

Received: May 2023 Accepted: June 2023
DOI: <https://doi.org/10.58262/ks.v11i3.040>

Legislative Sustainability of the Contract for the Sale of Goods in the Saudi System and International Agreements

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Abstract

Background: In Vision 2030, the Kingdom of Saudi Arabia was concerned with legislative sustainability for the sake of economic and financial development, so in Vision 2030 it sought to issue the Civil Transactions System in 2023 AD while approving the implementation of the Convention on the International Sale of Goods in 2024 AD. The study aimed to identify the legal rules of the Convention on the International Sale of Goods and its application controls in the Kingdom of Saudi Arabia, especially with the updated rules for the sales contract in the transaction system. Methods: The study used the descriptive analytical survey method to track and analyze the Convention on the International Sale of Goods. Results and Conclusions: The results of the study showed that there are legal challenges in implementing the Convention, the most important of which is the drafting of international sales contracts and the legal gaps related to the event of a conflict with the Civil Transactions System 2023. The study also presented a set of recommendations, the most important of which is the necessity of creating a supervisory body. On the mechanism of applying the rules of the Convention to international contracts for goods... It includes Saudi legal experts - whose tasks include drafting model contracts in accordance with the 1980 Vienna Convention - in a way that does not conflict with the regulations of the Kingdom of Saudi Arabia - and removing all obstacles to implementing the agreement.

Keywords: legislative sustainability, sales contract, Convention on the International Sale of Goods 1980, Saudi Transactions System 2023.

1 Introduction

Due to its strategic geographical location between the three continents, the Kingdom of Saudi Arabia is witnessing major trade transformations and economic reforms, which has caused it to rank first among countries in the international trade index³. and to achieve sustainable transformation, the Kingdom of Saudi Arabia has committed to a set of binding national pledges in a program called Saudi Vision 2030⁴. all of these transformations have made it take an international place, as it is part of the global G20, which includes nineteen countries in addition to the European Union, which is concerned with strengthening international financial legislation, promoting multilateral trade, and sustainable development"⁵

To ensure equality between Saudi and non-Saudi investors, Saudi Arabia created a platform

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³ The unified Saudi national platform: GOV.SA <https://www.my.gov.sa/wps/portal/snp/aboutksa/commerce>

⁴ Saudi Vision 2030: <https://www.vision2030.gov.sa/ar/>

⁵ Hasan. M. M., & Shaima Muhammad Mahmoud. (2019). Saudi Arabia, Neva Nafi... between options and effectiveness. Scientific Journal of Environmental Studies, 10 (First Issue, Part One), 376-410.

entitled: (Invest in Saudi Arabia). This platform has contributed to the progress of the Kingdom of Saudi Arabia in cross-border commercial transactions and encouraging investment opportunities, as it advanced 29 places in the “Doing Business 2020” report issued by the World Bank⁶. In 2023, Saudi Arabia jumped in the trade exchange index (the value of exports to imports) to rank fourth in the world, advancing 50 places, after it was ranked 54 in the year 2022. In addition, it advanced 10 ranks in the cost of capital index to rank third in the world⁷.

With all the progress achieved by Saudi Arabia, the foreign contractor may be concerned about the difference in the laws of transaction contracts and the problems of conflict of laws arising from contractual obligations. Therefore, the Saudi legislator was interested in legislative sustainability to keep pace with comparative legislation to remove obstacles that prevent the flow of international trade: by updating internal laws - and ratifying relevant international agreements, including the Vienna Convention on the International Sale of Goods of 1980 AD. Therefore, the aim of the study is to identify these legal updates.

What rules should be considered in the Saudi transaction law as a development, compared to the contract law in the European Union, to achieve legislative sustainability in Saudi Arabia? And the legal implications of sustainability? Is enforcing the Convention on the International Sale of Goods in Saudi Arabia sufficient, or must the UNCITRAL agreements complementary to it also be ratified to achieve sustainability of contractual obligations?

In addition, the research aims to reach reliable results in enforcing the provisions of the agreement in the Kingdom of Saudi Arabia in 2024 AD, and on this basis, reliance has been placed on various sources, including the International Convention on the Contract for the International Sale of Goods, in addition to other relevant literature.

