. AUST (United Kingdom) welcomed the remarkable contribution of UNCITRAL in the field of international trade law. He particularly stressed the progress made by the Working Group on International Payments in preparing Model Rules on electronic funds transfers and considered, like the majority of members of the Working Group, that the Model Rules should be restricted to international funds transfers.

31. Noting that the Commission had decided to entrust its Working Group on International Contract Practices with the task of reviewing the ICC draft Uniform Rules on Guarantees in November 1988, he said that his delegation had yet to be convinced of the need for, or practicability of, harmonization in that area. With regard to countertrade contracts, it welcomed the work being done, provided it was limited to the preparation of a legal guide, since it considered that, in most cases, legal guides or model rules were to be preferred to conventions, especially given the problems of entry into force.

32. Regarding the topic of procurement, consideration of which had been entrusted to the Working Group on the New International Economic Order which was to begin its work the following month at Vienna, his delegation was concerned that work on it might divert UNICTRAL from its traditional task of creating uniform law, causing it to stray into sensitive political areas which were already within the mandate of other international bodies such as GATT.

33. Turning to the Commission's future programme of work, he drew particular attention to the proposal regarding the formulation of legal principles applicable to the formation of international commercial contracts by electronic means, particularly through the medium of visual display screens. As paragraphs 46 and 47 of the report recorded, the proposal made to the Commission by the United Kingdom in that regard had received wide support, since there currently existed no refined legal structure for the rapidly growing field of formation of contracts by electronic means, a field which was of particular relevance in markets dealing with securities, commodities and foreign exchange. His Government was currently undertaking preliminary consultations on the subject.

34. With regard to co-ordination of work in the field of international trade law, he considered it important to ensure that the work of UNCITRAL did not duplicate that of other international bodies active in the field, particularly UNIDROIT, in which the United Kingdom had always participated actively. The United Kingdom had chaired the drafting committee of the conference held in May 1988 at Ottawa, which had drawn up a convention on international financial leasing and a convention on international factoring.

(Mr. Aust, United Kingdom)

35. Regarding the status and promotion of UNCITRAL texts, the representative thanked the secretariat for the extremely helpful explanatory notes it had prepared on the Hamburg Rules, the Sales Convention, the Limitation Convention and the Model Law. Subject to the prevailing financial constraints, he fully supported any such initiative designed to aid the adoption of UNCITRAL texts. As to the UNCITRAL Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, the United Kingdom Department of Trade and Industry would be promoting it by publishing details of it in the official publication, British Business.

36. With regard to the draft Convention on International Bills of Exchange and International Promissory Notes, on which experts from many countries with different legal systems had been working for more than 16 years in an attempt to reach acceptable compromises between the practice adopted by States whose domestic law was based on the civil code, and that of States whose domestic law was based on common law, his delegation considered that, while the draft Convention was not wholly satisfactory, it was nevertheless workable; his delegation thus preferred that it should be adopted by the General Assembly without substantive amendment. It was very pleased to hear that as a result of the discussions that had taken place during the previous four days, the problems that the text still posed for certain States had been settled, and that the Working Group would be able to recommend the adoption of a final text to the Committee.

37. Mr. MAHNIC (Yugoslavia) said that his country had participated, as a member of UNCITRAL, in the preparation of the draft Convention on International Bills of Exchange and International Promissory Notes which had been adopted at the twentieth session. However, despite the efforts of the Commission to unify the rules and regulations in that area to meet the needs of contemporary international business practice, his delegation felt that the text of the draft Convention still contained certain shortcomings. He recalled in that connection the comments and proposals he had submitted in document A/43/403. He welcomed the progress made on the previous day by the working group established to study the proposals of States with a view to improving the text of the draft Convention. The group had shown that its efforts had borne fruit and he expected that final agreement on the draft Convention would soon be achieved.

38. His delegation supported the further work on the preparation of the Model Rules on electronic funds transfers. Considering the rapid development of the international transfer of funds and the fact that laws governing that area were virtually non-existent, the preparation of the Model Rules was very important. While supporting the view of UNCITRAL that the Model Rules should focus on questions arising in the international transfer of funds, his delegation felt that the internal aspects of those transactions should also be considered.

39. His delegation hoped that at the next session UNCITRAL would adopt, in the form of a draft convention, the draft text of uniform rules on the liability of operators of transport terminals prepared by the Working Group on International Contracts Practices. It was convinced that by preparing an analytical compilation on the limits of liability and units of account used in various transport conventions, the Secretariat would greatly facilitate the work of UNCITRAL at its next session.

