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Summary record of the 712th meeting
Held at the Vienna International Centre, Vienna, on Monday, 25 June 2001, at 2.30 p.m.

Chairman: Mr. Pérez-Nieto Castro ..... (Mexico)

Contents

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The meeting was called to order at 2.50 p.m.

Draft Convention on Assignment of Receivables in International Trade (*continued*) (A/CN.9/486, A/CN.9/489 and Add.1, A/CN.9/490 and /Add.1-4, and A/CN.9/491 and Add.1)

Article 19 (*continued*)

1. **Mr. Ducaroir** (Observer for the European Banking Federation) said that he had been unable to reconcile his views with those of the Irish and United Kingdom representatives and still considered that article 19, paragraph 6, should be deleted altogether.

2. **Mr. Meena** (India) proposed that, to remove any ambiguity, the last sentence of paragraph 6 should be amended to read: "If the debtor does not pay in accordance with the notification ...".

3. **The Chairman** suggested that since there appeared to be no support for those two proposals the Commission should merely take note of them and consider article 19 as approved.

4. *Draft article 19 was approved.*

Article 20 (*continued*)

5. **Mr. Salinger** (Observer for Factors Chain International), on the relationship between articles 20 and 24, said that since the purpose of the Convention was to encourage the provision of finance for receivables internationally at a reasonable and fair price, those who provided that finance had to have certainty and reasonable confidence. The question of set-off and the countervailing rights of the debtor was thus a very important matter to them. Under article 20 as presently worded the debtor could raise against the assignee any other right of set-off, provided it was available to the debtor at the time of notification; and it had been explained that that was what was available under the national law. It should, however, be made clear which national law was involved. While it was claimed that a conflict-of-law rule was contrary to the normal principles of private international law and that its inclusion might limit the number of States wishing to ratify the Convention, there was little point in having a widely ratified instrument that did not achieve its purpose by providing certainty.

6. He therefore suggested that it should be provided that the rights of the debtor were those available under the law of the original contract or, if that was not possible, that article 24 should not be subject to an opt-out by States.

7. **The Chairman**, noting the absence of comments, took it that the Commission had taken note of the proposal of the observer for Factors Chain International.

8. He called for comments on the United States proposal that article 20, paragraph 3, should contain a reference to article 12.

9. **Mr. Bazinas** (Secretariat) said that such a reference seemed necessary since article 11 included a rule validating an assignment of a receivable despite an anti-assignment clause, and article 12 contained a rule validating the assignment of a right securing a receivable despite an anti-assignment clause. Any consequential amendments to paragraph 3 could be left to the drafting group.

10. **Mr. Whiteley** (United Kingdom) said that the drafting of paragraph 3 referred to defences and rights of set-off that might arise when the assignment took place in spite of the contractual clause prohibiting it. Since article 11 had been redrafted, there might be circumstances in which a breach-of-agreement clause was effective, and paragraph 3 should perhaps cover that situation as well.

11. **Mr. Morán Bovio** (Spain) said that the United Kingdom suggestion should be referred to the drafting group, as should the reference to article 12 proposed by the United States.

12. **Mr. Deschamps** (Canada) said that under article 20, paragraph 2, the debtor could raise any right of set-off available to him at the time when notification of the assignment was received. Article 19, paragraph 6, which was apparently going to be retained, allowed the debtor to continue paying the assignor after having received notification of a partial assignment. Logically he should also be able to continue to raise a right of set-off even if that right arose subsequent to notification. Article 19, paragraph 6, and article 20, paragraph 2, were therefore inconsistent and should be aligned. Alternatively, paragraph 6 of article 19 could be deleted.

13. **The Chairman** asked whether the United Kingdom and Canadian proposals, which seemed to be drafting matters, could be considered by the drafting group.

14. **Mr. Deschamps** (Canada) said that the issue he had raised was not just a drafting matter. There had to be consistency in terms of substance. Set-off was a way of making payment and article 19, paragraph 6, allowed the debtor in the case of a partial assignment to make payment to the assignor after having received notification. However, article 20, paragraph 2, provided for a freezing of set-off rights. The two paragraphs were therefore inconsistent, set-off being by definition a way of making payment. Was it intended that, on the one hand, the account debtor was entitled to continue paying the assignor after having received notification of a partial assignment, and, on the other, that the account debtor in the same situation was not entitled to set off?

