The withdrawal of reservations under uniform private law conventions

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I. Introduction

1. Uniform private law and reservations

The United Nations Convention on Contracts for the International Sale of Goods, adopted at Vienna on 11 April 1980 (CISG) and generally recognized as one of the most successful uniform private law conventions ever adopted, recently saw the accession of its eighty-third Contracting State, Guyana. In joining the CISG, Guyana followed the example of most new CISG Contracting States by not using any of the reservations authorized in Articles 92–96 of the Convention but, rather, undertaking to apply the Convention in its entirety. In contrast to this general trend, accessions to the CISG during earlier years were more often accompanied by reservations.²

According to the definition in Article 2(1)(d) of the 1969 Vienna Convention on the Law of Treaties (VCLT),³ 'reservation' means a unilateral statement, however phrased or named, made by a State, when signing, ratifying, accepting, approving, or acceding to a treaty, whereby it purports to exclude or to modify the legal effect of certain provisions of the treaty in their application to that State. The CISG expressly authorizes not less than five reservations in its Articles 92–96⁴ (if one counts the so-called 'federal state clause' in Article 93, which may or may not qualify as a reservation *stricto sensu*⁵). Employed as a tool of compromise where agreement about the uniform law text may otherwise not

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¹ UN Convention on Contracts for the International Sale of Goods 19 ILM 668 (1980) [CISG]. Guyana acceded to the CISG on 25 September 2014.

² The last State to declare a reservation upon its accession to the CISG was Armenia on 2 December 2008.

³ United Nations Convention on the Law of Treaties, done at Vienna on 23 May 1969 [VCLT].

⁴ Harry M Flechtner, 'The Several Texts of the CISG in a Decentralized System: Observations on Translations, Reservations and Other Challenges to the Uniformity Principle in Article 7(1)' (1998) 17 Journal of Law and Commerce 187, 193; Marco Torsello, 'Reservations to International Uniform Commercial Law Conventions' (2000) Uniform Law Review 85, 91.

⁵ Anthony Aust, Modern Treaty Law and Practice (Cambridge University Press 2000) 170–1.

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have been reached among the States' delegations involved in the drafting process,⁶ reservations have long been viewed as a regrettable-but-necessary evil in international uniform private law-making.⁷ On the CISG's twenty-fifth birthday on 11 April 2005, 21 of the then 65 Contracting States (or 32 per cent) had declared one or more reservations, among them some of the largest States (such as China, Russia, and the USA).

As any use of reservations inevitably undermines the measure of uniformity that exists under the respective convention⁸ and at the same time increases the likelihood of confusion regarding its practical application,⁹ the possibility of withdrawing existing reservations has increasingly moved into focus. The CISG expressly provides for such a step in Article 97(4):

Any State which makes a declaration under this Convention may withdraw it at any time by a formal notification in writing addressed to the depositary. Such withdrawal is to take effect on the first day of the month following the expiration of six months after the date of the receipt of the notification by the depositary.

2. Recent withdrawals of reservations under the CISG

In general treaty practice, withdrawals of reservations are a rare event. ¹⁰ For a long time, the situation was the same under the CISG, where hardly any withdrawals occurred. An exception was the early withdrawal by Canada of a reservation under Article 95, ¹¹ which in 1992 withdrew this reservation after it had only been in force for a mere three months and only for the province of British Columbia. ¹² It then took a full twelve years until a second withdrawal occurred, when Estonia withdrew its reservation under Article 96 of the CISG in 2004. ¹³ It is admittedly speculation when one tries to give a reason for this withdrawal, but it may not have been a coincidence that Estonia had shortly before reformed its

⁶ Torsello (n 4) 86.

Alain Pellet, 'Article 22 Convention of 1969' in Olivier Corten and Pierre Klein (eds), The Vienna Conventions on the Law of Treaties: A Commentary (Oxford University Press 2011) paras 12, 18, 26.

⁸ CISG-AC Declaration no. 1, "The CISG and Regional Harmonization", Rapporteur: Professor Michael Bridge, London School of Economics, London, UK [2013] Internationales Handelsrecht 12.

Oamilla Baasch Andersen, 'Recent Removals of Reservations under the International Sales Law: Winds of Change Heralding a Greater Unity of the CISG?' (2012) 7 Journal of Business Law 698, 700; Gary F Bell, 'Why Singapore Should Withdraw Its Reservation to the United Nations Convention on Contracts for the International Sale of Goods (CISG)' (2005) 9 Singapore Year Book of International Law 55, 62; Flechtner (n 4) 193; Torsello (n 4) 90.

Frank Horn, Reservations and Interpretative Declarations to Multilateral Treaties (Elsevier 1988) 226; Christian Walter, 'Article 22' in Oliver Dörr and Kirsten Schmalenbach (eds), Vienna Convention on the Law of Treaties: A Commentary (Springer 2012) para 1.

Notified to the depositary of the Convention (art 89 of the CISG) on 31 July 1992. For more detail, see Bell (n 9) 72.

The initial reservation under art 95 of the CISG had therefore been combined with a declaration under the 'federal state clause' of art 93 of the CISG.

¹³ Withdrawal of a declaration under art 96 of the CISG, notified on 9 March 2004.

domestic law of obligations¹⁴ and that the foreign expert who helped draft the new law happened to be Peter Schlechtriem from the University of Freiburg (Germany), an internationally renowned CISG expert. It therefore does not seem too far-fetched to assume that Schlechtriem may have suggested that Estonia withdraw its Article 96 reservation, given the fact that the new Estonian law of obligations now contained the freedom of form principle.¹⁵

During the following years, no withdrawals were submitted, until 2011 when a true wave of withdrawals began. Reservations under the CISG were withdrawn by Finland, 16 Sweden, 17 Denmark, 18 Latvia, 19 China, 20 Lithuania, 21 and, most recently, Norway.²² In addition, it has been reported that preparations for yet further withdrawals may be under way.²³

3. The CISG as a treaty practice trendsetter among uniform private law conventions

As a result of the trend just described, it appears timely to focus on the legal framework and potential problems related to such withdrawals. Such an investigation is all the more necessary as many other uniform private law conventions that allow for reservations similarly provide for their withdrawal—see, for instance, Article VI of the 1964 Hague Sales Convention, ²⁴ Article 40(3) of the 1970 Convention on Travel Contracts, 25 Article 18(4) of the 1978 Hague Agency Convention, ²⁶ Article 21(3) of the 1986 Hague Sales Convention, ²⁷ or Article 62(2) and (3) of the 2007 Hague Convention on the International Recovery of Child Support.²⁸ A significant number of such provisions are even verbatim (or almost verbatim) copies of Article 97(4) of the CISG, such as Article 31(4) of

Peter Schlechtriem, 'The New Law of Obligations in Estonia and the Developments towards Unification and Harmonisation of Law in Europe' (2001) 6 Juridica International 19 et seq.