(Mr. Mahnic, Yugoslavia)

40. In connection with its future programme of work, UNCITRAL had considered various topics that it might study in the future as well as its methods of work. His delegation felt that it would be useful to continue the exchange of views on those questions at the twenty-second session of the Commission.

41. Considering the scope of the current work of the Commission, the limited resources and the need for efficiency, it would be useful if the Commission established priorities for its future activities. His delegation supported the inclusion of questions of international procurement and countertrade in the agendas of the Working Group on the New International Economic Order and of the Commission. Yugoslavia also attached great importance to the question of joint ventures, which had proved one of the most successful and useful forms of co-operation between developing and developed countries, and would like to see that question included in the programme of work of the Commission in the near future.

42. Mr. ROSENSTOCK (United States of America) felt that UNCITRAL, particularly by virtue of its effectiveness, creativity, high level of competence and spirit of co-operation, was an example for all other bodies of the United Nations. Its secretariat, in particular, had done excellent work despite the difficulties it had to face. He also wished to congratulate the Working Group established to consider the draft Convention on International Bills of Exchange and International Promissory Notes, which had reached a satisfactory compromise one week early.

43. The United States was showing its satisfaction with the work of UNCITRAL in a number of ways. It had ratified the 1980 Convention on Contracts for the International Sale of Goods, which had entered into force on 1 January 1988 for 11 countries, including the United States, and which would facilitate international commerce for many years to come. It had also contributed to funding a one-week seminar organized jointly by UNCITRAL and the Preferential Trade Area for Eastern and Southern African States which had been held in Lesotho in 1988 to encourage the adoption and use in the countries of southern Africa of five texts emanating from the work of UNCITRAL.

44. The United States awaited with interest the consideration and adoption at the twenty-second session of UNCITRAL of the draft Convention on the Liability of Operators of Transport Terminals in International Trade and approved the continuation of work on the Model Rules on electronic funds transfers, which offered UNCITRAL a unique opportunity to formulate, in an area in which no national legislation existed for the time being, rules that could serve as a uniform basis for the preparation of domestic laws.

45. After completing the Legal Guide on Drawing up International Contracts for the Construction of Industrial Works, the Working Group on the New International Economic Order should undertake the formulation of a set of principles concerning procurement which UNCITRAL might use as a basis for the subsequent preparation of a model code and which could be of great importance for many States. Moreover, in November a working group would consider the draft Uniform Rules on Guarantees prepared by the International Chamber of Commerce, and would study the possibility

(Mr. Rosenstock, United States)

of UNICEF undertaking work on the legal rules governing stand-by letters of credit and guarantees. All those activities showed that UNCITRAL and its secretariat tackled each problem differently, thereby demonstrating their creativity.

46. As for the collection and dissemination of information on the implementation and interpretation of texts emanating from the work of UNCITRAL, particularly the 1980 Convention on Sales, the Secretariat had a very important role to play with the co-operation of the States parties, because the goal was to facilitate the future implementation of those conventions by individuals and to ensure that they would be interpreted in a uniform way. His delegation very much hoped that the Secretariat, despite its limited resources, would perform that role successfully.

47. In conclusion, he said that his delegation was pleased to announce that the United States was actively considering the Convention on the Limitation Period in the International Sale of Goods and the 1980 Protocol with a view to possible ratification.

48. Mr. TETU (Canada) said that his country, which had participated in the work of UNCITRAL as an observer since 1966, hoped to be elected a member in 1989. That showed Canada's interest in the work of UNCITRAL and its secretariat and in their efforts to harmonise and unify international commercial law.

49. As for the status and promotion of UNCITRAL texts, considered in chapter VIII of the report, he recalled that Canada had been the first country to adopt the Model Law on International Commercial Arbitration, which was applied by the 10 Canadian provinces. Canada also intended to accede shortly to the United Nations Convention on Contracts for the International Sale of Goods and was extremely interested in the work of the working groups on electronic funds transfers and on stand-by letters of credit and guarantees. His delegation would be happy to join in the future work of UNCITRAL on those questions.

50. In the field of training and assistance, Canada unreservedly supported the initiatives taken by UNCITRAL, and hoped to contribute \$10,000 to the seminar for young scholars and practitioners to be held at Vienna in 1989.

