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REPORTS
Regional and International Activities

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ORGANIZATION OF AMERICAN STATES (OAS)

Second Inter-American Specialized Conference on Private International Law (CIDIP-II)

The Second Inter-American Specialized Conference on Private International Law (CIDIP-II) was convened in accordance with Resolution AG/RES.187 (V-0/75) adopted by the General Assembly of the Organization of American States (OAS) in May 1975. The Assembly accepted the offer from the Government of Uruguay to host the Conference, and the Permanent Council subsequently set April 23, 1979, as the opening date.

CIDIP-II was held in Montevideo, Uruguay, from April 23 to May 8, 1979. The following twenty member States of the OAS participated in CIDIP-II: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Trinidad and Tobago, United States, Uruguay, and Venezuela.

There were representatives from the following countries which have the status of Permanent Observers at the OAS: Austria, France, Federal Republic of Germany, and Spain. Several international organizations sent observers to the Conference, including the following: Inter-American Bar Association, Inter-American Bar Foundation, Inter-American Development Bank, Latin American Free Trade Association, Inter-American Children Institute, Inter-American Commission of Women. The Hague Conference on Private International Law was represented by its Secretary-General. Several distinguished jurists from the American countries were also invited to attend the Conference.

CIDIP-II approved seven conventions and one Protocol: (1) the Inter-American Convention on Conflicts of Laws Concerning Checks; (2) the Inter-American Convention on Conflicts of Laws Concerning Checks.

* General Rapporteur and member of the Council, Inter-American Bar Association; member of the Board, Inter-American Bar Foundation; former Deputy Director, Department of Legal Affairs, General Secretariat of the Organization of American States.
Commercial Companies; (3) the Inter-American Convention on Extraterritorial Validity of Foreign Judgments and Arbitral Awards; (4) the Inter-American Convention on Execution of Preventive Measures; (5) the Inter-American Convention on Proof and Information on Foreign Law; (6) the Inter-American Convention on Domicile of Physical Persons in Private International Law; (7) the Inter-American Convention on General Rules of Private International Law; and (8) the Additional Protocol to the Inter-American Convention on Letters Rogatory. These seven conventions and the additional Protocol were signed by OAS delegates from fourteen member States invested with full powers for that purpose on May 8, 1979. These instruments are open for signature at the OAS General Secretariat in Washington, D.C., for those member States that did not sign on that date; they are also open for accession by any other nation.

The conventions and the Protocol are subject to ratification, and the instruments of ratification and accession shall be deposited with the OAS General Secretariat. Each convention shall enter into force on the thirtieth day following the date of deposit of the second instrument of ratification. For each State ratifying or acceding to each of the conventions after the deposit of the second instrument of ratification, the convention shall enter into force on the thirtieth day after deposit by such member of its instrument of ratification or accession.

The Additional Protocol is open for signature and subject to ratification and accession by those OAS members that have signed, ratified, or acceded to the Inter-American Convention on Letters Rogatory adopted by CIDIP-I in Panama on January 30, 1975. The Protocol is open for accession by any other nation that accedes or has acceded to the Convention.

The seven conventions and the additional Protocol are of great importance in facilitating cooperation among the American States in several fields; these instruments constitute an outstanding achievement in the context of inter-American law.

**Inter-American Convention on Conflicts of Laws Concerning Checks**

According to this Convention, the capacity to enter into an obligation by means of a check shall be governed by the law of the place in which the obligation was contracted. If such an obligation was contracted by a person who was incompetent according to that law, such incompetency shall not be valid in the territory of any other State.
Legal acts related to checks, such as the drawing, endorsement, guaranty, and protest shall be governed by the law of the place where each one of those acts is performed. All obligations arising from a check shall be governed by the law of the place in which they were contracted. Should one or more obligations arising from a check be invalid under the applicable law, this invalidity shall not affect such other obligations as are valid under the law of the place in which they were contracted. In the event a check does not specify the place where the respective obligation was entered into or where the legal act appearing on the document was performed, it shall be understood that the obligation was entered into or the act performed in the place where the check is payable, and if this place is not specified, the place where it was drawn.

