

Commencement notice for Sale of Goods (United Nations Convention) Ordinance
gazetted

The Government published in the Gazette today (June 30) the Sale of Goods (United Nations Convention) Ordinance (Commencement) Notice. The Sale of Goods (United Nations Convention) Ordinance (Cap. 641) (Ordinance) will come into operation on December 1, 2022.

The Ordinance seeks to implement the United Nations Convention on Contracts for the International Sale of Goods (CISG) in the Hong Kong Special Administrative Region (HKSAR).

Pursuant to the relevant process under Article 153 of the Basic Law (Note), as well as the requisite declaration and notification on May 4, 2022, by the Central People's Government to the Secretary-General of the United Nations (as depositary for the CISG), the application of the CISG (without China's reservation in respect of Article 1(1)(b) under Article 95 of the CISG) to the HKSAR will take effect on December 1, 2022. The Ordinance will come into operation on the same day in order to implement the CISG in the HKSAR. For this purpose, the Secretary for Justice, under section 1(2) of the Ordinance, has appointed December 1, 2022, as the day on which the Ordinance comes into operation.

A spokesperson for the Department of Justice (DoJ) said, "Applying the CISG to the HKSAR marks an important development of the HKSAR's law on international sale of goods."

The CISG applies automatically to contracts of sale of goods between parties whose places of business are in different Contracting States. Further, it applies to international sales contracts where the rules of private international law of the forum lead to the application of the law of a Contracting State according to Article 1(1)(b) of the CISG.

Party autonomy is a fundamental principle of the Convention. With very limited exceptions, the parties can, by agreement, derogate from or vary the effect of any provisions of the CISG, or exclude the Convention's application entirely. The availability of such an opt-out mechanism in the CISG will enable the parties to tailor their contracts to meet specific business needs.

In 2020, the Government conducted a public consultation on the proposed application of the CISG to the HKSAR. Noting that there is general support among the respondents to the consultation for applying the CISG to the HKSAR, and after consulting the Panel on Administration of Justice and Legal Services of the Legislative Council (LegCo), the Government introduced the Sale of Goods (United Nations Convention) Bill into LegCo in July 2021. The Bill was passed by the LegCo on September 29 of the same year.

"With a view to assisting the business and legal sectors in getting ready for the implementation of the CISG, the DoJ, in collaboration with these sectors, has rolled out a series of public events and promotional materials since the beginning of this year. For easy access by the public, the video recordings and presentation slides for all the above-mentioned events have been made available on the DoJ's [featured webpage](#) on the CISG."

The Commencement Notice will be tabled in LegCo on July 6 for negative vetting.

Note: Article 153 of the Basic Law provides (inter alia) that, "[t]he application to the Hong Kong Special Administrative Region of international agreements to which the People's Republic of China is or becomes a party shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Region, and after seeking the views of the government of the Region."

Ends/Thursday, June 30, 2022