51. Finally, Canada welcomed the excellent results obtained the previous day by the Working Group responsible for finalising the draft Convention on International Bills of Exchange and International Promissory Notes. His delegation regarded the draft as a further indication of the seriousness with which UNCITRAL was conducting its deliberations.

52. Mr. BYKOV (Union of Soviet Socialist Republics) said that he was pleased to note the results of the deliberations of the twenty-first session of UNCITRAL, the most concrete being the draft articles on the liability of operators of transport terminals. He hoped that, at its next session, after considering the comments communicated by the States and international organisations concerned, UNCITRAL would complete its work on the topic and submit the draft articles to the General Assembly with appropriate recommendations, with a view to the adoption of a convention.

(Mr. Bykov, USSR)

53. UNCITRAL had been established in order to contribute to the harmonisation and standardisation of international trade law, and thus, indirectly, to the development of international trade relations. International trade was a key component of the international division of labour. The importance of collective endeavours to improve the legal régime applicable to international trade, on the basis of the equal rights and mutual benefit of the parties, was thus clear.

54. The restructuring (perestroika) on which the Soviet Union was embarked in terms of democratisation, openness and economic reforms extended to international trade, and its economic relations with other countries were expanding. Currently, almost 150 countries were trading partners of the Soviet Union. Since 1987, a number of ministries and governmental bodies, as well as many enterprises, organisations and co-operatives, had been given authorisation to seek access to foreign markets. At the United Nations and other international organisations, the Soviet Union was supporting efforts to establish a new international economic order which would liberate national economies and enable them to develop unhindered.

55. Restructuring in the USSR was paralleled by restructuring at the world level in the context of a new political thinking. In that connection, it might be noted that a more constructive dialogue had been initiated at the United Nations with a view to making world economic relations more humane and democratic. Since the threat of war now seemed remote, peaceful coexistence between States would in future require efforts in the field of economic security and international co-operation at all levels. In that regard, he recalled that, in its resolution 42/93, the General Assembly had stated that it was "convinced that in the nuclear and space age, in conditions of the indivisibility of peace and security in all parts of the world and the increasing interdependence among nations, the challenges of our times make the strengthening of multilateral co-operation in all fields ... indispensable", in the economic and trade fields in particular.

56. In that connection, UNCITRAL should assume greater importance, since it was increasingly essential to standardise the rules in order to promote the development of trade relations between States, whatever their economic or social system. UNCITRAL should endeavour to be even more effective by making a greater contribution to the collective efforts to enhance international economic relations, to improve the situation of the developing countries and to eliminate restrictive and discriminatory barriers, measures and practices.

57. As indicated in paragraph 44 of the report, "the question of planning the future work of the Commission was a matter of primary importance for the Commission's role as the lead formulating agency in the field of international trade law". In his delegation's view, prominence should accordingly be given in UNIDO's future programme of work to the pressing issues already mentioned, namely, the legal problems relating to the development of technical co-operation, joint-venture agreements, contractual clauses on guarantees in international contracts, quality warranties, and other similar topics. A broad exchange of views was necessary in order to draw up an effective programme of work, and the Soviet Union was prepared to participate in a constructive and practical spirit.

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(Mr. Bykov, USSR)

58. Finally, the Soviet Union favoured the adoption by the General Assembly of the draft Convention on International Bills of Exchange and International Promissory Notes, and hoped that the Convention would soon be open for signature.

59. Mr. GILL (India) said that UNCITRAL had, since its establishment, won the confidence of the international community by promoting the harmonisation and unification of international trade law through a whole series of conventions, including the Limitation Convention, the Hamburg Rules, the Sales Convention, and the Model Law on International Commercial Arbitration. The more recent draft Convention on International Bills of Exchange and International Promissory Notes was a unique example of consolidation of common and civil law, while the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works represented a significant attempt to achieve a careful balance between the interests of the Contracting Parties. In that connection, he welcomed the fact that UNCITRAL had taken note of General Assembly resolution 42/153 of 7 December 1987.

60. On the question of stand-by letters of credit and guarantees, he felt that, as suggested by UNCITRAL, work on that topic should be entrusted to the Working Group on International Contract Practices, and should be carried out in two stages, the first relating to contractual rules or model terms, and the second pertaining to statutory law. He also considered that UNCITRAL had been right to ask the Secretariat to prepare a draft outline for a legal guide on drawing up countertrade contracts in order for the Commission to decide what future action might be taken. He also approved the Commission's decision to take up the topic of procurement without delay and to entrust it to the Working Group on the New International Economic Order.