The procedures and time limits for the protest of a check or other equivalent act for the preservation of rights against the endorsers, the drawer, or other obligated parties shall be governed by the law of the place where the protest or other equivalent act is or should be performed. The law of the place in which the check is to be paid shall determine: (a) its nature; (b) its form and the effects thereof; (c) the time of presentation; (d) the persons against whom the check may be drawn; (e) whether it may be drawn for deposit only, crossed, be certified, or confirmed, and the effects of these rights; (f) the rights of the holder in regard to the provisions of funds and the nature of such rights; (g) whether the holder may demand, or is obliged to receive, partial payment; (h) the rights of the drawer to revoke the check or oppose payment; (i) the necessity of protest or other equivalent act for the preservation of rights against the endorsers, the drawer, or other obligated parties; (j) the measures to be taken in case of robbery, theft, forgery, loss, destruction, or of the instrument deteriorating to the point of being useless; and (k) in general, all matters relating to the payment of the check.

Checks presented to an intra-regional clearing house shall be governed by this Convention, where applicable. The applicable law under the Convention may be refused application in the territory of any State Party that considers it manifestly contrary to its public policy.

Inter-American Convention on Conflicts of Laws Concerning Commercial Companies

This Convention applies to commercial companies constituted in any of the member States. The existence, capacity, operation, and
dissolution of commercial companies shall be governed by the law of the place where they are constituted. The expression "law of the place where they are constituted" shall be understood to mean the law of the State where the formal and substantive requirement for the establishment of commercial companies is fulfilled.

Commercial companies duly constituted in one State shall be recognized in other States. This recognition does not preclude the power of another State to require proof of the existence of commercial companies in accordance with the law of the place where they were constituted. In no case may the recognized capacity of commercial companies constituted in one State be greater than the capacity granted to commercial companies by the law of the State of recognition.

For direct and indirect performance of the acts incident to their purpose, commercial companies shall be subject to the laws of the State in which such acts are performed. The same law shall govern the control that a company doing business in one State attains over a commercial company constituted in another State. Companies constituted in one State that intend to establish the true headquarters of their central administration in another State may be required to fulfill the requirements established in the laws of the second State. For the performance of acts directly or indirectly incident to their purpose, commercial companies shall be subject to the jurisdictional authorities of the State where they perform such acts.

Inter-American Convention on Extraterritorial Validity of Foreign Judgments and Arbitral Awards

This Convention applies to judgments and arbitral awards rendered in civil, commercial, or labor proceedings in one of the States Parties, unless it makes an express reservation at the time of ratification to limit the Convention to compensatory judgments involving property. Any of the States Parties may declare that the Convention also applies to certain rulings, to the decisions of authorities that exercise some jurisdictional function, and to penal judgments, insofar as they refer to compensation for property loss. The rules of this Convention apply to arbitral awards in all matters not covered by the Inter-American Convention on International Commercial Arbitration, signed in Panama on January 30, 1975.

The foreign judgments, awards, or decisions referred to in the previous paragraph shall have extraterritorial validity in the States Parties if they meet the following conditions: (a) they fulfill all
the formal requirements necessary for them to be deemed authentic in the State of origin; (b) the judgment, award, or decision, and the attached documents that are required under this Convention are translated into the official language of the State where they are to take effect; (c) they are presented duly legalized in accordance with the law of the State in which they are to take effect; (d) the judge or tribunal is competent in the international sphere to try the matter and to pass judgment on it in accordance with the laws of the State in which they are to take effect; (e) the plaintiff has been summoned or subpoenaed in due legal form substantially equivalent to that accepted by the laws of the State where the judgment, award, or decision is to take effect; (f) the parties had an opportunity to present their defense; (g) they are final or, where appropriate, have a res judicata effect in the State in which they are rendered; and (h) they are not manifestly contrary to the principles and laws of the public policy of the State in which recognition or execution is sought.

If a foreign judgment, award, or decision cannot be executed in its entirety, the judge or tribunal may agree to its partial execution at the request of an interested party. The procedures for ensuring the validity of foreign judgments, awards, and decisions, including the jurisdiction of the respective judges and tribunals, shall be governed by the law of the State in which execution is sought.