2. Literature Review

The research article is distinguished by its novelty and the scarcity of research that addressed the legislative sustainability of the contract for the international sale of goods in the Kingdom of Saudi Arabia in comparison with European law. This is because the Saudi Transactions Law is newly issued, whereas in the past the reliance was on jurisprudential jurisprudence based on Islamic Sharia. In addition, the decision to implement the provisions of the Convention on the International Sale of Goods in Saudi Arabia is also recently issued

By reviewing the comparative studies⁸, we find that most of them targeted the provisions of the Convention in general, or compared them with other laws, as they did not compare the aspects of application with the Saudi system, this study complements those studies because it deals with the rules for the legislative sustainability of the contract for the sale of goods in the Convention for the International Sale of Goods. The Saudi Transactions Law

Therefore, this research is concerned with studying four main areas:

- The concept of legislative sustainability for international sales contracts in Saudi Arabia, international agreements, and the legal implications of sustainability
- Comparing the Saudi Civil Transactions System 2023 AD with the international agreements

⁶ Dr. Ahmed Al-Adadi. (2023). Foreign direct investment in light of the Kingdom of Saudi Arabia's Vision 2030. *International Journal of Humanities and Social Sciences*, (42), 106-122.

⁷ Business sector bulletin, second quarter, Saudi Ministry of Commerce, 2023.

⁸ Al-Sulaiti, Abdullah Ahmed (2020) Civil protection for parties to a contract for the international sale of goods in accordance with the Vienna Convention 1980 AD, , *Journal of Law and Business*, Hassan I University, Issue (62)

for the contract for the sale of goods 1980 AD.

- A comparison between Saudi law and European Union law.
- Governance of the Saudi Civil Transactions System and the United Nations Convention on Contracts for the Sale of Goods 1980 AD.

3. Sources of Legal Regulation

The Saudi Arabian Council of Ministers approved civil transactions by Royal Decree No. (M/191) Maps 11/29/1444 AH corresponding to 06/18/2023, where Saudi Crown Prince Mohammed bin Salman stated after announcing the law that: (The Kingdom came starting from the foundations of control in protecting... Private ownership, agreement and validity of contracts, defining the sources of rights and obligations and their effects, and clear clarity, which reflects positively on the investment climate in its attractiveness, etc.), as the Saudi legislator was keen, in legal transactions, to provide a fair environment before the deadline comes and takes into account meeting the developments of life in What is related to social and technical health and then the Kingdom's increasing growth in the world⁹, In addition, the Saudi Council of Ministers approved a memorandum of cooperation between the Kingdom, represented by the National Competitiveness Center, and the United Nations, represented by the Office of Legal Affairs, in order to create a legal environment conducive to international trade and investment in Saudi Arabia and address deficiencies in internal laws¹⁰⁸.

The term legislation is defined in the Saudi system as a set of rules that regulate social ties and that the state forces people to follow, even by force when necessary ¹¹

The Saudi Civil Transactions Law 2023 is considered the basic legislation for the general rules of the contract for the sale of goods in the Kingdom of Saudi Arabia, where the contract is defined in Arab jurisprudence as ((Two or more people agree to create, modify or terminate a legal relationship¹² .

Article (31) of the Saudi Transactions Law 2023 defines it as linking an offer with acceptance to create a regulatory effect.

In comparison with European contract law: We find that the contract in the European Union is concluded by matching the acceptance with the offer, as stipulated in Article 2:205 ¹³ , which specifies the time of concluding the contract by sending the offeror the acceptance, and when the acceptance reaches the offeror, The difference is that Saudi law adopted the theory of knowledge of acceptance in Article 38 of the Civil Transactions Law of 2023 AD.

Although the Saudi legislator took the freedom to contract in what is known as the contract under the Sharia of Contracting Parties, this is restricted by considerations specified by the system not to violate the provisions of Islamic Sharia. This can be understood from the text of Article One of the Saudi Transactions Law 2023. Which stipulates: "The texts of this system shall be applied to all issues that they address in their wording or content. If there is no text that can be applied, the general rules contained in the final provisions shall be applied. If there is no rule that can be applied, the provisions derived from Islamic Sharia that are most appropriate for this system shall be applied. Comparing the Saudi Transactions Law with

⁹ Khaled Al-Sayed (2023) Sources of compliance according to the Saudi Civil Transactions System, University Book House 2023, first edition) - Saudi Arabia - Riyadh

¹⁰ National Center for Competitiveness

¹¹ Al-Wansharisi, Ahmed bin Yahya, (1980 AD) Clarification of the Paths to the Rules of Imam Malik, edited by: Ahmed Bu Taher Al-Khattabi, Fadala Press - Muhammadiyah (Morocco).

¹² Al-Sanhouri, Abd al-Razzaq, (1964), The Mediator in Explanation of Civil Law, Dar Revival of Arab Heritage, Beirut.

¹³ Articles (2:205) (2:206) (2:207) (2:208) (2:209) of the European Contract Law

Principles of European Contract Law - PECL¹⁴, where Article (1:102) freedom of contract stipulates that “the parties are free to conclude a contract and determine its contents, taking into account the requirements of good faith and fair dealing and the mandatory rules specified by these principles. The parties may also exclude the application of any of the principles of contract or derogation.” of its effects or changes, except as otherwise provided in these principles. Although the Saudi legislator recognizes the principle of good faith in the sales contract, it does not explicitly stipulate it. Although Article 61 of the Saudi Transactions Law 2023 addresses deception and cheating as a reason for requesting contract annulment.