¹⁵ Irene Kull, 'Reform of Contract Law in Estonia: Influences of Harmonisation of European Private Law' (2008) 14 Juridica International 122, 128.

¹⁶ Withdrawal of a declaration under art 92 of the CISG, notified on 28 November 2011.

¹⁷ Withdrawal of a declaration under art 92 of the CISG, notified on 25 May 2012.

¹⁸ Withdrawal of a declaration under art 92 of the CISG, notified on 2 July 2012.

¹⁹ Withdrawal of a declaration under art 96 of the CISG, notified on 13 November 2012.

²⁰ Withdrawal of a declaration under art 96 of the CISG, notified on 16 January 2013.

²¹ Withdrawal of a declaration under art 96 of the CISG, notified on 1 November 2013.

²² Withdrawal of a declaration under art 92 of the CISG, notified on 14 April 2014.

²³ See Andersen (n 9) 709–10 (on a possible withdrawal of its reservation under art 95 of the CISG by China).

²⁴ Convention Relating to a Uniform Law on the International Sale of Goods, done at The Hague on 1 July 1964 [1964 Hague Sales Convention].

²⁵ International Convention on Travel Contracts, done at Brussels on 23 April 1970.

²⁶ Convention on the Law Applicable to Agency, done at The Hague on 14 March 1978.

Convention on the Law Applicable to Contracts for the International Sale of Goods, done at The Hague on 22 December 1986 [1986 Hague Sales Convention].

²⁸ Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, done at The Hague on 23 November 2007.

the 1983 Unidroit Agency Convention, ²⁹ Article 19(4) of the 1988 Unidroit Factoring Convention, ³⁰ Article 21(4) of the 1988 Unidroit Leasing Convention, ³¹ Article 20(4) of the 1991 UN Convention on the Liability of Operators of Transport Terminals, ³² Article 15(4) of the 1995 Unidroit Convention on Cultural Property, ³³ and Article 43(4) of the 2001 UN Assignment Convention. ³⁴

Taking into account the frequency of reservations under uniform private law conventions, it is striking that hardly any reservation withdrawals have occurred under such conventions in the past.³⁵ The emerging treaty practice under the CISG with regard to withdrawals is therefore of interest for international uniform law in general, as the legal framework governing these procedures at the borderline between uniform private law and treaty law is for the first time being put to the test.

However, to what extent experiences under the CISG are legally relevant for other conventions does not lend itself to a uniform answer. As a starting point, Article 31(3)(c) of the VCLT provides that 'any relevant rules of public international law applicable in relations between the parties' shall be taken into account when interpreting a convention. It has been argued that such rules of public international law can also be other treaties, although the precise conditions are the subject of divergent case law and of controversial discussions in general treaty law academia. In addition, many uniform private law conventions contain provisions such as Article 7(1) of the CISG, which lays down specific rules about their interpretation, although the regard is to be had for the Convention's international character and for the need to promote uniformity in its application.

²⁹ UNIDROIT Convention on Agency in the International Sale of Goods, done at Geneva on 17 February 1983 [1983 UNIDROIT Agency Convention].

³⁰ Unidroit Convention on International Factoring, done at Ottawa on 28 May 1988 [1988 Unidroit Factoring Convention].

³¹ UNIDROIT Convention on International Financial Leasing, done at Ottawa on 28 May 1988 [1988 UNIDROIT Leasing Convention].

³² United Nations Convention on the Liability of Operators of Transport Terminals in International Trade, done at Vienna on 19 April 1991.

³³ UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects, done at Rome on 24 June 1995.

³⁴ United Nations Convention on the Assignment of Receivables in International Trade, done at New York on 12 December 2001.

One exception was the (partial) withdrawal of a reservation by Finland by note dated 11 December 1980 under the Convention on the Taking of Evidence Abroad in Civil or Commercial Matters, done at The Hague on 18 March 1970.

³⁶ See Campbell McLachlan, 'The Principle of Systemic Integration and Article 31(1)(c) of the Vienna Convention' (2005) 54 International and Comparative Law Quarterly 279, 290, 301–2, and 313–15.

³⁷ See eg art 6(1) of the 1983 UNIDROIT Agency Convention; art 16 of the 1986 Hague Sales Convention; art 4(1) of the 1988 UNIDROIT Factoring Convention; art 6(1) of the 1988 UNIDROIT Leasing Convention; art 53 of the 2007 Hague Convention on the International Recovery of Child Support. See generally Pilar Perales Viscasillas, 'Article 7' in Stefan Kröll, Loukas Mistelis and Pilar Perales Viscasillas (eds), UN Convention on Contracts for the International Sale of Goods (CISG) (Beck 2011) para 62 et seq.

 $^{^{38}}$ Art 7(1) of the CISG and similar provisions constitute *leges speciales* to the rules on treaty interpretation in arts 31–33 of the VCLT. See Perales Viscasillas (n 37) para 9.

These requirements are in turn read as calling for an 'autonomous' interpretation 'within the four corners' of each convention.³⁹ In this context, there is no agreement among commentators whether an interpretation in light of other uniform private law conventions is generally compatible with this goal⁴⁰ or only under certain conditions, notably when provisions in one convention are modelled on the provisions of another convention.⁴¹

Against this background, it appears reasonable to take into account the interpretation and application of Article 97(4) of the CISG at least where the interpretation of (almost) identical withdrawal clauses⁴² is concerned, given that many of these provisions have been inspired by Article 97(4)⁴³ and, as of yet, no practical experiences exist under other uniform private law conventions that could conflict with the emerging treaty practice under the CISG.

