Who Needs a Uniform Contract Law, and Why?

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Who needs a Uniform Contract Law?

• Different domestic laws as obstacle to international trade
• Unification of contract law throughout the 19th and 20th century worldwide
• Three groups of internationally contracting parties
Who needs a Uniform Contract Law?

- **Group I**
- Parties from countries with the same language
- Similar legal systems
- Choice of law of one of the countries or similar jurisdiction
- Outcome predictable
Who needs a Uniform Contract Law?

- **Group II**
- Party with overwhelming bargaining power v. economically weaker party
- Choice of law/forum of stronger party
- Litigation outcome in stronger party’s courts predictable
- *Caveat*: litigation in weaker party’s courts
Who needs a Uniform Contract Law?

- **Group III**
- Parties from countries with different languages dealing at arm’s length
- Choice of law of third country – „neutral“ law
- Language problems
- Costs for legal experts
- Outcome often unforeseen and unpredictable
- Third law not suitable for international contracts
Who needs a Uniform Contract Law?

- Why UNCITRAL is best suited to tackle this issue
- Convention v. Model Law
- Advantages and disadvantages
- Convention: highest level of predictability
- Model Law: States retaining flexibility
  Possible domestic deviation
- No uniform application and interpretation
Who needs a Uniform Contract Law?

- Scope of the instrument similar to CISG
- International contracts only, not domestic
- B2b only, not b2c
- Areas to be covered – primary concern validity
- Starting point: CISG
- Other UNCITRAL instruments
- UNIDROIT Principles (PICC)
Who needs a Uniform Contract Law?

- Practical consequences of a uniform contract law
- Compromise between Common and Civil Law
- Drawn up in six UN languages and translated: easy accessability
- More predictability via databases, Digest, commentaries and uniform standard forms
- Saving transaction costs – promote rule of law
Thank you very much for your attention!