Inter-American Convention on Proof and Information on Foreign Law

This Convention establishes rules governing international cooperation between States Parties for obtaining elements of proof and information on their respective laws. According to the Convention, the authorities of each of the States Parties shall provide the authorities of the other States Parties that so request, elements of proof of, and reports on the text, validity, meaning, and legal scope of their law. This information shall be supplied through any suitable means contemplated by the law of the State of origin and the law of the State of destination.

For the purposes of the Convention, "suitable means" shall be construed to include the following: (a) documentary proof consisting of certified copies of legal texts together with an indication of their validity, or judicial precedents; (b) expert testimony, consisting of opinions of attorneys or experts on the matter; and (c) the reports
of the State of destination on the text, validity, meaning, and scope of its law on specific points.

Each request pursuant to the Convention shall contain the following: (a) the name of the authority from which the request comes and the nature of the matter; (b) a precise statement of the elements of proof being requested; and (c) a specification of each of the points of the request, together with an indication of its meaning and scope, and a statement of the pertinent facts.

The requests may be forwarded to the corresponding Central Authority of the State of destination directly by the courts or the Central Authority of the State of origin.

For the purposes of the Convention, each State shall designate a Central Authority, and each State may change the designation of its Central Authority at any time. The General Secretariat of the OAS shall be informed of the designation of this Authority at the time of deposit of the instrument of ratification or accession, so that it may inform the other States Parties of such designation.

Inter-American Convention on Execution of Preventive Measures

Article 1 of the Convention establishes that for the purpose of the Convention, the terms "preventive measures," "security measures," or "guarantee measures" are deemed to be equivalent when they are used to mean procedures or measures whose purpose is to guarantee the findings or effects of a pending or future proceeding concerning the security of persons, property, or of obligations to give or perform a specific thing in civil, commercial, or labor matters, or in criminal trials in which civil damages are sought.

In other articles, the Convention provides that the judges or courts of the States Parties to the Convention shall execute the preventive measures that are decreed by a judge or a court of another State Party competent in the international sphere and whose purpose is: (a) to execute measures necessary to guarantee the security of persons, such as the protective custody of minor children or provisional maintenance; and (b) to execute measures necessary to guarantee the security of property, such as the preventive attachment of immovable and movable property, registration of the suit, or administration and seizure of businesses. The grounds for a preventive measure shall be decided in accordance with the laws and by the judges of the place of the proceeding. The guaranty that the requesting party is to provide,
and any guaranty that the affected party may offer to provide in the place where the measure is executed, shall be governed by the law of the place where the measure is executed.

When an attachment or any other preventive measure involving property has been executed, the person affected by this measure may plead a third-party claim or pertinent objections before the judge to whom the letter rogatory was addressed for the sole purpose of having that claim communicated to the judge of origin when the letter rogatory is returned to him. The objection shall be heard by the judge of the principal proceedings, in conformity with the law of that jurisdiction. If the third-party claim excludes ownership or rights in rem over the attached property, or the objection is based on possession or ownership of the attached property, it shall be decided by the judge in accordance with the laws of the place where the property is located. The execution of preventive measures by a judge or court of the State of destination shall not entail any commitment to recognize and execute the foreign judgment that may have been rendered in the proceedings concerned.

Without prejudice to the rights of third parties, the consular authorities of a State Party may, unless otherwise provided in international conventions, receive the personal effects of a national of that State Party when, because of death, the effects are placed at the disposal of the relatives or heirs presumptive of the national, and there are no such relatives or heirs. The same procedure shall be followed when a person is unable to administer his property as a result of a criminal proceeding.

The judges or courts of the States Parties shall, upon a well-founded request by one of the parties, order and execute all preventive or urgent measures of a territorial nature whose purpose is to guarantee the result of a pending or potential suit. This shall apply regardless of which judge or court in any of the States Parties is competent in the international sphere to hear the merits of the case, provided that the property or right that this measure will affect is located in the territory under the jurisdiction of the judge or court addressed by the party.

The preventive measures covered by the Convention shall be executed by means of letters rogatory, which may be transmitted to the judge or court addressed by the interested parties themselves through judicial channels, through consular or diplomatic agents, or through the Central Authority of the State of origin or of the State of
Each State Party shall inform the General Secretariat of the OAS of its Central Authority competent to receive and distribute letters rogatory. Should the judge or court addressed determine that it lacks jurisdiction to execute the letter rogatory, it shall *ex officio* forward the documents and antecedents of the case to the judicial authority of the State that has jurisdiction.