4. Outline

The present article will proceed in the following way. The next section will focus on the prerequisites and formalities for the withdrawal of reservations and also discuss the recent withdrawal of reservations under Article 92 of the CISG by Finland, Denmark, Sweden, and Norway, which raise interesting questions in this regard. The following section is dedicated to the more complex matter of a withdrawal's effects, covering both the perspective of public international law and the consequences resulting from a withdrawal for the application of uniform private law conventions to contracts between private parties. In this context, the role of grace periods, the nature of a withdrawal's effect, and the multifaceted matter of

- Michael Joachim Bonell, 'Article 7' in Cesare M Bianca and Michael J Bonell (eds), Commentary on the International Sales Law: The 1980 Vienna Sales Convention (Giuffrè 1987) note 2.2.2; Perales Viscasillas (n 37) para 13; Ingeborg Schwenzer and Pascal Hachem, 'Article 7' in Schlechtriem and Schwenzer Commentary on the UN Convention on the International Sale of Goods (CISG) (3rd edn, Oxford University Press 2010) para 8. Art 7(1) of the CISG also applies to the Convention's final clauses in arts 89-101; see Ulrich G Schroeter, 'Backbone or Backyard of the Convention? The CISG's Final Provisions' in Camilla B Andersen and Ulrich G Schroeter (eds), Sharing International Commercial Law across National Boundaries: Festschrift for Albert H Kritzer on Occasion of His Eightieth Birthday (Wildy, Simmonds and Hill 2008) 427, 428. The reference made above to the Convention's 'four corners' means that in interpreting the Convention, influences from domestic laws or other legal texts outside the Convention must be excluded. See Bruno Zeller, 'The Black Hole: Where Are the Four Corners of the CISG?' (2002) 7 International Trade and Business Law Review 251.
- ⁴⁰ Franco Ferrari, 'The Relationship between International Uniform Contract Law Conventions' (2000) Uniform Law Review 69, 77; Ulrich Magnus, 'Konventionsübergreifende Interpretation internationaler Staatsverträge privatrechtlichen Inhalts' in Jürgen Basedow et al (eds), Aufbruch nach Europa: 75 Jahre Max-Planck-Institut für Privatrecht (Mohr 2001) 571, 579.
- ⁴¹ Helga Jesser-Huß, 'Einleitung CMR' in Münchener Kommentar zum Handelsgesetzbuch (2nd edn, Beck 2009) para 19; Ulrich G Schroeter, UN-Kaufrecht und Europäisches Gemeinschaftsrecht: Verhältnis und Wechselwirkungen (Sellier European Law Publishers 2005) s 20, para 43.
- 42 See notes 29-34 in this article and the accompanying text.
- ⁴³ With respect to arts 31 and 32 of the 1983 Unidroit Agency Convention, see Malcolm Evans, 'Explanatory Report on the Convention on Agency in the International Sale of Goods' (1984) Uniform Law Review 73, para 121: 'These provisions' dealing respectively with declarations made under the Convention and with the prohibition of reservations other than those expressly authorised by it, have been taken over virtually unchanged from Articles 97 and 98 of the Vienna [Sales] Convention.'

its temporal effect will be addressed. A separate part of this section discusses the withdrawal of reciprocal declarations. The next section then addresses policy considerations that arise in connection with reservation withdrawals, before the last section of the article, which briefly concludes.

II. Prerequisites and formalities for the withdrawal of reservations

1. Material requirements

The material prerequisites for the withdrawal of reservations under uniform private law conventions can be quickly summarized: There are typically none, except for the wish of the reservation State to withdraw. The customary law of treaties as codified in the VCLT makes clear that even where a reservation has been formally 'accepted' by another State—a procedure that does not exist under the CISG—the reservation's later withdrawal does not require the consent of the accepting State. The reason why uniform private law conventions make it easier to withdraw a reservation than to make it—most reservations authorized under such conventions may only be made by States under certain conditions —lies in the fact that the making of a reservation reduces uniformity, while its withdrawal increases it, as the uniform law now applies in full. A withdrawing State accordingly 'comes in from the cold', and the conventions want to make this as easy as possible.

2. Formal requirements

From a formal point of view, Article 97(4) of the CISG provides that any withdrawal must be made in writing and notified to the depositary (which, under the CISG, is the UN Secretary-General⁴⁸), and many other conventions spell out the same formal requirements.⁴⁹ Yet other conventions merely require a notification to the depositary without specifically imposing a written requirement,⁵⁰ although their silence about the latter point does not result in a practical difference, as a written requirement also arises from the (residuary⁵¹) Article 23(4) of the VCLT.

In contrast to the making of reservations, some of which—for example, the reservations under Article 94 of the CISG or under Article 17 of the 1988 UNIDROIT

⁴⁴ Art 22(1) of the VCLT.

⁴⁵ On the reservations in the CISG, see in more detail Schroeter (n 39) 432 et seq.

⁴⁶ Fritz Enderlein and Dietrich Maskow, *International Sales Law* (Oceana 1992) 385.

⁴⁷ From a general treaty law perspective, see Pellet (n 7) paras 18, 26.

⁴⁸ Art 89 of the CISG.

⁴⁹ See eg the withdrawal clauses modelled on art 97(4) of the CISG listed earlier in notes 29–34 of this article and the accompanying text.

See eg art 40(3) of the 1970 Convention on Travel Contracts; art 18(4) of the 1978 Hague Convention on the Law Applicable to Agency; art 62(2) of the 2007 Hague Convention on the International Recovery of Child Support.

⁵¹ See Pellet (n 7) para 24.

