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Item No. 10 on the agenda: Principles of International Commercial Contracts

(Memorandum prepared by the Secretariat)

<i>Summary</i>	<i>Preparation of a new edition of the UNIDROIT Principles of International Commercial Contracts with five additional topics</i>
<i>Related documents</i>	<i>UNIDROIT 2007 – Study L – Misc. 27; Implementation of the Strategic Plan (C.D. (87) 6, p. 3 and 14)</i>

DISCUSSION LEADING PARAMETERS AS PROPOSED BY THE SECRETARIAT

Priority			
	High	medium	Low

I. Strategic Plan

UNIDROIT'S unique position to prepare a non-binding instrument of high technical quality (see Strategic Objective No.1) and establish a balanced set of rules relating to international commercial contracts in general for use throughout the world irrespective of the legal traditions and the economic and political conditions of the countries in which they are to be applied (see Strategic Objective No.7).

II. Work Programme 2006-2008

Yes.

III. Current assessment

Considered one of the Institute's most promising projects.

On time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	yes	slightly delayed	no
	Timeframe determined by Working Group/Governing Council <input checked="" type="checkbox"/>		
	Timeframe to be determined at this session		
Problems to be Overcome	None		
Staffing implications	One consultant and one officer (50%).		
Budget implications	About €40,000 for a one week session per year, plus €15,000 for one inter-sessional meeting of the Drafting Group per year in the final stages of the project		
Recommendations/ Guidance sought/ Decisions to be taken/ Alternatives?			

BACKGROUND

1. The Working Group for the preparation of the Principles of International Commercial Contracts (3rd) held its second session in Rome from 4 to 8 June 2007. For a detailed report on the session see UNIDROIT 2007 – Study L – Misc. 27.
2. The Group was seized of five position papers prepared by the Rapporteurs on the following topics respectively: unwinding of failed contracts, illegality, plurality of obligors and/or obligees, conditions, and termination of long-term contracts for just cause. The Group proceeded to an in-depth discussion of the Position Paper on Unwinding of Failed Contracts (UNIDROIT 2007 – Study L – Doc. 100) by R. Zimmermann, the Position Paper on Illegality (UNIDROIT 2007 – Study L – Doc. 100) as well as an addendum to that paper (UNIDROIT 2007 – Study L – Doc. 100 Add.), both by M. Furmston, the Position Paper on Plurality of Obligors and/or of Obligees (UNIDROIT 2007 – Study L – Doc. 102) by M. Fontaine and the Position Paper on Conditions (UNIDROIT 2007 – Study L – Doc. 103) by B. Fauvarque-Cosson. Discussion of the Position Paper with Draft Provisions on Termination of Long-term Contracts for Just Cause (UNIDROIT 2007 – Study L – Doc. 104) by F. Dessemontet was deferred.
3. The Rapporteurs whose papers had been discussed were asked to prepare on their respective topics preliminary draft rules together with explanatory notes to be submitted to the Group for discussion at its next plenary session to be held in Rome from 26 to 30 May 2008.
4. On the invitation of the Max-Planck-Institute für ausländisches und internationales Privatrecht, the Drafting Committee met in Hamburg from 3 to 6 March 2008 in order to coordinate and refine the first versions of the preliminary draft chapters prepared by the Rapporteurs who will present their revised versions at the Working Group's next session.