Letters rogatory must meet the following requirements: (a) it must be legalized; the letter rogatory shall be presumed to be duly legalized in the State of origin when legalized by a competent consular or diplomatic agent; and (b) the letter and its accompanying documentation must be translated into the official language of the State of destination. Letters rogatory shall be accompanied by the following documents: (a) an authenticated copy of the request or petition for the preventive measure, the attached documentation, and the rulings; (b) information concerning the procedural rules that establish any special procedure that the judge or court of the State of origin may request the judge or court of the State of destination to follow; and (c) where appropriate, information on the existence and address of the court-appointed defense counsel, or of competent legal aid societies in the State of origin.

The costs and other expenses involved in the processing and execution of letters rogatory concerning preventive measures shall be borne by the interested parties. The State of destination may, at its discretion, execute a letter rogatory that does not indicate that the interested party be held responsible for expenses and costs when incurred, except when provisional maintenance is involved, in which case the court of the State of destination shall process it *ex officio*.

States Parties belonging to economic integration systems or having common borders may agree among themselves on special methods or procedures more expeditious than those provided for in the Convention. On the other hand, the Convention shall not limit any provisions regarding preventive measures in bilateral or multilateral agreements that may have been signed or may be signed in the future by the States Parties, or preclude the continuation of more favorable practices that may be adopted by these States.

**Inter-American Convention on Domicile of Physical Persons in Private International Law**

The Convention establishes uniform rules regulating the domicile of physical persons in private international law. The domicile of a
physical person shall be determined by the following circumstances in the order indicated: (1) the location of his habitual residence; (2) the location of his principal place of business; (3) in the absence of the foregoing, mere residence; and (4) in the absence of mere residence, the place where the person is located.

The domicile of incompetent persons is that of their legal representatives, except when they are abandoned by those representatives, in which case their former domicile shall continue. The conjugal domicile is the place where the spouses live together, without prejudice to the right of each spouse to have his or her domicile determined in the manner detailed above.

The domicile of diplomatic agents shall be their last domicile in the territory of the accrediting State. The domicile of physical persons temporarily abroad in the employment or commission of their government shall be that of the State that appointed them. When a person has his domicile in two States Parties, he shall be considered to be domiciled in the State Party where he resides, and if he resides in both, the place in which he is located shall be preferred.

Inter-American Convention on General Rules of Private International Law

This Convention provides that the choice of the applicable rule of law governing facts connected with foreign law shall be subject to the provisions of this Convention and other bilateral or multilateral conventions that have been signed or may be signed in the future by the States Parties. In the absence of an international rule, the States Parties shall apply the conflict rules of their domestic law. Judges and authorities of the States Parties shall enforce the foreign law in the same way as it would be enforced by the judges of the State whose law is applicable, without prejudice to the parties, who shall be permitted to plead and prove the existence and content of the foreign law invoked.

Whenever the law of a State Party involves certain institutions or procedures that are not provided for in the law of another State Party, this State Party may refuse to apply such a law if it does not possess similar institutions or procedures. Every appeal provided for in the procedural law of the place where the proceedings are held shall also be admissible for cases in which the law of any of the other States Parties is applicable.
The law of a State Party shall not be applied as foreign law when the basic principles of the law of another State Party have been fraudulently evaded. The competent authorities of the receiving State shall determine the fraudulent intent of the interested parties.

Juridical relationships validly established in a State Party in accordance with all the laws with which they have a connection at the time of their establishment shall be recognized in the other States Parties, provided that they are not contrary to the principles of their public policy. The different laws that may be applicable to various aspects of one and the same juridical relationship shall be applied harmoniously in order to attain the intended purposes. Any difficulties that may be caused by their simultaneous application shall be resolved in the light of the requirements of justice in each specific case. The law declared applicable by a convention on private international law may be refused application in the territory of a State Party that considers it manifestly contrary to the principles of its public policy.

Additional Protocol to the Inter-American Convention on Letters Rogatory

The representatives of the governments of the member States of the Organization of American States at the Second Inter-American Specialized Conference on Private International Law held in Montevideo, Uruguay, in April-May 1979, approved this Additional Protocol with the desire to strengthen and facilitate international cooperation in judicial procedures as provided for in the Inter-American Convention on Letters Rogatory. This Additional Protocol shall apply only to those procedural acts set forth in Article 2 (a) of the Inter-American Convention on Letters Rogatory, which was adopted in Panama in January 1975.