Factoring Convention—can be made by either joint or unilateral reciprocal declarations,⁵² there is no further distinction under Article 97(4) of the CISG or under similar provisions⁵³ between unilateral, unilateral reciprocal, and joint communications in the case of withdrawals, 54 which are simply made by a 'formal notification', 55

3. The case of the Nordic withdrawals under the CISG

It is therefore surprising that the recent withdrawals of reservations under Article 92 of the CISG by the Nordic States Finland, Denmark, Sweden, and Norway⁵⁶ were accompanied by statements that read as follows:

According to the four Nordic countries directly concerned (Finland, Denmark, Norway and Sweden), this withdrawal should be considered as a unilateral declaration which took effect in accordance with the second sentence of article 97(3), on the first day of the month following the expiration of six months after the date of its receipt by the depositary, i.e. on 1 June 2012.⁵⁷

It is not clear why the Nordic countries framed their withdrawals as they did.⁵⁸ A possible explanation lies in the fact that Finland, Denmark, Sweden, and Norway combined their withdrawal of reservations under Article 92 with the making of reservations under Article 94,59 thereby extending the already existing non-application of the Convention between the Nordic parties in matters relating to the sale of goods (resulting from existing reservations under Article 94 that the Nordic States had made when ratifying the CISG in 1987-89) to matters of contract formation that had previously been covered by the Article 92 reservations now withdrawn. This combination of Article 92 withdrawals with new Article 94 reservations indicates the Nordic countries' intention to make sure

- 53 See notes 29–34 in this article and the accompanying text.
- ⁵⁴ From a general treaty law perspective, see Walter (n 10) para 4, who stresses that 'the unilateral character of the withdrawal of a reservation was never put into question and it may today be considered to be part of customary international law'; Rolf Kühner, Vorbehalte zu multilateralen völkerrechtlichen Verträgen (Springer 1986) 229 et seg.
- ⁵⁵ Art 97(4), sentence 2, of the CISG as well as the provisions referred to earlier in note 53. The VCLT does not contain the distinction between 'declarations' (art 97(1)–(3) of the CISG) and 'formal notifications' (art 97(4) of the CISG) enshrined in the CISG but merely provides that any communication in connection with reservations must be made in writing (art 23 of the VCLT).
- ⁵⁶ See section I.2 in this article; see also Jan Ramberg, 'The Vanishing Scandinavian Sales Law' (2009) 50 Scandinavian Studies in Law 257 et seq.
- ⁵⁷ UN Doc C.N.764.2011.TREATIES-2 (Depositary Notification) concerning the notification of withdrawal by Finland.
- $^{58}\,\,$ On the developments in the Nordic countries surrounding the withdrawal of the reservation under art 92, see generally Andersen (n 9) 706 et seq; Thomas Neumann, 'The Continued Saga of the CISG in the Nordic Countries: Reservations and Transformation Reconsidered' (2013) Nordic Journal of Commercial Law 1.
- ⁵⁹ Peter Schlechtriem and Ulrich G Schroeter, *Internationales UN-Kaufrecht* (5th edn, Mohr Siebeck 2013) para 811.

⁵² Art 94(1), second sentence, of the CISG; art 26(1), second sentence, of the 1983 UNIDROIT Agency Convention; art 17(1), second sentence, of the 1988 UNIDROIT Factoring Convention; art 19(1), second sentence, of the 1988 UNIDROIT Leasing Convention. (Note that the similar clause in art II of the 1964 Hague Sales Convention did not yet include this distinction.)

that the application of the Convention's Part II (Articles 14–24 of the CISG) to the inter-Nordic trade remained at all times excluded. In order to reach this goal, it was necessary for the withdrawals of the Article 92 reservations not to take effect before the newly made Article 94 declarations had taken effect on the first day of the month following the expiration of six months after the date of their receipt by the depositary in accordance with the second sentence of Article 97(3) of the CISG.

If the Nordic States therefore wanted to guarantee that their Article 92 withdrawals would also take effect on the first day of the month following the expiration of six months after the date of their receipt by the depositary, they had no need to do anything, because this is precisely what the second sentence of Article 97(4) of the CISG states for every withdrawal. Under the CISG, the 'grace periods' for the taking effect of declarations (Article 97(3)), on the one hand, and for withdrawals of declarations (Article 97(4)), on the other, ⁶⁰ are—with good reason—identical in length.⁶¹ In summary, the recent reservation withdrawals by the Nordic countries resulted in the practical outcome desired by those countries, albeit through reference to an inapplicable provision among the CISG's final clauses.

III. The effects of a withdrawal

The effects of reservation withdrawals under a uniform private law convention are where the real difficulties start. The CISG addresses them in the second sentence of Article 97(4) mentioned earlier. A leading article-by-article commentary on the CISG contains a single line on Article 97, which simply reads: 'This provision does not call for any explanation.'62 In this respect, I have to respectfully disagree and will try to demonstrate in the following discussion that things are slightly more complicated, both with respect to what the effects of a withdrawal are and when they occur. In this context, it is helpful to distinguish between (1) a withdrawal's effects upon the withdrawing State's obligations under public international law and (2) its effects upon the practical application of the uniform private law treaty to contracts between private parties.

1. Under public international law

According to Article 22(3)(a) of the VCLT, the withdrawal of a reservation 'becomes operative' in relation to another Contracting State only when notice of it has been received by that State, '[u]nless the treaty otherwise provides'.

⁶⁰ On the grace period under art 97(4) of the CISG, see in more detail the discussion in section III.1.A in this article.

⁶¹ Johnny Herre, 'Article 97' in Kröll, Mistelis and Perales Viscasillas (n 37) para 2.

⁶² Peter Schlechtriem, Ingeborg Schwenzer and Pascal Hachem, 'Article 97' in Schlechtriem and Schwenzer Commentary (n 39) para 1. Similarly Franco Ferrari, 'Artikel 97' in Münchener Kommentar zum Handelsgesetzbuch (3rd edn, Beck 2013) para 1.

A. Grace periods

Uniform private law conventions frequently contain provisions that otherwise provide, and Article 97(4) of the CISG is a typical example. By stating that any withdrawal under the CISG only takes effect on the first day of the month following the expiration of six months after the date of the receipt of the notification by the depositary, this provision deviates from the basic rule in Article 22(3)(a) of the VCLT in two respects. First, it does not focus on the receipt of the notification of withdrawal by an individual State but, rather, by the depositary (who in turn will inform all Contracting States to the CISG of the notification in accordance with Article 77(1)(e) of the VCLT). In doing so, Article 97(4) of the CISG both respects the depositary's function as a 'clearing house' for State communications under the CISG and creates a uniform temporal regime for the effect of withdrawals, as every withdrawal takes effect on the same day for all Contracting States, irrespective of the day on which the respective State has received formal notice of it. 63 It thereby contributes to the goal of a uniform application as enshrined in Article 7(1) of the CISG.

