

DRAFTING COMMITTEE

PROPOSAL

(submitted by the Delegation of the United States of America)

Article 5

Location of obligor

For the purposes of this Convention, ~~a party~~:

- (1) an officially organized obligor is located in a State if it is organized under the law of that State or a political subdivision of that State; and
- (2) any other obligor is located in a State if ~~it is incorporated or registered or has its~~ principal place of business is located in that State.

Article 6

Interpretation of convention

In their relations with each other, ~~the parties~~ an obligor and an obligee may, by agreement in writing, derogate from or vary the effect of any of the provisions of Chapter III, except as stated in Articles 9(2)-(6), 10(2) and (3), 13(1) and 14.

Article 7

1. – In the interpretation of this Convention, regard is to be had to its purposes as set forth in the preamble,* to its international character and to the need to promote uniformity and predictability in its application.

2. – [In the interpretation of this Convention, regard is to be had to the commentaries on the Convention and the Protocol.]

3. – Questions concerning matters governed by this Convention which are not expressly settled in it are to be settled in conformity with the general principles on which it is based or, in the absence of such principles, in conformity with the applicable law.

CHAPTER II

CONSTITUTION OF AN INTERNATIONAL INTEREST

Article 8

Constitution of international interest

1. – An interest is constituted as an international interest under this Convention where the agreement creating or providing for the interest:

(a) is in writing;

(b) relates to an object in respect of which the chargor, conditional seller or lessor has power to enter into the agreement;

(c) enables the object to be identified in conformity with the Protocol; and

(d) in the case of a security agreement, enables the secured obligations to be identified, but without the need to state a sum or maximum sum secured.

2. – An international interest extends to qualified proceeds.

3. – An international interest may extend to an object acquired after an agreement is concluded.

4. – An international interest may secure obligations arising after an agreement is concluded.

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* The preamble will be drafted in due course.