4. The Concept of Selling in Language and Terminology

The definition of sale in the language: It is an exchange, as the word “sale” is one of the opposites, so it is applied to buying and selling, and the meaning is the same¹⁵, and buying is buying... and he bought something: he bought it, and he sold it: he offered it for sale. It is one of the common words between opposite words.

Definition of sale in terminology: ownership of a financial asset or permissible benefit for perpetuity in return for financial compensation¹⁶

The Saudi Transactions Law 2023 AD defined it in Article (307) as: “A contract under which the seller owns the item sold to the buyer in exchange for a cash price.”

Article 2 of the 2019 European Union Directive defines a sales contract as a contract under which the seller transfers or undertakes to transfer ownership of the goods to the consumer, and the consumer pays or undertakes to pay the price for that¹⁷.

Note that the European Directive 2019, as stated in Article (2), applies to tangible movable assets that constitute goods within the meaning of this Directive. It does not apply to real estate.

Also, the concept of goods in the European directive includes “goods with digital elements,” which is a legal development that the Saudi legislator overlooked.

In addition to the 2019 European Directive regarding sales contracts, it applies to countries joining the European Union¹⁸.

Although the goal of the European directive, as stated in its first article, is to contribute to the smooth functioning of the internal market while providing a high level of consumer protection, by establishing common rules regarding certain requirements related to sales contracts concluded between sellers and consumers, so European countries like Saudi Arabia were in dire need of an international agreement regulating international cross-border sales to countries outside the European Union, the majority of the member states of the European Union adopted the Convention on the International Sale of Goods of 1980 and considered it part of their national law¹⁹. Therefore, Saudi Arabia followed the approach of the European Union countries in joining the International Sales Agreement, especially

¹⁴ Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects relating to contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, repealing Directive 1999/44/EC (text Relevant to the European Economic Area.) Document 32019L0771

¹⁵ Gajšt, N. (2015). Technical terminology in standard terms and conditions of sale: A corpus-based study of high frequency nouns and their collocations. *Scripta Manent*, 7(2), 33-50.

¹⁶ Needle, David, and Jane Burns. *Business in context: An introduction to business and its environment*. Boston: South-Western Cengage Learning, 2020.

¹⁷ Directive (EU) 2019/771 of the European Parliament and of the Council On May 20, 2019

¹⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L0771>

¹⁹ https://uncitral.un.org/en/texts/salegoods/conventions/sale_of_goods/cisg/status

since both of them are members of the G20²⁰.

5. Legislative Sustainability of the Sales Contract in Saudi Arabia

The concept of legislative sustainability of the contract for the sale of goods in the Saudi system and international agreements is: the stability of the rules that must be followed to settle the dispute if it occurs after two wills agree to accept the commercial exchange²¹ The meaning of stability is constancy and continuity, and rules are orders that apply to more than one incident and are binding, to settle disputes and disputes that occurred after the result of trade exchange, whether they are at the local level, as in the Saudi system, or the regional or international level, as in the United Nations sales system²²

According to the United Nations Committee on International Trade Law, to achieve sustainability, the purpose of legislative procedures and principles must be to achieve monetary returns while enhancing fairness and promoting competition based on the principle of transparency and equality²³, Legislative sustainability must pay attention to providing the following elements:

- Consistency of rules and programs adopted by legislative and regulatory bodies.
- The strategy in terms of the goals and objectives that the ruling regimes seek to achieve.
- Adopting initiatives and addressing problems that may arise during economic exchange²⁴

The question is: Did the sales contract in the Saudi Transactions Law meet these elements?

In Vision 2030, the Kingdom of Saudi Arabia was concerned with the sustainability of legislation that supports and encourages investment due to its impact on achieving economic development, so the legislator regulated the provisions of the sales contract in the Civil Transactions Law 2030 AD, in articles from Article: (307) to Article: (360) thereof²⁵. Referring to the rules of the sales contract, we find that the legislator did not single out an independent law for the sales contract, Rather, its provisions were organized within the first chapter under the name of contracts relating to ownership. However, legislative sustainability was achieved as the legislator closed all legal loopholes related to developments in the sales contract, and legal legislation, for example:

- E-commerce system 2019.
- Guidance guide for electronic stores 2023.
- Compliance list for electronic stores.
- Cybersecurity Guidance Document for E-Commerce Consumers 2019.
- Executive regulations for the electronic commerce system 2020 AD.
- Saudi Arbitration Law 2012 AD.