15. **Mr. Salinger** (Observer for Factors Chain International) said that from the practical point of view there was no need for compatibility between article 19, paragraph 6, and article 20, paragraph 2. There were many cases where a notification was given to the debtor purely to intervene in his rights of set-off and where payment continued to be made to the assignor. That happened in certain discounting arrangements. The reason for giving the debtor the alternative of paying in disregard of the notice of assignment was to avoid his having to incur additional costs. Article 20, paragraph 2, had nothing to do with additional costs but was merely a security advantage for the assignee which should be included even in the case of a partial assignment. In such a case the debtor could use his right of set-off against the unassigned part of the debt. If allowed to continue to raise set-off after the notice he could seriously detract from the assignee's security.

16. **Mr. Deschamps** (Canada) said that the problem was that the present text was not clear as to the effects of the notification of a partial assignment on the debtor's right to claim set-off against the assignor, which might arise after notification. The issue was one of interpretation. His own reading was that the courts would probably construe article 19, paragraph 6, as an implied exception to article 20, paragraph 2.

17. **Mr. Zanker** (Observer for Australia) said that he had difficulty understanding the point raised by the representative of Canada, since he had thought that articles 19 and 20 dealt with two completely separate subjects. He wondered if the suggestion that the courts might construe article 19, paragraph 6, as an implied exception to article 20, paragraph 2, could be amplified.

18. **Mr. Bazinas** (Secretariat) drew attention to paragraph 19 of the report of the Working Group on International Contract Practices on the work of its twenty-third session (A/CN.9/486), which referred to the Working Group's discussion as to whether the effectiveness of notification of a partial assignment should be treated differently for different purposes. The view had been expressed that it should be treated in the same way. However, the report continued, "that suggestion was objected to, since it would inadvertently result in disrupting useful practices. It was also stated that draft articles 9 and 18 respectively validated partial assignments and notifications of partial assignments, and that draft article 17 did nothing to invalidate such assignments or notifications. On that understanding, the Working Group decided that only the issue of the debtor's discharge in the case of a partial assignment needed to be addressed and that draft article 19, dealing with the debtor's discharge, was the appropriate place in the text of the draft Convention in which that matter should be addressed."

19. It was now for the Commission to decide whether to confirm the decision of the Working Group, or to change it in the light of the point raised by the representative of Canada.

20. **Mr. Stoufflet** (France) said that he, too, considered that the two articles dealt with two different situations and should not be linked. The texts should stand, but the commentary should reflect the views of the Working Group.

21. **The Chairman** said that the general view seemed to be that the two texts dealt with two different issues and that, following the Secretariat's comments, the point raised by the representative of Canada had been be covered.

22. **Mr. Bazinas** (Secretariat) drew attention to a suggested amendment to be found in paragraph 41 of the Note by the Secretariat (A/CN.9/491). In some jurisdictions, if the assignment was effective, the debtor might lose any right of set-off. As article 20 did not grant to the debtor a right of set-off if, under law applicable outside the draft Convention, the debtor did not have such a right, the debtor might not have any right of set-off in such jurisdictions. In order to avoid that result, the words "as if the assignment had never been made" could be inserted at the end of article 20, paragraph 1. That suggestion was now before the Commission.

23. **Mr. Morán Bovio** (Spain) said he was in favour of that addition.

24. **The Chairman** said he took it that the Commission wished to accept the addition suggested by the Secretariat.

25. *It was so decided.*

26. *Draft article 20, as amended, was approved.*

Articles 21, 22 and 23

27. *Draft articles 21, 22 and 23 were approved.*

Article 24

28. **Mr. Bazinas** (Secretariat) said that draft article 24 on the law applicable to competing rights had often been called the key to the Convention because it dealt with problems of priority in the case of competing claims. Paragraph 1 (a) provided that, with respect to the right of a competing claimant, the law of the State in which the assignor was located governed the characteristics and priority of the right of an assignee in the assigned receivable; and of the right of the assignee in proceeds that were receivables whose assignment was governed by the Convention. Paragraph 1 (b) dealt with priority with respect to certain proceeds of receivables such as negotiable instruments, securities and deposit accounts. Paragraph 1 (c) dealt with the characteristics of the right of a competing claimant in proceeds.