Second, Article 97(4) of the CISG provides that a withdrawal does not immediately take effect upon the receipt of the notification by the depositary, but only on the first day of the month following the expiration of six months after the date of receipt. The six-month 'grace period', 64 thus introduced, serves the purpose of providing States, courts, sellers, buyers, and others with enough time to adapt to the changed position of the withdrawing Contracting State.⁶⁵ It thereby contributes to legal certainty.⁶⁶

Other uniform private law conventions contain provisions very similar to Article 97(4) of the CISG. While these provisions always refer to the notification's receipt by the respective depositary, their grace periods vary in length. Under some earlier conventions such as the 1973 European Patent Convention, withdrawals take effect one month from the date of receipt of the notification⁶⁷ (or even immediately upon receipt, as under the Council of Europe's 1955 Convention on Establishment⁶⁸ and the 1972 Convention on the Place of Payment, ⁶⁹ which thereby dispense with any grace period). In later treaty practice,

 $^{^{63}}$ Pellet (n 7) para 40 points out that the notification of a withdrawal may be delivered to different States on different dates.

⁶⁴ This term is, *inter alia*, used by Pellet (n 7) para 33.

⁶⁵ Herre (n 61) para 2. But see Malcolm Evans, 'Article 97' in Bianca and Bonell (n 39) note 2.4: 'For businessmen in States other than that which has made the declaration, the benefit to be derived from the time lapse of six months may however be more theoretical than real.'

⁶⁶ Enderlein and Maskow (n 46) 385.

⁶⁷ Art 167(4), second sentence, of the Convention on the Grant of European Patents, done at Munich on 5 October 1973 [1973 European Patent Convention] (the provision has since been deleted by the Act revising the European Patent Convention of 29 November 2000).

⁶⁸ Art 26(3), second sentence, of the European Convention on Establishment, done at Paris on 13

⁶⁹ Art 7(2) of the European Convention on the Place of Payment of Money Liabilities, done at Basel on 16 May 1972.

grace periods of three months⁷⁰ became more common. Since the adoption of Article 97(4) of the CISG, however, a six-month period has most frequently been used, 71 which therefore may qualify as the current standard treaty practice.72

B. Nature of a withdrawal's effect

The nature of a withdrawal's effect under public international law is not addressed in Article 22 of the VCLT,73 but it has been authoritatively described in the International Law Commission's Guide to Practice on Reservations to Treaties, which was adopted in 2011.⁷⁴ The Guide states that '[t]he withdrawal of a reservation entails the full application of the provisions to which the reservation relates in the relations between the State . . . which withdraws the reservation and all the other parties'. 75 While this rule is fitting in the case of treaties about, for example, diplomatic relations that are applied between one State and another, uniform private law conventions typically have different performance structures.⁷⁶ Although they are far from identical in the case of all of the conventions that govern matters of 'private law', the performance structures of some conventions show at least a partial similarity to those of 'diplomatic' or 'political' treaties in that they govern the tasks of, and cooperation between, government authorities along with the relationship between private parties. (The 1995 UNIDROIT Convention on Cultural Property and the 2007 Hague Convention on the International Recovery of Child Support are pertinent examples.) Other uniform private law conventions, however, are applied by state courts exclusively to the relations between private parties, ⁷⁷ such as, in case of the CISG, to the relations between buyers and sellers that have entered into international sales contracts or, in case of the 1978 Hague Agency Convention and the 1983 UNIDROIT Agency Convention, to the relations between agents, principals, and third parties. In these cases, the withdrawal of a reservation has to be scrutinized for its effects upon the

See eg art VI, second sentence, of the 1964 Hague Sales Convention; art 40(3) of the 1970 International Convention on Travel Contracts; art 18(4) of the 1978 Hague Agency Convention; art 21(3) of the 1986 Hague Sales Convention; art 62(3) of the 2007 Hague Convention on the International Recovery of Child Support.

⁷¹ See the withdrawal clauses modelled on art 97(4) of the CISG listed earlier in notes 29–34 and the accompanying text.

⁷² But from a general treaty law perspective, see Pellet (n 7) para 38, who considers a period of one to three months to be the standard in the majority of treaties.

⁷³ Pellet (n 7) paras 3, 29, 44: 'Despite its general title, Article 22 is silent in relation to the most important question concerning the withdrawal of reservations: that of its effects.'

⁷⁴ International Law Commission, Guide to Practice on Reservations to Treaties, as Finalized by the Working Group on Reservations to Treaties from 26 to 29 April, and on 4, 5, 6, 10, 11, 12, 17 and 18 May 2011, UN Doc A/CN.4/L.779 (19 May 2011).

⁷⁵ Ibid Guideline 2.5.7(1).

⁷⁶ Schroeter (n 41) s 13, para 72 et seq.

⁷⁷ See Bell (n 9) 60; Michael G Bridge, The International Sale of Goods (3rd edn, Oxford University Press 2013) para 10.57.

private law application. How does it affect the law governing the private parties' legal relationships and when do its effects set in?⁷⁸

2. For the application of a convention to contracts between private parties: the problem of a withdrawal's temporal effect

A possible starting point for this issue is the general principle that courts apply the law as it stands at the moment a judgment is made, ⁷⁹ including those provisions of law that had previously been rendered inapplicable by a reservation that is now withdrawn. However, under uniform private law conventions (such as the CISG), the matter is more complicated because the courts often have to deal with contracts that have been concluded and performed years before the court proceedings are commenced. The temporal effect of a withdrawal thereby receives an additional layer, which can best be explained through two brief examples.

The first example involves a dispute between a Chinese seller and a French buyer that is being decided by the High People's Court in Beijing on 20 September 2014. The sales contract between the parties was allegedly concluded orally during a telephone conversation on 5 October 2013. (Note that China's withdrawal of its reservation under Article 96 of the CISG took effect on 1 August 2013.) In Example 1, the sales contract was only concluded after China's withdrawal of its reservation under Article 96 of the CISG had taken effect. ⁸⁰ Here, the solution is easy. The Court will apply the freedom of form rule of Article 11 of the CISG to the contract at hand.

The second example provides a more difficult situation. It is the same as in Example 1, but the sales contract between the parties was allegedly concluded orally during a telephone conversation on 10 May 2009. Should the Court, which receives the case after China's reservation under Article 96 of the CISG is no longer in force, apply Article 11 of the CISG also to the 2009 contract in Example 2, which was concluded before China's reservation withdrawal? Note that this issue is not solved through the grace period under Article 97(4) of the CISG.⁸¹ This six-month period gave buyers and sellers time to adjust their contracting practices to the new legal situation,⁸² but, of course, they could only do this with respect to their new contracts (that is, their future contracting practices) but not with respect to the contracts they had already concluded earlier.