The impact of legislative sustainability in the Saudi system

Legislative sustainability has an impact on achieving Vision 2030 in the Kingdom of Saudi

²⁰□□ Series of educational materials for programs - G20 Summit Economic Culture with the Power of the Saudi Economy 1442 AD King Fahd National Library

²¹□□ Shafiqul Hassan, Mohsin Dhali, And others, 2023 Cryptocurrency in the Darknet: sustainability of the current national legislation. International Journal of Law and Management Issue publication

²²□□ . Ali Fawzi Ibrahim Al-Musawi, and master's student Haider Mahmoud Kazem. (2022). Criminal Court Application to investment contracts using the direct approach: Criminal Court Application to investment contracts using the direct approach. Ink of Arts, 1(26), 503-550.

²³□□ UNCITRAL Model Law on Public Procurement (2011) | United Nations Commission on International Trade Law

²⁴□□ <https://www.albayan.ae/across-the-uae/news-and-reports/2020-11-23-1.4020693>

²⁵□□ Saudi Civil Transactions Law 2023 issued by Royal Decree No. M/191

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Arabia, and its most important effects are the following²⁶

- Removing obstacles that prevent the flow of international trade, which contributes to providing resources to the public and private sectors from multiple sources.
- Eliminating monopoly in commercial exchanges so as to provide business opportunities for disadvantaged groups by strengthening public sales policies, to create a balance in business.
- Ensuring parity by facilitating commercial competition in local and international markets.
- Preventing commercial fraud in the public and private sectors.
- Limiting and reducing commercial corruption in all its forms²⁷

6. Legislative Sustainability of the Sales Contract in International Agreements

Legislative sustainability in international trade law: The international community was interested in legislative sustainability, as this was evident in the multiple methods of unifying the rules of the international sales contract followed by international bodies, as they were keen to make international sales subject to international agreements whose texts transcend the national laws of the contracting parties²⁸. The first effort to unify the international sales contract was from the Dutch government, which called on European countries and the United States of America to hold the first session of the Conference on Private International Law²⁹

It was held in The Hague to work to find an international understanding based on the adoption of international agreements according to which solutions to conflicts of laws can be effectively reached. The conference was called the Hague Conference on Private International Law. Its most important achievements were: the June 15 Convention on the Law Applicable to International Sale, 1955 AD, and then the Conference Agreement. The Hague regarding the sale of goods in 1955 AD, and the United Kingdom, Belgium, West Germany, Italy, the Netherlands, Gambia, and San Marino joined the recent agreement³⁰.

However, most international countries did not join it - and The Hague failed to unify the rules of the contract for the international sale of goods. Therefore, the United Nations General Assembly decided to establish a permanent committee to unify the rules of international trade law, which developed a new agreement for the international sale of goods, which found acceptance by the major economic countries and developing countries together. Vienna Convention 1980 AD It was stated in the preamble of the United Nations Convention on International Sales: (If the States Parties decide to adopt unified rules regulating contracts for the international sale of goods and taking into account the various social, economic and legal systems, this would contribute to removing legal barriers in the field of international trade and promote the development of International Trade³¹

Among the agreements complementary to the Vienna Convention of 1980:

- Convention on the Limitation Period in the International Sale of Goods (New York, 1974)³², amended in 1980. The Convention applies to an international contract if the place of work of

²⁶□□ Al-Dhiyabi, A. A., & Abdul Karim. (2023). Recent reforms in the Kingdom of Saudi Arabia and their role in attracting foreign investments. *Journal of Legal Jurisprudence*, 43 (43), 1583-1637

²⁷□□ <https://uncitral.un.org/ar/about/sdg#17>.

²⁸□□ Bhalla, R. (1996). *International trade law. Theory and Practice* (2 e d., 2001, Lexis Publishing), 594-604.

²⁹□□ Sultani, Issous, & Farid. (2018). *The legal system of the contract for the international sale of goods...*

³⁰□□ Talib Hassan (2017 AD), *International Trade Law*, Dar Al Nahda Al Arabiya, Cairo.