29. The Working Group had been unable to agree on the text of subparagraphs (b) and (c) and had decided to retain them in square brackets. With the possible exception of the law applicable to priority in the case of negotiable securities, a uniform solution had not been found. With respect to bank deposits, the Working Group had heard arguments in favour of the location of the account and of the location of the assignor. In the case of priority with respect to securities, there seemed to be an emerging consensus in favour of the location of the account (the so-called PRIMA approach). Following the meeting of the Working Group, members had discussed the issue with experts from the Hague Conference on Private International Law working on the law applicable to dispositions of securities held with an intermediary. Those discussions were reflected in document A/CN.9/491, paragraphs 3 to 19. However, a problem of coordination arose: if the Convention were to include a rule, it would have to be compatible with the text eventually adopted by the Hague Conference. One possibility would be to make article 24 a general text, but it might not be interpreted in the light of the Hague Conference text, leading to two different results. It was therefore suggested in document A/CN.9/491 that paragraphs 1 (b) and (c) should be deleted, leaving article 26 as the main text on proceeds. The Secretariat had also suggested that, for clarity's sake, the essence of paragraph 2 should be included in the definition of priority in article 5.

30. Other issues raised in the Working Group, including the definition of priority with respect to proceeds, were set out in document A/CN.9/491.

31. The text of the Convention would undoubtedly be enriched if the Commission could agree on what would be the laws applicable to priority with respect to proceeds that were securities or deposit accounts, but that might prove impossible because of difficulties of substance and coordination.

32. **Mr. Winship** (United States of America) said that, although his delegation had been very anxious to have a broad proceeds rule in article 24 dealing with negotiable instruments, bank accounts and securities accounts, it now reluctantly agreed that the best course would be to eliminate paragraph 1 (b) and (c) both for the reasons given by the Secretariat and because it wished to see the Convention completed as soon as possible.

33. **Mr. Morán Bovio** (Spain) was also in favour of deleting paragraphs 1 (b) and (c). The Secretariat's other suggestions on the rewording of draft article 24 were also useful.

34. **Mr. Kobori** (Japan) also agreed with the suggestion of the Secretariat but considered that the characteristics of the right of an assignee should not be referred to in article 24 since they should not be governed by the law of the State in which the assignor was located. He therefore proposed that the language suggested in paragraph 18 of document A/CN.9/491 for a revised article 5 (g) should be amended to read: "Priority means the right of a person in preference to the right of a competing claimant", with the rest of the suggested text deleted.

35. **Mr. Bazinas** (Secretariat) said that the Secretariat would certainly not insist on its suggestion for incorporating paragraph 2 of article 24 into the definition of priorities. That was merely a drafting proposal to

simplify the wording of article 24. But it wished to ensure that the characteristics of the rights of the assignee in the case of a priority conflict were subject to the law of the assignor's location. He understood, however, that there was an objection to that approach.

36. At the request of the Chairman, he clarified the Secretariat's suggestions in document A/CN.9/491, which were to delete article 24, paragraph 1 (b) and (c), as a consequence of which 1 (a) (ii) might also need to be deleted. Article 24 would then read simply: "With the exception of matters that are settled elsewhere in this Convention and subject to articles 25 and 26, the law of the State in which the assignor is located governs the priority of the right of an assignee in the assigned receivable with respect to the right of a competing claimant."

37. Moreover, the Secretariat now wished to suggest that its drafting proposal set out in paragraph 18 of document A/CN.9/491, to include paragraph 2 of article 24 in the definition of priority in article 5 (g), should be amended by the deletion of the words "and any steps necessary to render a right effective against a competing claimant". Those words had been intended to address the issue of form as against third parties, an issue that the Commission might take up in the context of a discussion on form.

38. **Mr. Stoufflet** (France) thought it worth while to retain article 24 (b) in the wording suggested by the Secretariat in paragraph 19 of document A/CN.9/491, namely: "The priority of the right of the assignee in proceeds that are receivables whose assignment is governed by this Convention with respect to the right of a competing claimant", even if it was decided to delete paragraph 1 (b) and (c) of the current draft article 24, since it was useful to have a conflict-of-law rule on proceeds of whatever kind.

39. **Mr. Whiteley** (United Kingdom) endorsed that view. He also noted that article 24, paragraph 2 (a), stated that the assignor's location would determine whether a right was a personal right or a property right. In his delegation's view, the assignor's location could decide whether the assignor had transferred a right but not whether the assignor had a personal or a property right in the first place. The word "is" was a little too broad in scope. He therefore supported the proposal by the representative of Japan in that respect.