61. His delegation supported the inclusion in the Commission's programme of work of the following topics: joint ventures, product liability, unfair competition, and judicial co-operation and assistance in arbitration matters. It approved the Commission's co-ordination of its work with that of other international organisations, in general, and with that of the Asian-African Legal Consultative Committee, in particular, with a view to the promotion of its texts and its Legal Guide. Lastly, it considered that the Commission's programme of training and assistance, which made possible the holding of seminars extremely useful to lawyers and government officials from developing countries, should be funded by voluntary contributions made on an annual basis to the existing trust fund.

62. Mr. SOKOLOVSKY (Byelorussian Soviet Socialist Republic) observed that in a period characterised by the need to establish the primacy of law and a just and equitable new international economic order, the Commission's work assumed particular importance, as evidenced by the entry into force in 1988 of two new international Conventions prepared by the Commission: the United Nations Sales Convention, and the Convention on the Limitation Period in the International Sale of Goods. The Commission had also completed the formulation of a new international instrument - the draft Convention on International Bills of Exchange and International Promissory Notes, which was currently being examined by a Working Group of the Sixth Committee. His delegation found the draft satisfactory, and

(Mr. Sokolovsky, Byelorussian SSR)

hoped that the General Assembly would be able to adopt it at its current session without introducing any major modification, which would destroy the delicate balance of its provisions. The Commission had also completed the draft uniform rules on the liability of operators of transport terminals; the text was to be submitted to the Committee, which would decide on the procedure to be followed with regard to the adoption of that instrument.

63. He also drew attention to the progress made in work concerning electronic funds transfers and international countertrade, and noted the Commission's efforts to improve the co-ordination of its work with that of other international bodies.

64. The economic restructuring currently under way in the Byelorussian SSR was characterised by an easing of regulations governing economic activities, a gradual transfer to self-financing and the granting of some degree of autonomy to enterprises, a substantial expansion of their rights and obligations, and the direct participation of enterprises in the international market, which helped to broaden international economic relations. The Byelorussian SSR was therefore becoming more interested than ever in the Commission's activities aimed at unifying international trade law and thereby helping to strengthen the primacy of law in international trade and to stabilize international economic relations on the basis of equity and equality of rights.

65. Mr. DROUSHIOTIS (Cyprus) said that with regard to UNCITRAL's past activities, which members were offered a unique opportunity to examine in the Commission's current report, the year 1988 had been marked by the entry into force of two of the three international Conventions prepared by that body: the United Nations Sales Convention, which had entered into force on 1 January 1988, and the Convention on the Limitation Period in the International Sale of Goods, which had entered into force on 1 August 1988. In addition, the UNCITRAL Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, which was of particular importance to developing countries, had been warmly welcomed by the international community.

66. As to the Commission's current activities, he noted that the Working Group on International Payments had made progress in its work on electronic funds transfers, which, with the development of technology, were becoming increasingly important in the field of international payments. He also noted that UNCITRAL had completed the preparation of the draft Convention on International Bills of Exchange and International Promissory Notes, on which Member States had made observations and proposals currently under consideration by a Working Group of the Sixth Committee; the Committee should recommend that the General Assembly should adopt the draft Convention without substantial change. The Commission had also decided, on the basis of the report of the Working Group on International Contract Practices, to examine at its next session, with a view to its adoption, the draft Convention on the Liability of Operators of Transport Terminals in International Trade; it had requested the Secretary-General to transmit the draft Convention to all States and interested organizations for comments.

(Mr. Droushiotis, Cyprus)

67. His delegation considered that international countertrade and procurement were two extremely important subjects, of particular concern to the developing countries in that they related to the new international economic order; it hoped that UNCITRAL would make further progress on those topics.

68. His delegation also regarded UNCITRAL's future programme of work as an important item which should be the subject of a general discussion, and it was confident that the Commission would continue to fulfil its mandate successfully. It considered the Commission's co-ordinating role to be an essential element in the unification and harmonization of international trade law, and it appreciated the efforts made so far by the Commission to ensure co-ordination and co-operation with other organizations active in the field of international trade law. With regard to the promotion of the Commission's texts, his delegation supported any endeavour aimed at encouraging all States to accede to the Conventions and other instruments prepared by the Commission. He also reaffirmed the importance, in particular to developing countries, of the Commission's activities in the field of training and assistance, and welcomed the priority given to such activities by that body, as well as the efforts it was making to obtain funds for them.

The meeting rose at noon.