³¹□□ Hanna Raouf's tune. (2007). Suspension of implementation of a contract for the international sale of goods in accordance with international agreements. An analytical study in light of the provisions of the Hague Convention 1964 and the United Nations Convention on Contracts for the International Sale of Goods 1980. *Journal of Tikrit University for Humanities*, 14(11)

³²□□ Convention on the Limitation Period in the International Sale of Goods (New York, 1974) Date of adoption: 14 June 1974 Date of adoption of the Protocol amending the Convention: 11 April 1980 Entry into force: 1 August 1988

the parties to the contract at the time of its conclusion is in a contracting state or when the rules of private international law lead to the application of a contracting state, but nevertheless the Convention does not apply. If the parties expressly exclude it³³¹

- Electronic Communications Agreement 2005 AD³⁴². Where the contract is formed by electronic means by default, and the electronic signature replaces the written or written signature, and it is common to fulfill contractual obligations by means of electronic payment, such as electronic loyalty cards³⁵³

Among the international efforts towards legislative sustainability of sales contract rules are the unidroit Principles on International Commercial Contracts³⁶⁴

What must be clarified is that the texts of the 1980 Vienna Agreement, its complementary agreements, and the unidroit Principles are texts that complement the will of the contracting parties and are not peremptory texts. They may agree to exclude its provisions from application to the contractual association, modify some of its effects, or agree on what contradicts it - which means that its provisions are not relevant. In the international public order³⁷⁵ Which means that its provisions are not related to international public order

. The Vienna Convention of 1980 applies to sales contracts concluded between two parties whose work is possible in two different countries in accordance with Article 1/1 thereof:

- 1- When these two states are both contracting states.
- 2- When the rules of private international law lead to the application of the law of a contracting state, but nevertheless Article 95 of the Convention stipulates the following: "Any state may declare at the time of depositing its instrument of ratification, acceptance, approval or accession that it will not be bound by the provisions of Paragraph 1/B of Article One of this Agreement³⁸.

In 1966, the United Nations International Trade Law Committee adopted the unification of the rules of international trade law on the basis of creating the roots of international trade cooperation to promote international trade and remove all obstacles to it. It is clear that the unified rules for the contract of sale are achieved in response to developments in global trade in substantive rules and conflict of laws rules - as it includes rules for types of regular and electronic contracts, in addition to the global recognition of the 1980 Vienna Convention and its complementary agreements. all of this focuses on achieving international legislative sustainability of the contract for the international sale of goods.

7. The Relationship of the Saudi Civil Transactions Law 2023 AD to International Agreements for the Contract for the Sale of Goods

On June 21, 2023 AD, the Kingdom of Saudi Arabia confirmed its accession to the Convention on Contracts for the International Sale of Goods through the Council of Ministers headed by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud in accordance with Resolution No. (839) and dated: 02/12/1444 AH, corresponding to 06/21/2023 AD. The Agreement on Contracts for the International Sale of Goods will enter into force in the

³³¹ 1 Article 3 of the Convention on the Limitation Period in the International Sale of Goods (New York 1980).

³⁴² 2 United Nations Convention on the Use of Electronic Communications in International Contracts (New York, 2005) Date of adoption: 23 November 2005 - Entry into force: 1 March 2013

³⁵³ 3 Matar, & Muhammad Yahya. (2018). The legal system for international electronic contracts: international standards and Arab legislation.

³⁶⁴ 4 <https://www.unidroit.org/research-and-internships-2-2/#/1620738083330-94bb90c7-bfe6> - The International Institute for the Unification of Private Law (UNIDROIT)

³⁷⁵ 5 Cho, S. (2003). The nature of remedies in international trade law. *U. Pitt. L. Rev.*, 65, 713.

³⁸ 6 Slate, W. K. (2004). UNCITRAL (United Nations Commission on International Trade Law) Its Workings in International Arbitration and a New Model Conciliation Law. *Cardozo J. Conflict Resol.*, 6 73.

Kingdom by September 1, 2024 AD, with reservations and revisions to the third part of the agreement regarding the provisions on the sale of goods, as its provisions relate to interest and usury and their prohibition in Islamic law.³⁹

Therefore, the relationship between the Saudi Civil Transactions System and the United Nations Convention on Contracts for the International Sale of Goods is as follows:

- Integration between the international agreement and the Saudi system, as each of them is complementary to the other, so what is left in the international agreements is regulated by the Saudi system.
- The principle in international contracts for the sale of goods is to implement and deliver what is stated in the national regulations unless the matter requires implementing international agreements because the party to the contract is from two or more countries.
- Unifying the governance of commercial contracts by setting general model conditions

The effects of the relationship between the Saudi civil transactions system and the United Nations Convention on the Sale of Goods 1980.