40. **Mr. Bazinas** (Secretariat) said that the objection was not to moving the essence of paragraph 2 into the definition of priority, but to the substance of paragraph 2 (a) as it stood.

41. **Ms. Walsh** (Canada) supported the language suggested by the Secretariat in paragraph 19 of document A/CN.9/491 and agreed with the Secretariat's suggested deletion of paragraph (b) from that proposal, since once paragraphs 1 (b) and (c) were eliminated from article 24, retaining it seemed to complicate matters without adding much value.

42. She was also in favour of deleting the reference to the law governing the "characteristics" of the right of an assignee in article 24, paragraph 1 (a) (ii). She construed the current drafting, which spoke of the choice of law for "the characteristics and priority of the right", as raising two separate issues of choice of law. Her delegation had always assumed that the definition of characteristics of a right in current paragraph 2 applied only where the characteristics of the right were part of the priority analysis, and that the court would have to decide whether an assignee's right had priority. To do so it would have to decide whether the right was a personal or a property right. Her delegation thus supported the removal of the term "characteristics". It should also be made clear that characteristics were involved only as an element in the priority analysis and not for some other independent purpose.

43. **Mr. Bazinas** (Secretariat), responding to a request by **the Chairman** for clarification, said that, thanks to the flexible attitude of delegations, particularly that of the United States, the Commission had made great strides towards reaching agreement on article 24. The remaining issues, including the decision on whether to include the provision in paragraph 1 (b), on characteristics and priority of the right of the assignee in proceeds that were receivables, were of secondary importance. Two delegations had supported the inclusion of that provision, arguing that it would be helpful because the proceeds might be receivables governed by the Convention. The Secretariat's initial view had been that the most problematical proceeds were bank accounts, securities and negotiable instruments. In the absence of the rule in paragraph 1 (b), only the rule in article 26 would be left.

44. The representative of Canada had seen no value in paragraph 1 (a) (ii). The issue of priority in proceeds which were receivables whose assignment was governed by the Convention was perhaps a matter for article 26, and one on which a decision could be taken when the Commission came to discuss that article.

45. The Secretariat considered its suggestion for paragraph 2 to be a drafting proposal, on which it would not insist. In any case it was a separate issue. The representative of Canada had argued that the characteristics of a right of an assignee in a priority conflict should be subject to the law of the location of the assignor. That was stated in article 24, paragraph 2, as currently drafted, and was also reflected in the Secretariat's suggestion to include paragraph 2 in the definition of priority. In that sense the substance would not be changed; however, at least two delegations had objected to the substance of article 24, paragraph 2 (a), as it stood, and that was something on which the Commission might wish to decide.

46. **Mr. Morán Bovio** (Spain) agreed with some of the points made by the Secretariat. It would be better to incorporate the rule on proceeds in article 26. It also seemed appropriate to relocate article 24, paragraph 2, in the definition of priority. The wording proposed in paragraph 19 of document A/CN.9/491 could, in his delegation's view, be retained but placed in article 26. However, he was not sure if that was essential and would like to hear the views of others in that regard.

The meeting was suspended at 4.20 p.m. and resumed at 4.40 p.m.

47. **Mr. Whiteley** (United Kingdom) said his delegation considered that the text of draft article 24 (b), as proposed in paragraph 19 of document A/CN.9/491, should be included somewhere in the Convention.

48. **The Chairman** called for comments on the Secretariat's suggestion that paragraph 2 of article 24 should be relocated in article 5 and redrafted.

49. **Mr. Winship** (United States of America) supported the Secretariat's suggestion. It would largely address the concern of the Canadian delegation since it would then be clear that the matters currently referred to under "characteristics" would be considered only for the purpose of determining priority over a competing claimant. Article 5 (g) should be modified as proposed in paragraph 18 of document A/CN.9/491. Paragraph 2 of article 24 could then be deleted.

50. **Mr. Zanker** (Observer for Australia) requested clarification. He recalled that the view had been expressed that the characteristics of the right of an assignee should not fall to be determined by the law of the place of the assignor, and wondered whether article 24, paragraph 2, which did not seem to be a definition, would fit into article 5.

51. **Mr. Bazinas** (Secretariat) confirmed that the suggestion was that the text of article 24 should be the text in paragraph 19 of document A/CN.9/491, with subparagraph (b) of that text to be considered in the context of article 26.

