



25 years [Vienna International Centre](#)



United Nations Commission on International Trade Law (UNCITRAL)

SETTING RULES FOR INTERNATIONAL TRADE AND SETTLING DISPUTES

It is widely accepted by developing and developed countries that trade creates wealth and is essential to the economic health of the world. But who works out the rules for international trade and decides how payments should be made and disputes are to be settled?

When world trade began to expand dramatically in the 1960s, national governments began to realize the need for a global set of standards and rules to harmonize and modernize the worldwide assortment of national and regional regulations, which until then, largely governed international trade. They turned to the United Nations, which in 1966 recognized the need for it to play a more active role in removing legal obstacles to the flow of international trade and established the United Nations Commission on International Trade Law (UNCITRAL). UNCITRAL has since become the core legal body of the United Nations system in the field of international trade law.

Much of the complex network of international legal rules and agreements that affects today's commercial arrangements has been reached through long and detailed consultations and negotiations organized by UNCITRAL. Its aim is to remove or reduce legal obstacles to the flow of international trade and progressively modernize and harmonize trade laws. It also seeks to coordinate the work of organizations active in this type of work and promote wider acceptance and use of the rules and legal texts it develops.

MEMBERSHIP

The Commission comprises 60 member States elected by the General Assembly for a term of six years. Membership is structured to ensure representation of the world's various geographic regions and its principal economic and legal systems.

SECRETARIAT

Located originally at United Nations Headquarters in New York, the UNCITRAL secretariat was transferred to the United Nations Office, Vienna in September 1979. With a staff of 21 (14 legal officers and seven support staff), the International Trade Law Division of the United Nations Office of Legal Affairs provides substantive secretariat services to UNCITRAL. The Director of the Division serves as the Secretary of UNCITRAL. To assist UNCITRAL in its work, the secretariat undertakes a variety of different tasks, including preparation of studies, reports and draft texts on topics under consideration for possible inclusion in the work programme; legal research, drafting and revision of working papers and legislative texts on topics already included on the work programme; reporting on Commission and working group meetings; provision of technical legislative assistance to States; preparation of UNCITRAL publications; as well as the provision of a range of administrative services to UNCITRAL and its working groups.

WORK METHODS

Texts designed to simplify trade transactions and reduce associated costs are developed by working groups comprising all member States of UNCITRAL, which meet once or twice per year. Non-member States and interested international and regional organizations are also invited and, since decisions are taken by consensus, not by vote, can actively contribute to the work. Draft texts completed by these working groups are submitted to UNCITRAL for finalization and adoption at its annual session.

TRADE LAW TEXTS

UNCITRAL develops different types of texts to modernize and harmonize the law of international trade. These texts are generally legislative texts, such as conventions, model laws and legislative guides, or non-legislative texts such as contractual rules that can be incorporated into commercial contracts and legal guides.

Convention: an agreement among States establishing obligations binding upon those States that ratify or accede to it.

Model law: a set of model legislative provisions that States can adopt by enacting it into national law.

Legislative guide: a text that provides guidance for the development of laws, discussing relevant policy issues and choices and recommending appropriate legislative solutions.

Contractual rules: standard clauses or rules designed to be included in commercial contracts.

Legal guide: a text that provides guidance for the drafting of contracts, discussing relevant issues and recommending solutions appropriate to particular circumstances.

TECHNICAL LEGISLATIVE ASSISTANCE

One of UNCITRAL's priorities is providing technical legislative assistance for modernization of trade laws and commercial practices. In addition to promoting understanding of international trade law texts and the benefits they can bring to the expansion of international trade, UNCITRAL assists States to develop the laws required to implement these legislative texts and commercial associations to promote the use of non-legislative rules.

CLOUT

The Case Law on UNCITRAL Texts system is a collection of court decisions and arbitral awards interpreting UNCITRAL texts. Currently, CLOUT includes case abstracts in the six United Nations languages on the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) ("CISG") and the UNCITRAL Model Law on International Commercial Arbitration (1985). Other texts will be added as case law becomes available.

ACHIEVEMENTS

Over the last 24 years, UNCITRAL has completed major international texts on sale of goods, transport, dispute resolution, procurement and infrastructure development, international payments, electronic commerce and insolvency. International arbitration, transport law, electronic commerce, insolvency law, security interests and public procurement are the focus of current work.

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