The relationship between the Saudi Civil Transactions System and the United Nations Convention on Contracts for the International Sale of Goods has effects, the most important of which are the following:

- Codifying a compatible law between them that regulates sales contracts and facilitates the task of commercial exchange.
- . Controlling contractual relations in the international sales contract.⁴⁰

8. Substantive Rules in Contracts for the Sale of Goods in Saudi Law and International Agreements

The contract for the sale of goods has characteristics, the most important of which are the following:

- The sales contract creates an obligation on the seller to transfer ownership of a thing or other financial right to the buyer.
- The contract of sale is a contract of compensation. The price is estimated on valid basis, as Article (313) of the Saudi Civil Transactions Law stipulates that: "It is permissible to limit the estimation of the price to a statement of valid basis according to which it is determined."⁴¹
- The sales contract is a consensual contract. Because the legislator did not stipulate a special form for its holding, it takes place once the two parties agree and agree to it, and this agreement is not required to be expressed in a specific form. It may be in writing, or verbally, and it can even be held by reference, as stipulated in Article (15) of the United Nations Convention for the International Sale of Goods. 1980 AD in us: "The offer takes effect from the time it reaches the addressee."⁴² It is understood from this that international trade law adopts the

³⁹ <https://www.spa.gov.sa/29b9738272o>: Saudi News Agency

⁴⁰ Atim, Z.A.H (2020) EVIDENCE IN THE SAUDI ELECTRONIC TRANSACTION SYSTEM, A COMPARATIVE STUDY WITH THE UNCITRAL MODEL LAWS., Journal of Legal, Ethical and Regulatory Issues , 23-2

⁴¹ The tourist, & Imran Ali. (2007). Arbitration and the law applicable to international trade contract disputes (Doctoral dissertation, University of Algiers)

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⁴³ M. M. Zainab Adnan Tawfiq. (2020). Reservations made by the buyer regarding the goods in the contract for the international sale of goods in accordance with the Vienna Convention 1980. Journal Of the College of Law/Al-Nahrain University, 22(4).0

doctrine of the arrival of acceptance corresponding to the offer.

- The contract of sale is a contract binding on both sides: It is binding because it creates corresponding obligations for both parties. The seller is obligated to deliver the sold item, and the buyer is obligated to pay the price. It results in a number of consequences, the most important of which is that if one party refrains from implementing his obligation, the other party may refrain from implementing its corresponding obligations. He has the right to demand annulment of the contract to be free of his obligations, as Article (111) of the Saudi Transactions System²⁰²³ stipulates that the contracting parties return to the state they were in before the contract was concluded, and it is a right stipulated in the United Nations Convention for the International Sale of Goods. This is what Article (49) of the Convention stated. : “The buyer may cancel the contract,” and cancellation in the Fina Agreement is not effected unless there is a fundamental violation⁴⁴

9. Drafting the International Sales Contract

Formation of the international sales contract :

First: The International Convention on General Rules left in national laws the provisions that were not mentioned in the Convention. The general conditions for the validity of the contract must be met, such as eligibility, consent, place, and reason, as it is a contract in which the seller is obligated to transfer ownership to the buyer, by delivery in exchange for a cash price.

Second: The international sales contract does not deviate from the general rules in national laws except in the case that the buyer must have sufficient knowledge of the sold item, knowledge must be achieved by seeing and inspecting the sold item, and the contract must include a statement of the sold item and its basic descriptions⁴⁵

Third: The Vienna Convention of 1988 dealt with the provisions for forming a contract and was limited in its organization to the provisions related to the offer and acceptance only, as the United Nations Convention for the International Sale of Goods explicitly stipulated the exclusion of eligibility provisions and their subjection to the applicable national law in accordance with the rules of private international law in accordance with the text of Article (4) “whereas Except for the cases for which there is a provision in this agreement, this agreement does not relate specifically to the validity of the contract or the validity of the customs applicable in it.”⁴⁶

The nature of the contract for the international sale of goods.

Jurists have differed regarding the extent to which the rules of international commercial contracts enjoy the status of a legal system, between two trends:

A group that denies the legal nature of its rules believes that international trade law is characterized by ambiguity because it suggests the existence of a set of rules that constitute an integrated legal system based on the decision of national laws. The proponents of this trend refuse to recognize the legal status of these rules, considering that the rule must be issued by a specific legislative authority

⁴⁴ Amir Talib Hadi. (2018). The effectiveness of the principle of good faith in the 1980 Vienna Convention (CISG) (An analytical study). Journal of University of Babylon, 26

⁴⁵ Arlota, Carolina; McCall, Brian (2023). When Federal Law Goes Unnoticed: Assessing the CISG's Applicability Across U.S. Courts Based on an Empirical Research of Decisions from 1988 to 2020. American Business Law Journal

⁴⁶ Hassanein Ali Hadi. (2022). Sales excluded within the Vienna Convention of 1980 relating to the international sale of goods (analytical study). College of Law Journal for Legal & Political Sciences/Magallat Kulliyat Al-Qanun Li-L-ulum Al-Qanuniyyat Wa-Al-Siyasiyyat, 11.

and there must be an executive authority that respects those legal rules⁴⁷

In their view, the law is not international unless it regulates relations between countries, and the rules of international trade law regulate the relations of individuals, not the relations of states. Therefore, they are rules that do not constitute an integrated legal system. Therefore, they are unified international rules that are not characterized by a legal rule or a legal system. Because the rules of international trade law apply only if individuals request it, they do not regulate all legal problems that may arise in international trade.

