



DISPUTE RESOLUTION

Portugal joins the 1980 Vienna Convention on Contracts for the International Sale of Goods

On 7 August 2020, Decree 5/2020 of the Council of Ministers was published, approving the Vienna Convention of 1980 on Contracts for the International Sale of Goods (the "Convention"), making Portugal its newest signatory state.

By adopting concepts, methods, a structure and vocabulary inspired both by the common law and the civil law systems, the Convention is intended to regulate international contracts for the purchase and sale of goods.

The Convention provides the parties with a high level of legal security and predictability, as it establishes uniform, neutral and accessible rules for its users, thus facilitating international commercial transactions. In practice, this instrument makes it possible to save transactional costs arising from the different legal regulations of each country.

As to its substantive content, the Convention is divided into two chapters, covering on the one hand the contract formation and, on the other hand, the parties' obligations, such as the regulation of the sale and transfer of risk.

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The Convention is applicable to contracts for the international sale of goods whenever the seller and buyer are domiciled in countries that have adopted the Convention. It will also apply in the event that the contracting parties elect the law of a signatory country to govern the contract. However, honouring the principle of party autonomy, the parties may also opt out of the Convention.

Forty years after its adoption by the diplomatic conference on 11 April 1980, the Convention became one of the most successful international instruments of International Law, having been ratified by 93 signatory States, including 25 of the 27 members of the European Union (excluding Ireland and Malta).

Mariana França
Gouveia
Telma Pires
de Lima
Betyna Jaques
Ana Coimbra
Trigo
Dispute Resolution
team

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For Portugal, the advantages arising from the accession are expected to be very significant. First, there are the legal advantages resulting from legal certainty and emphasis on the principle of private autonomy, as already evidenced. Second, there are the commercial advantages of the promotion of investments with less contextual costs and, therefore, more profitability for Portuguese and foreign importers and exporters.

It may also work as a calibrator in attracting of commercial and traditional investment partners, given that Portugal's main commercial partners have ratified the Convention. These include Spain (1991), Germany (1991), France (1981), Brazil (2014) or China (1988).¹

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The Convention will enter into force, in respect of Portugal, on the first day of the month following the expiration of twelve months after the date of the deposit of its instrument of approval. Therefore, the Convention will become applicable to international contracts of sale and purchase of goods concluded after that date.

PLMJ's Dispute Resolution team has extensive knowledge and experience in the application of this subject, benefiting from a network of professionals from jurisdictions where the Convention is already in force and having represented contracting parties in international sale contracts where the Convention was applied. ■

¹ See Pordata data on International Trade - [Link](#)