

## Portugal joins to the Convention of Vienna on Contracts for the International Sale of Goods

Was approved on August 7<sup>th</sup>, the Decree 5/2020, which confirmed Portuguese accession to 1980's Convention of Vienna on Contracts for the International Sale of Goods.

The object of this International Treaty is the international (between Parties of different States) acquisition and sale of goods, and as any International Treaty, its major benefit is to offer to contracting Parties a legal framework which will be applicable in case of contractual omission, legal framework that was negotiated between the States and corresponds to a conciliation of the different legal concepts, mechanisms and principles of the different legal systems, offering greater legal certainty and safety and balanced, impartial and uniform solutions, promoting international commerce and avoiding the need to invoke/apply national rules.

Nevertheless, it is important to remember that Convention's rules will only be applicable if both Parties are national from the States that joined the Treaty or if the Parties choose their Law as the Law applicable to the contract, and they have not rejected the application of the Convention.

With the accession of Portugal, the Convention has now 94 Member-States, but the Treaty will enter into force for Portugal, only on the 1<sup>st</sup> day of the 13<sup>th</sup> month after the deposit of the accession's instrument.

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The Convention regulates issues like the proceedings of negotiation and formation of the contract and the conditions needed so the contract is valid.

In regard to Acquisition and Sale of Goods, the Convention regulates rights and duties of Buyer and Seller, the transference of risk, consequences of the non-compliance and mechanisms to mitigate it, standard rules to determine contractual obligations, indemnifications, and exoneration of the contract (for example, due to force majeure), among others.

To conclude, is important to refer that for Portugal, the accession to this international instrument will be very positive, since it encourages investment from foreign entities and an increase of the number of contracts with Portuguese entities, allowed by a greater safety and comfort offered by Convention's rules. The same happens regarding Portuguese companies, in relation with entities of another States, fortifying Portuguese economic dynamics.