As for the group of supporters of the legal character of the rules of international trade law: they see that it is an objective law that includes rules that apply to specific legal relations, which are international trade relations, and that its provisions control and regulate the behavior and activity of members of a specific group⁴⁸. It regulates the relationships that take place between people who belong to a specific social milieu and thus have influence and authority, which they follow on a regular and frequent basis. Professional arbitration bodies take them as sound solutions acceptable to everyone who works in the international commercial field. It acquires the character of a legal rule of customary origin and is an accepted rule. Its provisions, which include a set of professional formulas and customs, have achieved the character of generality, as its rules have the character of rules that complement the will of the contracting parties.

Obligations of the parties (buyer and seller):

Whenever the sale takes place and is valid, it creates mutual obligations for both the buyer and the seller. The seller is obligated to transfer ownership and deliver the sold item with a guarantee, while the buyer is obligated to pay the price and receive the sold item in accordance with the general rules of legal systems⁴⁹. The United Nations Convention on International Sales addressed The Sale of Goods (Vienna, 1980) and raised these obligations in five chapters from Articles (96) to (101), which correspond to Articles (66-70) of the 1964 Hague Convention in Parts Two and Three of the United Nations Convention.

The agreement gave the contracting states the freedom not to abide by the third part related to the obligations of the seller and the buyer, as stipulated in Article 92/1 of the United Nations Convention on the International Sale of Goods: "The contracting states may announce at the time of signing, ratification, acceptance, approval or accession that they will not abide by the second part of this agreement." The agreement or it will not abide by the third part of this agreement."⁵⁰ From the above it becomes clear that whoever raises the international sales contract has the obligations of the two parties to the contract, which are in the United Nations agreement and the Saudi transaction system as follows:

Obligations of the first party (the seller):

The first party (the seller) is committed to a number of obligations, the most important of which are the following:

First: Delivery of goods: An agreement was reached between the Saudi Civil Transactions

⁴⁷□□ Al-Ghamlas, Muhammad, (2023) Regulatory and legislative frameworks and tripartite sustainability governance "environmental, social and corporate governance" (Case Study - Kingdom of Saudi Arabia) (ajrsp.com) Academic Journal of Research and Scientific Publishing.

⁴⁸□□ Malgorzata Pohl-Michalek :CISG Exclusion during Legal Proceedings The Chinese Journal of Comparative Law, Volume 11, Issue 1, April 2023, cxad003 scoups

⁴⁹□□ Zaraykia, & Mukhtar. (2012). Obligations of parties to a contract for the international sale of goods in accordance with the Vienna Convention of 1980 Doctoral dissertation, Université d'Alger 1-Benyoussef Benkhedda .google scholar

⁵⁰□□ Boutaleb, & Hajar. (2019). Conformity of goods in the international sales contract in accordance with French and Algerian law and the Vienna Cdonvention of 04/11/1980 (Doctoral dissertation, Mouloud Mammeri University).

System and the United Nations Convention regarding the obligation to deliver the goods from the seller to the buyer, so the seller is obligated to the following:

- 1- - Delivering the sold item in the condition it was in at the time of sale, devoid of any third party rights of which the buyer is not aware (Civil Transactions, 2023 AD).
- 2- - Delivery on the date specified in the contract, whether it was agreed upon between the two parties or the buyer set a date for delivery (United Nations, 1980).
- 3- - Delivery shall be for the item sold, its accessories, and what is connected to it, or as is customary, to be its accessories, even if it is not mentioned in the contract (Civil Transactions, 2023 AD).
- 4- - Delivery of the sold item takes place in the possession of the buyer, or the seller vacates the item between the sold item and the buyer with the possibility of benefiting from it and possessing it (Civil Transactions, 2023 AD).
- 5- Delivering the sold item with the first carrier to deliver it to the buyer if the contract includes transporting the goods, along with sending a shipment notification that includes the designation of the sold item if the goods do not contain trademarks or something that distinguishes them from others. (United Nations, 1980).
- 6- The buyer disposes of the goods where they are located if they are specified and described but will be manufactured or produced (United Nations, 1980 AD).

Second: Conformity of goods: An agreement was reached between the Saudi Civil Transactions System and the United Nations Convention regarding the necessity of the goods received being identical to those stipulated in the sales contract, identical in type, description, and number, and conformity shall be as follows:

- 1- Validity of use for the purposes for which goods of the same type are used (United Nations, 1980).
- 2- The validity of use for the purposes of which the seller was explicitly or implicitly informed at the time of the sale.
- 3- Including the characteristics of the model presented to the buyer.