52. There remained the question of paragraph 2 of article 24 on which two issues had to be decided. The placing was a drafting matter, but the Commission had first to decide whether to confirm the rule in paragraph 2 as it stood or, as suggested by the representative of Japan, to delete that paragraph because the question of whether the right was a personal right or property right or whether it was security for indebtedness or another obligation had nothing to do with priority.

53. He recalled the reasons for the inclusion of paragraph 2 in article 24 and all the references in that article to the characteristics of a right. If the priority rule under which a person had to be paid first was applied in a jurisdiction where that priority was not known, it might well mean that priority was worth nothing, since the issue of having a property right was not addressed in that jurisdiction. If under that law an assignee had a personal right, then in a case of insolvency the assignee with priority might end up with nothing. That was why the Working Group had considered it necessary to strengthen the essence of priority. It had not been able to agree on whether the right of the assignee was a property right or a personal right but it had agreed that the law of the assignor's jurisdiction should govern it.

54. At the last session of the Working Group the drafting group had spent much time trying to address the point raised by the representative of Canada. It was necessary to limit the issue of whether the right was a personal right or a property right to the context of a priority conflict, when it was essential to determine priority. That was why in article 24, paragraph 1 (a) (i),

the issue of characteristics was addressed only with respect to the right of a competing claimant.

55. The Commission still had to decide whether to confirm that article 24 was right in submitting both the priority and the character of a right in a priority conflict to the law of the assignor's location. If that policy decision of the Working Group was confirmed by the Commission it could then consider the Secretariat's drafting point as to the placement of that rule. While the Secretariat considered that to be a secondary issue article 24 would read better if the suggestion were adopted, and the point raised by the representative of Canada would be better understood if that legal nature of the right was part of the definition of priority. Moreover, a similar approach had been adopted in the Hague Conference text.

56. **Ms. Walsh** (Canada) said that, while supporting the simplification of article 24, she did not think that article 5 was necessarily the best place for the wording of it.

57. The Commission had decided that the question of the characteristics of a right, where they were relevant to the determination of priority, should also be governed by the law of the assignor's location. Her delegation preferred to see the idea expressed in that way, rather than indirectly through the definition of priority, and suggested an approach similar to that of the Hague Conference text, which stated that the law governing priority extended to the characteristics and extent of the right where they were relevant to the determination of priority, with a list of the issues involved.

58. **The Chairman** suggested that the delegations of the United States, Canada, the United Kingdom, Australia and any other interested delegations should meet to come up with a text.

59. **Mr. Bazinas** (Secretariat) said that if the Commission did not wish to adopt the Secretariat's suggestion, the alternative would be to omit paragraph 2 and include in article 24 a text reading: "With respect to the right of a competing claimant, the law of the State in which the assignor is located governs whether that right is a personal or property right, whether or not it is security for indebtedness or another obligation, and the priority of the right of the assignee in proceeds"—an enumeration of the separate issues, as in the Hague Conference text.

60. **Ms. Walsh** (Canada) said that her delegation's proposal was not precisely as summarized by the Secretariat. Her delegation was concerned not to treat the governing law for the character of the right as a separate issue. Those issues were relevant only in the context of a priority conflict and the suggestion that they should all be listed separately would not meet her delegation's concerns. If there was no interest in trying to find a clearer form of drafting, her delegation would prefer the drafting proposed in paragraph 18 of document A/CN.9/491, rather than the Secretariat's most recent suggestion.

61. **Mr. Bazinas** (Secretariat) pointed out that article 24, paragraph 1 (a), and paragraph 2 were not enclosed in square brackets. The Working Group had considered the Canadian concerns and agreed on those texts. Article 24, paragraph (a), and paragraph 2 had been adopted by the Working Group, with the support of Canada. The substance of the text was thus settled. It now appeared, however, that the substance of article 24, paragraphs 1 (a) and 2 was not acceptable.

62. **Mr. Morán Bovio** (Spain) suggested that the drafting group could adopt in final form the Secretariat's text as proposed in paragraph 18 of document A/CN.9/491 with any proposals for drafting changes, together with a reference to draft article 5.

63. **Mr. Whiteley** (United Kingdom) said that a suggestion had been made that his delegation's standpoint differed from that of Canada, but that was not the case. He also concurred with the representative of Spain that the matter was primarily one of drafting and that the Commission had agreed on the substantive point.