For the purposes of the Protocol, these procedural acts shall be understood to mean procedural acts (pleadings, motions, orders, and subpoenas) that are served, and requests for information that are made, by a judicial or administrative authority of a State Party and are transmitted by a letter rogatory from the Central Authority of the State of origin to the Central Authority of the State of destination. It is provided in the Protocol that each State Party shall designate a Central Authority that shall perform the functions assigned to it in this Convention and in the Protocol. At the time of deposit of their instruments of ratification or accession to the Protocol, the States Parties
shall communicate these designations to the General Secretariat of the Organization of American States, which shall distribute a list containing the designations received to the States Parties.

Other provisions of the Additional Protocol establish that letters rogatory shall be prepared on forms that are printed in the four official languages of the OAS or in the languages of the State of origin and the State of destination. The letters must conform to Form A, which is contained in the Annex to the Protocol.

Letters rogatory shall be accompanied by the following: (a) a copy of the complaint or pleading that initiated the action in which the letter rogatory was issued, as well as a translation thereof into the language of the State of destination; (b) an untranslated copy of the documents attached to the complaint or pleading; (c) an untranslated copy of any rulings ordering issuance of the letter rogatory; (d) a form conforming to Form B, annexed to the Protocol, and containing essential information for the person to be served; and (e) a certificate conforming to Form C, annexed to the Protocol, on which the Central Authority of the State of destination shall attest to execution or non-execution of the letters rogatory. These copies shall be regarded as authenticated copies if they bear the seal of the judicial or administrative authority that issued the letter rogatory.

Upon receipt of a letter rogatory from the Central Authority in another State Party, the Central Authority in the State of destination shall transmit the letter rogatory to the appropriate judicial or administrative authority for processing in accordance with the applicable local law. Upon execution of the letter rogatory, the judicial or administrative authority that processed it shall attest to the execution thereof in the manner prescribed by the local law, and shall transmit it with the relevant documents to the Central Authority. The Central Authority of the State Party of destination shall certify execution of the letter rogatory to the Central Authority of the State Party of origin on a form conforming to Form C of the Annex to the Protocol. In addition, the Central Authority of the State of destination shall return the letter rogatory and attached documents to the Central Authority of the State of origin for delivery to the judicial or administrative authority that issued it.

Some provisions of the Additional Protocol deal with costs and expenses. The processing of letters rogatory by the Central Authority of the State of destination and its judicial or administrative authorities shall be free of charge. However, the State may seek payment by
parties requesting execution of letters rogatory for those services which, in accordance with its local law, are required to be paid directly by those parties.

The party requesting the execution of a letter rogatory shall, at its election, either: (1) select and indicate in the letter rogatory the person who is responsible in the State of destination for the cost of such services; (2) shall attach to the letter rogatory a check for the amount specified for its processing by the State of destination covering the cost of such services; or (3) attach a document proving that such amount has been transferred by some other means to the Central Authority of the State of destination. The fact that the cost of such services ultimately exceeds the amount specified shall not delay or prevent the processing of the letter rogatory by the Central Authority or the judicial or administrative authorities of the State of destination.

At the time of deposit of its instrument of ratification or accession to this Protocol with the OAS General Secretariat, each State Party shall attach a schedule of the services and the costs and other expenses that shall be paid directly by the party requesting execution of the letter rogatory. In addition, each State Party shall specify in its schedule the single amount which it considers will reasonably cover the cost of such services, regardless of their number or nature. This amount shall be paid when the person requesting execution of the letter rogatory has not designated a person responsible for the payment of such services in the State of destination.

The General Secretariat of the OAS will distribute the information received to the States Parties to the Additional Protocol. A State Party may notify the OAS General Secretariat of changes in the schedule at any time, which changes shall be communicated to the other States Parties to the Protocol. States Parties may declare that they will not charge parties requesting execution of letters rogatory for the services necessary for their execution, or that they will accept a single fixed amount specified in the Protocol, or another amount, in complete satisfaction of the cost of such services.