⁷⁸ See also Neumann (n 58) 12 et seq.

⁷⁹ See Burkhard Hess, *Intertemporales Privatrecht* (Mohr Siebeck 1998) 38 et seq.

On the effects of reservations made under art 96 of the CISG, see in detail Ulrich G Schroeter, 'The Cross-Border Freedom of Form Principle under Reservation: The Role of Articles 12 and 96 CISG in Theory and Practice' *Journal of Law and Commerce* (forthcoming).

⁸¹ See discussion in section III.1.A in this article.

⁸² Herre (n 61) para 2.

A. Principle of non-retroactivity under customary treaty law

The VCLT contains no specific provision on the matter. However, it addresses the issue in a somewhat more general manner in Article 28, which lays down the socalled principle of 'non-retroactivity of treaties':⁸³

Unless a different intention appears from the treaty or is otherwise established, its provisions do not bind a party in relation to any act or fact which took place or any situation which ceased to exist before the date of the entry into force of the treaty with respect to that party.

Article 28 of the VCLT codifies an existing rule of customary public international law. 84 In our context, two questions arise: Can this rule, which applies to the entry into force of treaties, also be applied to the taking effect of reservation withdrawals? And, if this should be so, what is the decisive act, fact, or situation addressed in the case of an international sales contract?⁸⁵

Luckily, we can leave these questions open because Article 28 only applies '[u] nless a different intention appears from the treaty or is otherwise established'. In the case of many uniform private law conventions, such a different intention can indeed be established, sometimes with ease (see section B) and sometimes through a somewhat more complex interpretation of the convention's rules (see section C).

B. The temporal effect of withdrawals clearly specified: the 2001 UN Assignment Convention

The 2001 UN Assignment Convention is an example of the first type of convention, as it clearly and elaborately specifies the effects that the withdrawal of a reservation will have on the contracts of assignment that this convention governs. In Article 43(5), it states:

In the case of a declaration under articles . . . that takes effect after the entry into force of this Convention in respect of the State concerned or in the case of a withdrawal of any such declaration, the effect of which in either case is to cause a rule in this Convention, including any annex, to become applicable:

Except as provided in paragraph 5 (b) of this article, that rule is applicable only to assignments for which the contract of assignment is concluded on or after the date when the declaration or withdrawal takes effect in respect of the Contracting State referred to in article 1, paragraph 1 (a);

Kerstin Odendahl, 'Article 28' in Oliver Dörr and Kirsten Schmalenbach (eds), Vienna Convention on the Law of Treaties: A Commentary (Springer 2012) para 5.

⁸⁴ Frederic Dopagne, 'Article 28 Convention of 1969' in Olivier Corten and Pierre Klein (eds), The Vienna Conventions on the Law of Treaties: A Commentary (Oxford University Press 2011) para 6; Odendahl (n 84) para 5.

⁸⁵ There is agreement that this question needs to be answered on the basis of the provisions of the respective treaty. See Albert Bleckmann, 'Die Nichtrückwirkung völkerrechtlicher Verträge: Kommentar zu Art. 28 der Wiener Vertragsrechtskonvention' (1973) 33 Zeitschrift für ausländisches öffentliches Recht und Rechtsvergleichung 38, 45; Dopagne (n 85) para 12; Odendahl (n 84) para 18.

b) A rule that deals with the rights and obligations of the debtor applies only in respect of original contracts concluded on or after the date when the declaration or withdrawal takes effect in respect of the Contracting State referred to in article 1, paragraph 3.

Article 43(6) of the 2001 UN Assignment Convention adds another very similar clause for withdrawals, which causes a rule in the Convention to become inapplicable, and Article 43(7) of the Convention specifies the effects of rules becoming applicable or inapplicable for the priority of an assignee's right.

Already its mere existence, but even more the specificity of its content (and its long-windedness), makes Article 43(5)–(7) of the 2001 UN Assignment Convention a rare exception, as no other uniform private law convention seems to contain similar provisions of this kind. Within the development of this Convention, the paragraphs on the precise effects of a withdrawal constituted something of a last minute addition, as the working group preparing the draft Convention had suggested a much simpler version, 86 but had planned to refer the issue of the Convention's 'transitional application' to the Commission to discuss. 87 The wording of Article 43(5)–(7), as eventually adopted, was then apparently conceived in the drafting group, 88 which developed the detailed set of rules that exists today.⁸⁹ It has the advantage of providing exceptionally clear guidance to courts and contracting parties when a withdrawal's effect upon an assignee's rights is concerned, but it remains rather unusual within contemporary treaty practice.

C. The temporal effect of withdrawals according to the CISG

In contrast to the 2001 UN Assignment Convention, most other uniform private law conventions, including the CISG, have not been provided with elaborate rules about the temporal effects of reservation withdrawals. Nevertheless, it is possible to establish a treaty-specific 'intention' in the sense used in Article 28 of the VCLT under the CISG, although it is necessary to distinguish between two different groups of reservations for this purpose.

(i) Relevance of Article 100 of the CISG for the withdrawal of reservations

With respect to some of the CISG's reservations, the Convention explicitly sets out the temporal effect of their withdrawal, albeit somewhat less obvious than the 2001 UN Assignment Convention. These are the reservations under Articles 92,

⁸⁶ See UNCITRAL, Report of the Working Group on International Contract Practices on the Work of Its Twenty-Third Session (Vienna, 11–22 December 2000), UN Doc A/CN.9/486 (9 January 2001) para 121: 'A declaration or its withdrawal does not affect the rights of parties arising from assignments made before the date on which the declaration or its withdrawal takes effect.

 $^{^{87}}$ See UNCITRAL, Report of the Working Group on International Contract Practices on the Work of Its Thirty-First Session (Vienna, 11-22 October 1999), UN Doc A/CN.9/466 (2 November 1999) para 206; UNCITRAL, Receivables Financing: Draft Commentary on the Draft Convention on Assignment (Note by the Secretariat), UN Doc A/CN.9/470 (23 March 2000) para 218.

⁸⁸ UNCITRAL (n 87) para 134.

⁸⁹ It appears for the first time in UNCITRAL (n 87) Annex I.