64. He noted that, although paragraph 2 of article 24 was not in square brackets, it had been adopted rather speedily on the last day of the Commission's session and therefore might merit further consideration, subject to the comments of the Canadian representative. Alternatively, the drafting group could look at the text in paragraph 18 of document A/CN.9/491 and reword it as necessary for the consideration of the Commission at its next meeting.

65. **Mr. Franken** (Germany) said that the Commission's solution for the definition of location was not very satisfactory. Banks in many countries did business through branches which were not independent, and the definition of location, which referred to the central administration, would be

insufficient in such cases. In the case of an assignor who used the proceeds of a receivable to buy shares which were put into a bank account with a branch of a United States bank and then pledged to the bank for extending a loan, United States law would have to apply even if the branch were in Germany. Under the United States law, the assignee would have a property right in the proceeds stemming from the payment, whereas a German bank handling the same case would not give the assignee any rights to the proceeds. While he did not intend to make a proposal at that stage, he wished to know whether the definition of location had been settled, or whether it would be reconsidered.

66. **Mr. Morán Bovio** (Spain), speaking on the point raised by the representative of Germany, said that the Commission should not reopen issues that had been settled in the Working Group at the last session. The Commission should not reconsider the question of location in the absence of a compelling alternative proposal.

67. **The Chairman** said he did not consider that the point raised by the German representative could be taken up at the present stage.

68. **Mr. Bazinas** (Secretariat) said that the Commission must decide whether any proposals for changes were drafting changes or policy changes, as the task of the drafting group was simply to make minor editorial changes and adjust the text in the other languages, not to start again from scratch. Accordingly, the Secretariat would be happy to withdraw its drafting proposal for article 24, retaining the text in article 24, paragraph 1 (a) (i) and (ii).

69. **The Chairman** said that the drafting group would meet that afternoon to prepare a proposal on the drafting and relocation of the paragraph. The criteria had been established and the Commission would return to matters of substance only if it so decided.

70. **Mr. Stoufflet** (France) said that the point raised by the German representative was not a minor one. The Working Group should revisit the question at some stage.

71. **Mr. Deschamps** (Canada) pointed out that the problem raised by the German representative would not arise since the Commission had decided to delete the provision on the law of the State of the assignor governing the priority of the rights of proceeds.

72. His delegation did not object to the substance of the text suggested by the Secretariat in paragraph 18 of document A/CN.9/491, but merely felt that the issues that the Secretariat was suggesting be added to the definition of priority should be governed by the law of the assignor only to the extent that they were relevant to the definition of priority. If that were to involve too lengthy an editorial discussion, his delegation would much prefer to go along with the Secretariat's proposal rather than retaining article 24, paragraph 2.

73. **Ms. McMillan** (United Kingdom) said that her delegation would prefer not to discuss location at the present juncture. Its understanding was that the Commission wished to delete paragraph 2 of article 24 and to accept the Secretariat's suggestion in paragraph 18 of document A/CN.9/491 as the basis for a definition of priority. Its understanding was that the Commission wished to delete the word "characteristics" when it reproduced the short form of article 24, which would simply include the text at present in article 24, paragraph 1 (a) (i).

74. **Mr. Doyle** (Observer for Ireland) said he shared the United Kingdom's perception of what had been decided with regard to article 24. On the question of location, however, he agreed with the representative of Spain: the question had been settled at the last session of the Commission and should not be reopened at any stage.

75. **Mr. Ducaroir** (Observer for the European Banking Federation) said he could not share the views of the representatives of Spain and Ireland. Location was a very important point and did not concern proceeds alone but was of a more general scope. It was of concern both to central and to commercial banks. The present meeting might not be the right time to examine it, but he very much hoped that there could be a new discussion of that important issue before the end of the session.

76. **The Chairman** said that at its next meeting the Commission would continue to examine the text of the Convention through to article 47, before reverting to any points left in abeyance.

77. If he heard no objection, he would take it that paragraphs 1 (a) (ii), (b), and (c), were to be deleted; that paragraph 1 (a) (ii) was to be considered for

inclusion in draft article 26; and that the thrust of paragraph 2 was to be included in draft article 5 (g).

78. *On that understanding, draft article 24 and draft article 5 (g) were approved.*

The meeting rose at 5.45 p.m.