The Additional Protocol is open for signature and subject to ratification and accession by those OAS member States that have signed, ratified, or acceded to the Inter-American Convention on Letters Rogatory signed in Panama on January 30, 1975. The instruments of ratification shall be deposited with the General Secretariat of the OAS, and the Protocol shall remain open for accession by any other State that acceded or has acceded to the Convention. The Protocol shall
enter into force on the thirtieth day following the date on which two States Parties to the above-mentioned Convention have deposited their instruments of ratification or accession to the Protocol. For each State ratifying or acceding to the Protocol after its entry into force, the Protocol shall enter into force on the thirtieth day following deposit by such State of its instrument of ratification or accession, provided that such State is a Party to the Convention.

UNITED NATIONS

Constitution of the United Nations Industrial Development Organization (UNIDO)


The primary objective of UNIDO, according to Article 1 of its Constitution, is the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of a new international economic order. The Organization shall also promote development and cooperation on global, regional, and national, as well as on sectoral levels.

The functions of UNIDO are established in Article 2. In fulfillment of its objectives, the Organization shall generally take all necessary and appropriate action, and in particular, shall:

(a) encourage and extend, as appropriate, assistance to the developing countries in the promotion and acceleration of their industrialization, in particular in the development, expansion, and modernization of their industries;

(b) in accordance with the Charter of the United Nations, initiate, coordinate, and follow up the activities of the United Nations system with a view to enabling the Organization to play the central coordinating role in the field of industrial development;

(c) create new and develop existing concepts and approaches in respect of industrial development on global, regional, and national, as well as on sectoral levels, and carry out studies and surveys with a view to formulating new lines of action directed towards harmonious and balanced industrial development, with due consideration for the
methods employed by countries with different socio-economic systems for solving industrialization problems;

(d) promote and encourage the development and use of planning techniques, and assist in the formulation of development, scientific, and technological programmes and plans for industrialization in the public, co-operative, and private sectors;

(e) encourage and assist in the development of an integrated and interdisciplinary approach towards the accelerated industrialization of the developing countries;

(f) provide a forum and act as an instrument to serve the developing countries and the industrialized countries in their contacts, consultations, and, at the request of the countries concerned, negotiations directed towards the industrialization of the developing countries;

(g) assist the developing countries in the establishment and operation of industries, including agro-related as well as basic industries, to achieve the full utilization of locally available natural and human resources and the production of goods for domestic and export markets, as well as contribute to the self-reliance of these countries;

(h) serve as a clearing-house for industrial information and, accordingly collect and monitor on a selective basis, analyse, and generate, for the purpose of dissemination, information on all aspects of industrial development on global, regional, and national, as well as on sectoral levels, including the exchange of experience and technological achievements of the industrially developed and the developing countries with different social and economic systems;

(i) devote particular attention to the adoption of special measures aimed at assisting the least developed, land-locked, and island developing countries, as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interest of the other developing countries;

(j) promote, encourage, and assist in the development, selection, adaptation, transfer, and use of industrial technology, with due regard for the socio-economic conditions and the specific requirements of the industry concerned, with special reference to the transfer of technology from the industrialized to the developing countries as well as among the developing countries themselves;

(k) organize and support industrial training programmes aimed at assisting the developing countries in the training of technical and
other appropriate categories of personnel needed at various phases for
their accelerated industrial development;

(1) advise and assist, in close co-operation with the appropriate
bodies of the United Nations, specialized agencies and the Interna-
tional Atomic Energy Agency, the developing countries in the exploi-
tation, conservation, and local transformation of their natural resources
for the purpose of furthering the industrialization of developing coun-
tries;

(m) provide pilot and demonstration plans for accelerating in-
dustrialization in particular sectors;

(n) develop special measures designed to promote co-operation
in the industrial field among developing countries and between the
developed and developing countries;

(o) assist, in co-operation with other appropriate bodies, the
regional planning of industrial development of the developing coun-
tries within the framework of regional and subregional groupings
among those countries;

(p) encourage and promote the establishment and strengthening
of industrial, business, and professional associations, and similar or-
ganizations which would contribute to the full utilization of the inter-
nal resources of the developing countries with a view to developing
their national industries;

(q) assist in the establishment and operation of institutional in-
frastucture for the provision of regulatory, advisory, and develop-
mental services to industry;

(r) assist, at the request of Governments of the developing coun-
tries, in obtaining external financing for specific industrial projects on
fair, equitable, and mutually acceptable terms.