93, and 94 of the CISG. All of these reservations, once made, result in the reserving State 'not [being] considered a Contracting State' within Article 1(1) of the CISG with respect to matters to which the reservation applies, such as, for example, those stated in Article 92(2) of the CISG. Once a reservation of this type is withdrawn (and the six-month grace period of Article 97(4) of the CISG has elapsed), the withdrawing State is (again) to be considered a Contracting State for the purposes of Article 1(1).

The temporal effect of the withdrawal indirectly follows from Article 100 of the CISG, which essentially says that the Convention applies only to those sales contracts concluded on or after the date when the Convention enters into force in respect of the Contracting State(s) referred to in Article 1(1) of the Convention. Once a reservation under Articles 92, 93, or 94 of the CISG has been withdrawn, therefore, Article 100 of the CISG results in the Convention only being applied to those contracts that are formed after the withdrawal has taken effect, ⁹² thereby keeping the parties from being surprised by a law that was not in force when they concluded their contract.

(ii) Article 100 of the CISG as an expression of a general principle (Article 7(2) of the CISG)

More difficult questions arise where the reservations authorized by Article 95 and 96 of the CISG (or comparable reservations under other conventions⁹³) are concerned. The reason is that these reservations operate differently from the reservations just mentioned in that they are not linked to the 'Contracting State' notion under Article 1(1) of the CISG but, rather, have a different effect.⁹⁴ Article 100 of the CISG is therefore of no immediate help in this context.

It is nevertheless submitted that with respect to the temporal effect of Articles 95 or 96 withdrawals—in the words of Article 28 of the VCLT—'a different intention appears from the treaty', namely through Article 7(2) of the CISG. This is so

⁹⁰ See Torsello (n 4) 92 et seq; Schroeter (n 45) 432 et seq.

⁹¹ The wording of art 100 of the CISG reads: '(1) This Convention applies to the formation of a contract only when the proposal for concluding the contract is made on or after the date when the Convention enters into force in respect of the Contracting States referred to in subparagraph (1)(a) or the Contracting State referred to in subparagraph (1)(b) of article 1.

⁽²⁾ This Convention applies only to contracts concluded on or after the date when the Convention enters into force in respect of the Contracting States referred to in subparagraph (1)(a) or the Contracting State referred to in subparagraph (1)(b) of article 1.'

See also John O Honnold, *Uniform Law for International Sales under the 1980 United Nations Convention*, edited and updated by Harry M Flechtner (4th edn, Kluwer Law International 2009) para 473: 'The Convention does not have retroactive effect.'

⁹² Neumann (n 58) 12.

Examples are arts 27 and 28 of the 1983 UNIDROIT Agency Convention; art 18 of the 1988 UNIDROIT Factoring Convention; and art 20 of the 1988 UNIDROIT Leasing Convention; see generally Torsello (n 4) 102 et seq.

⁹⁴ CISG-AC Opinion no. 15, "Reservations under Articles 95 and 96 CISG", Rapporteur: Professor Ulrich G Schroeter, University of Mannheim, Germany (2014) Internationales Handelsrecht 116, comments 3.6, 4.10; Torsello (n 4) 102 et seq.

because the effects of withdrawals of reservations are a matter governed by the Convention, ⁹⁵ as demonstrated by Article 97(4) of the CISG. Since the temporal aspect of these effects is a question that is not expressly settled in the Convention, as far as withdrawals of Articles 95 or 96 reservations are concerned, Article 7(2) of the CISG provides that this 'internal gap' is to be settled primarily in conformity with the general principles on which the Convention is based.

It is submitted that Article 100 should be read as expressing such a general principle, namely the principle that the Convention should apply to each contract of sale with the shape and content it had at the moment of the respective contract formation. ⁹⁶ This general principle should be used accordingly in determining the temporal effect of withdrawals that relate to Article 95 or Article 96 reservations. When applying this notion to Example 2 given above, it means that the freedom of form principle in Article 11 of the CISG does not have to be applied to the contract that was concluded before China's withdrawal took effect because Article 11 of the CISG was—under the general principle just described—not an applicable part of the Convention at the time this sales contract was concluded.

(iii) Contract modification cases

An interesting question is raised by contracts that were formed before the taking effect of a withdrawal, but which are modified by the parties after that date in accordance with Article 29 of the CISG. Is such a contract governed by the Convention including the (now withdrawn) reservation or not? The argument could be made that the CISG generally treats contract modifications as a special type of contract conclusion, as agreements to modify a contract under Article 29(1) of the CISG are governed by the same rules as initial contract formations, namely Articles 14–24.⁹⁷ This logic, in turn, could be taken as a reason for applying the Convention without the withdrawn reservation once a contract was modified after the withdrawal took effect.

In my opinion, the better solution is to stick to the exact wording of Article 100 of the CISG, which only refers to the date of the contract conclusion. For reasons of legal clarity, this should be the one and only date on which it is determined which rules apply to the newly concluded contract, since the parties at that stage should be able to foresee which legal provisions govern the birth, life, and death of their contract, irrespective of any later modification of the contract's content that may occur. (If the parties wish to choose the CISG without a reservation at a later stage, they can do so by entering into a choice-of-law agreement to this end in

⁹⁵ Schlechtriem and Schroeter (n 59) paras 124-31.

⁹⁶ Bell (n 9) 71–2; Schlechtriem and Schroeter (n 59) para 813.

