

Sale of Goods (United Nations Convention) Bill

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Bill No: 8/1995

Read the first time: 1st March 1995

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Expenditure of Public Money

Sale of Goods (United Nations Convention) Bill

Bill No. 8/1995

Read the first time on 1st March 1995.

An Act to give effect to the United Nations Convention on Contracts for the International Sale of Goods concluded at Vienna on 11th April 1980.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act may be cited as the Sale of Goods (United Nations Convention) Act 1995.

(2) This Act shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, “Convention” means the United Nations Convention on Contracts for the International Sale of Goods adopted at Vienna, Austria, on 10th April 1980 and opened for signature and accession on 11th April 1980, the English text of which is set out in the Schedule.

Convention to have force of law

3.—(1) Subject to subsection (2), the provisions of the Convention shall have the force of law in Singapore.

(2) Sub-paragraph (1)(b) of Article 1 of the Convention shall not have the force of law in Singapore and accordingly the Convention will apply to contracts of sale of goods only between those parties whose places of business are in different states when the States are Contracting States.

(3) The Minister may by order delete subsection (2) if the reservation made pursuant to Article 95 of the Convention is withdrawn except that sub-paragraph (1)(b) of Article 1 of the Convention shall not apply to and shall not have the force of law in relation to any proposal for concluding the contract made or any contract concluded before the date on which the withdrawal of the reservation takes effect under Article 97(4) of the Convention.

Convention to prevail in event of inconsistency

4. The provisions of the Convention shall prevail over any other law in force in Singapore to the extent of any inconsistency.

Convention countries

- 5.—(1) A notification made by the Minister and published in the *Gazette* —
- (a) declaring that the Convention has entered or will enter into force, with effect from a specified date, in respect of a specified country;
 - (b) declaring that a specified country has made a declaration under Part IV of the Convention and specifying details of that declaration, including the date the declaration took or will take effect; or
 - (c) declaring that a specified country has denounced the Convention or Part II or III of the Convention and specifying the date the denunciation took or will take effect,

shall be evidence of the facts contained in the notification.

(2) For the purposes of this Act, a certificate signed by the Minister stating any of the facts referred to in subsection (1) in relation to a State specified in the certificate shall, upon mere production, be evidence of that fact.

THE SCHEDULE

Section 2.

UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS

THE STATES PARTIES TO THIS CONVENTION,

BEARING IN MIND the broad objectives in the resolutions adopted by the sixth special session of the General Assembly of the United Nations on the establishment of a New International Economic Order,

CONSIDERING that the development of international trade on the basis of equality and mutual benefit is an important element in promoting friendly relations among States,

BEING OF THE OPINION that the adoption of uniform rules which govern contracts for the international sale of goods and take into account the different social, economic and legal systems would contribute to the removal of legal barriers in international trade and promote the development of international trade,

HAVE AGREED as follows:

PART I

SPHERE OF APPLICATION AND GENERAL PROVISIONS

CHAPTER I

SPHERE OF APPLICATION

Article 1

(1) This Convention applies to contracts of sale of goods between parties whose places of business 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.

(2) The fact that the parties have their places of business in different States is to be disregarded whenever this fact does not appear either from the contract or from any dealings between, or from information disclosed by, the parties at any time before or at the conclusion of the contract.

(3) Neither the nationality of the parties nor the civil or commercial character of the parties or of the contract is to be taken into consideration in determining the application of this Convention.

Article 2

This 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 instruments or money;
- (e) of ships, vessels, hovercraft or aircraft;
- (f) of electricity.

Article 3

(1) Contracts for the supply of goods to be manufactured or produced are to be considered sales unless the party who orders the goods undertakes to supply a substantial part of the materials necessary for such manufacture or production.

(2) This Convention does not apply to contracts in which the preponderant part of the obligations of the party who furnishes the goods consists in the supply of labour or other services.

Article 4

This Convention governs only the formation of the contract of sale and the rights and obligations of the seller and the buyer arising from such a contract. In particular, except as otherwise expressly provided in this Convention, it is not concerned with:

- (a) the validity of the contract or of any of its provisions or of any usage;
- (b) the effect which the contract may have on the property in the goods sold.

Article 5

This Convention does not apply to the liability of the seller for death or personal injury caused by the goods to any person.

Article 6

The parties may exclude the application of this Convention or, subject to article 12, derogate from or vary the effect of any of its provisions.

CHAPTER II

GENERAL PROVISIONS

Article 7

1.—(1) In the interpretation of this Convention, regard is to be had to its international character and to the need to promote uniformity in its application and the observance of good faith in international trade.

(2) Questions concerning matters governed by this Convention which are not expressly settled in it are to be settled in conformity with the general principles on which it is based or, in the absence of such principles, in conformity with the law applicable by virtue of the rules of private international law.

Article 8

(1) For the purposes of this Convention statements made by and other conduct of a party are to be interpreted according to his intent where the other party knew or could not have been unaware what that intent was.

(2) If the preceding paragraph is not applicable, statements made by and other conduct of a party are to be interpreted according to the understanding that a reasonable person of the same kind as the other party would have had in the same circumstances.

(3) In determining the intent of a party or the understanding a reasonable person would have had, due consideration is to be given to all relevant circumstances of the case including the negotiations, any practices which the parties have established between themselves, usages and any subsequent conduct of the parties.

Article 9

(1) The parties are bound by any usage to which they have agreed and by any practices which they have established between themselves.

(2) The parties are considered, unless otherwise agreed, to have impliedly made applicable to their contract or its formation a usage of which the parties knew or ought to have known and which in international trade is widely known to, and regularly observed by, parties to contracts of the type involved in the particular trade concerned.