In accordance with Article 3, membership in the Organization is
open to all States which associate themselves with the objectives and
principles of the Organization: (a) States Members of the United
Nations, a specialized agency, or the International Atomic Energy
Agency may become members of the Organization by becoming par-
ties to the Constitution of UNIDO; and (b) States other than those
referred to in the previous paragraph may become members of the
Organization by becoming parties to the Constitution of UNIDO after
their membership has been approved by the Conference of UNIDO,
by a two-thirds majority of the Members present and voting, upon
the recommendation of the Industrial Development Board.
Article 7 provides that the principal organs of the Organization shall be: (a) the General Conference; (b) the Industrial Development Board; and (c) the Secretariat. According to Article 8, the Conference shall consist of representatives of all members. The Conference shall hold a regular session every two years, unless decided otherwise. In addition to exercising other functions specified in the Constitution, the Conference shall: (1) determine the guiding principles and the policies of the Organization; consider reports of the Board, the Director-General, and the subsidiary organs of the Conference; (2) approve the program of work, the regular budget, and the operational budget of the Organization; (3) ask the Authority to adopt, by a two-thirds majority of the members present and voting, conventions or agreements with respect to any matter within the competence of the Organization and to make recommendations to the members concerning such conventions or agreements; and (4) make recommendations to members and to international organizations with respect to matters within the competence of the Organization.

Pursuant to Article 9, the Industrial Development Board shall consist of fifty-three members of the Organization elected by the Conference, which shall give due regard to the principle of equitable geographical distribution. In addition to exercising other functions specified in the Constitution of the Organization, the Board shall review the implementation of the approved program of work and of the corresponding regular budget and operational budget, and shall recommend to the Conference a scale of assessments for regular budget expenditures. The Board shall report to the Conference at each regular session concerning its activities.

Article 11 stipulates that the Secretariat shall be comprised of a Director-General, as well as such Deputy Directors-General and other staff as the Organization may require. The Constitution of UNIDO shall enter into force, as provided in Article 25, when at least eighty States that have deposited instruments of ratification, acceptance, or approval notify the Depositary that they have agreed (after consultations among themselves) that the Constitution shall enter into force.

*Draft Convention on Contracts for the International Sale of Goods*

The United Nations Commission on International Trade Law (UNCITRAL) approved the text of the Draft Convention on Contracts for the International Sale of Goods during its meeting held on June 16, 1978. UNCITRAL also requested the Secretary-General of
the United Nations: (1) to prepare a commentary on the provisions of
the Draft Convention; (2) to circulate the Draft Convention and the
commentary to governments and interested international organizations
for comments and proposals; and (3) to place before the Conference
of Plenipotentiaries, which would be convened by the UN General
Assembly, the comments and proposals received. On December 16,
1978, the UN General Assembly convoked an international conference
to consider the Draft Convention; the Conference will convene in
1980.

The Draft Convention contains eighty-two articles divided into
several chapters: Part I. Sphere of application and general provisions;
Part II. Formation of the contract; Part III. Sale of goods: General
provisions, obligations of the seller, delivery of the goods, transfer
of documents, conformity of the goods and third party claims, remedies
for breach of contract by the seller, provisions common to the obliga-
tions of the seller and the buyer, obligations of the buyer, remedies
for breach of contract by the buyer, exemptions, effects of avoidance,
damages, preservation of the goods, and passing of risk.

According to Article 1 of the draft, the Convention applies to
contracts of the sale of goods between parties whose places of busi-
ness are in different States: (a) when the States are Contracting
States; or (b) when the rules of private international law lead to the
application of the law of a Contracting State. Article 2 of the draft
declares that the Convention does not apply to sales: (a) of goods
bought for personal, family, or household use, unless the seller, at
any time before or at the conclusion of the contract, neither knew
nor ought to have known that the goods were bought for any such
use; (b) by auction; (c) on execution or otherwise by authority of
law; (d) of stocks, shares, investment securities, negotiable instru-
ments; (e) of ships, vessels or aircraft; and (f) of electricity.