⁹⁷ Pilar Perales Viscasillas, 'Modification and Termination of the Contract (Art. 29 CISG)' (2005–6) 25 Journal of Law and Commerce 167, 171; Ulrich G Schroeter, 'Article 29' in Schlechtriem and Schwenzer Commentary (n 39) para 2.

accordance with, and subject to, the conflict-of-law rules of the forum. 98) In addition, the application to contracts of the law in force at the moment of the initial contract formation is a principle also used in many domestic laws. 99

3. Effect of withdrawals upon reciprocal declarations

As already briefly mentioned earlier, ¹⁰⁰ reservations under Article 94 of the CISG may be made by way of either joint or reciprocal unilateral declarations because the use of Article 94 results in the non-applicability of the Convention 'to contracts of sale or to their formation where the parties have their places of business in those [that is, Article 94 reservation] States'. Article 94 of the CISG therefore necessarily requires declarations by more than one State that are related to each other, thereby excluding the Convention's application in favour of the application of other same or closely related legal rules in their *inter se* relationship. A number of other uniform private law conventions provide for similar reservations. 101

This particular connection between declarations made by different reservation States 102 makes it necessary to define how the withdrawal of one of the reservations affects the other States' reservations under Article 94 of the CISG. The Convention specifically addresses this question in Article 97(5): 'A withdrawal of a declaration made under article 94 renders inoperative, as from the date on which the withdrawal takes effect, any reciprocal declaration made by another State under that article.' The provision is relatively straightforward, 103 although the wording of Article 97(5) could be viewed as being framed too widely by rendering inoperative 'any' reciprocal declaration. Such an effect arguably only extends to those declarations that are reciprocal to the declaration that has been withdrawn, 104 but it leaves unaffected all other reciprocal declarations that other States may have made in accordance with Article 94 of the CISG. When the 1988 Unidroit Factoring Convention was drafted, this point was apparently

The respective private international law rules determine whether a choice of law in favour of the CISG is admissible. Under art 3(1) of the Council Regulation (EU) 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations ('Rome I Regulation'), such a choice is generally considered to be inadmissible because the provision allegedly only allows for the choice of a domestic legal order. See the critical remarks in Schlechtriem and Schroeter (n 59) para 60; see also Bell (n 9) 68.

⁹⁹ Hess (n 79) 143, 148.

¹⁰⁰ See discussion in section II.2 of this article.

Art II of the 1964 Hague Sales Convention; art 26 of the 1983 Unidroit Agency Convention; art 17 of the 1988 Unidroit Factoring Convention; art 19 of the 1988 Unidroit Leasing Convention.

Note that the treatment of reciprocal declarations as explicitly provided for in art 94(1), second sentence, of the CISG should not be confused with the difficult question whether reservations under uniform private law convention may have reciprocal effect or not. On the latter point, see the (rare) express stipulation in art 62(4) of the 2007 Hague Convention on the International Recovery of Child Support: 'Reservations under this Article shall have no reciprocal effect with the exception of the reservation provided for in Article 2(2)'; see also Torsello (n 4) 88–9.

¹⁰³ Clauses with similar wording can be found in art VI, second sentence, of the 1964 Hague Sales Convention and art 31(4) of the 1983 UNIDROIT Agency Convention.

¹⁰⁴ Evans (n 65) note 2.7.

recognized 105 and specifically clarified in Article 19(5) of this convention, which therefore constitutes an improved version of Article 94 of the CISG: 'A withdrawal of a declaration made under Article 17 renders inoperative in relation to the withdrawing State, as from the date on which the withdrawal takes effect, any joint or reciprocal unilateral declaration made by another State under that article ,106

IV. Policy considerations

In concluding, the present article will only briefly touch upon possible policy considerations in the context of withdrawals. As this issue has very competently been dealt with elsewhere, ¹⁰⁷ the following remarks are limited to the perspective of public international law upon the desirability of reservation withdrawals. To this end, the starting point must be the text of the respective convention that authorizes a reservation. And, indeed, some not-so-recent conventions such as the 1955 European Convention on Establishment or the 1973 European Patent Convention spell out the treaty makers' intentions by explicitly providing that any State that avails itself of a reservation 'shall withdraw the said reservation as soon as circumstances permit'. 108

In the case of the many uniform private law conventions that do not contain a comparable explicit clause, reference can again be made to the International Law Commission's recent Guide to Practice on Reservations to Treaties, which explicitly calls for a periodic review of the usefulness of reservations:

States or international organizations which have formulated one or more reservations to a treaty should undertake a periodic review of such reservations and consider withdrawing those which no longer serve their purpose. In such a review, States and international organizations should devote special attention to the aim of preserving the integrity of multilateral treaties and, where relevant, consider the usefulness of retaining the reservations, in particular in relation to developments in their internal law since the reservations were formulated. 109

This makes clear that the four Nordic States, Denmark, Finland, Norway, and Sweden, the two Baltic States, Latvia and Lithuania, as well as China were acting in accordance with the latest trends in public international law when they recently withdrew their respective reservations under Articles 92 and 96 of the CISG. In my

¹⁰⁵ Note that the Draft Final Provisions Capable of Embodiment in the Draft Convention on International Factoring Drawn up by a UNIDROIT Committee of Governmental Experts, with Explanatory Notes (Drawn up by the UNIDROIT Secretariat) of August 1987, Study LVIII - Doc 34 (1987) had still proposed a wording resembling art 97(5) of the CISG.

¹⁰⁶ Emphasis added. Art 21(5) of the 1988 UNIDROIT Leasing Convention, which was adopted on the same day as the Factoring Convention, contains an identical provision.

 $^{^{107}}$ With respect to the withdrawal of reservations under the CISG, see Andersen (n 9) 698 et seq; Bell (n 9) 66 et seq.

¹⁰⁸ Art 26(3), first sentence, of the 1955 European Convention on Establishment; art 167(4), first sentence, of the 1973 European Patent Convention (deleted by the Act revising the European Patent Convention of 29 November 2000).

Guide to Practice on Reservations to treaties (n 74), Guideline 2.5.3.

personal opinion, the various Contracting States that have made use of the reservation under Article 95 of the CISG should also consider a withdrawal, 110 thereby further contributing to uniformity under the CISG.¹¹¹

V. Conclusion

The withdrawal of reservations under uniform private law conventions, which for a long time was merely a subject of theoretical interest, has recently become a matter of increasing practical importance under the CISG. As the present article has tried to demonstrate, the prerequisites and legal effects of such withdrawals raise a number of questions that have yet to receive a clear answer. The uncertainties that accordingly exist today should nevertheless not deter States from considering a withdrawal of their reservations still in force, be it under the CISG or any other convention: Contrary to what the term 'withdrawal' may at first sight suggest, every withdrawal under uniform private law conventions is in truth a great step forward.

¹¹⁰ See similarly Andersen (n 9) 709 et seg with respect to China's reservation under art 95 of the CISG; and Bell (n 9) 55 et seq with respect to Singapore's reservation under art 95 of the CISG.

From a general treaty law perspective, see also Pellet (n 7) para 27: 'the withdrawal also constitutes a simplification of conventional relations, which is another reason why withdrawals should be encouraged.