If the merchandise sold is not matched and there is an increase or decrease in it, the following is necessary:

- Requesting cancellation if the increase obligates the buyer to exceed what he purchased by a significant amount, or the decrease violates his offer (Civil Transactions, 2023 AD).
- The increase is for the buyer and the decrease is not offset by any of the price if the sold item is damaged by retail, and the named price is for its total and not the standard unit (Civil Transactions, 2023 AD).
- The decrease from the seller's account and the increase is recovered from him in kind, if the item sold is not harmed by retail and the price is in the standard unit (Civil Transactions, 2023 AD).
- The buyer has the right to respond with the defect during the warranty period, provided that the seller is notified of the non-conformity of the purchased item (United Nations, 1980 AD)

Third: The goods are free of any third party right. The seller must deliver them free of any third party claim if the buyer agrees to this right (United Nations, 1980 AD).

Fourth: The seller guarantees the safety of the sold item against any defect or deficiency that affects its benefit or value (Civil Transactions, 2023 AD).

Section Two: Obligations of the second party, the buyer.

The second party, the buyer, is committed to a number of obligations, the most important of which are the following:

First: Payment of the price: An agreement was reached between the Saudi regime and international agreements to pay the price of the sale once the sale was concluded properly, in accordance with the agreement between the two parties, and in accordance with the rules and regulations that must be applied at the local or international level (United Nations, 1980 AD .

However, if there is no agreement between the two parties on the price of the sold item, then the price will be according to the statutory regulations and rules as follows:

- Paying the normal price existing at the time of the sale (United Nations, 1980).
- The price is based on the net weight only if there is any doubt about the size of the goods (United Nations, 1980).

Second: Receiving the item sold: An agreement was reached between the Saudi system and international agreements that receiving the item is one of the buyer's obligations .

Section Three: The consequences of the seller and buyer not adhering to the sales contract:

When the two parties do not adhere to the conditions required of them in the sales contract, this will have consequences, the most important of which are the following:

- Repairing the defect in conformity unless such repair would constitute an unreasonable burden on the seller (United Nations, 1980).
- Termination of the sales contract if the defect is fundamental to the contract (United Nations, 1980).
- Reducing the price by the amount of the difference between the value of the goods that were actually delivered and the value of the identical goods as of the contract (United Nations, 1980).
- Compensation for one party's violation of the contract in an amount equivalent to the loss suffered by the other party, provided that it does not exceed the value of the loss and lost profit (United Nations, 1980).

Section Four: Governance of the Saudi Civil Transactions System and the United Nations Convention on Contracts for the Sale of Goods 1980:

The independence of each of the rules of the contract for the international sale of goods from the rules of the civil transactions system this is based on the following:

- 1- International commercial contracts have special circumstances and are subject to constantly prevailing economic factors that require speed and trust.
- 2- Commercial transactions have an independent entity and the application of civil transaction systems to them is not desirable, no matter how simple and easy these systems are.
- 3-- The Saudi civil transactions system in accordance with the rules of private international law: The arbitrator or judge does not resort to the rules of the civil transactions system except after he has exhausted the general principles, customary rules and treaties, as the contract is subject to the law of the country in which it was concluded and may also be subject to the law that applies to its subject provisions.

It may also be subject to the law of the contracting parties' domicile, their national law, or to the joint agreement in accordance with Article (5) of the Saudi Arbitration Law: "If the two parties to the arbitration agree to subject the relationship between them to the provisions of a

model contract document, international agreement, or other, the provisions of this document must be implemented to the extent they are included.” Among the provisions related to arbitration, in a manner that does not contravene Islamic law, it applies to contractual obligations for international transactions according to the rules of national law, the law of the country in which the contract was concluded. ⁵¹ Unless the contracting parties do not agree otherwise. Since national law does not stand in the way of the principle of the power of contractual will, and national laws encourage the diligence of individuals in finding rules that regulate them, this means that the arbitrator refers to the rules of private international law that regulate foreign contractual obligations to determine the legal adaptation to resolve the dispute before him.

Conclusion

The legislative integration between the Saudi Civil Transactions System 2023 AD and the United Nations Convention on the Sale of Goods 1980 AD demonstrated the consistency and interconnectedness between local and international legislation based on rules that have purposes and objectives that appear in long plans such as Vision 2030. The following are the most important results and recommendations that the two researchers concluded from this integration.

First: The most important results:

- 1- Adopting unified rules to regulate contracts for the sale of goods contributes to facilitating and unifying governance in the event of disputes in contracts for the sale of goods to achieve a monetary return without ignoring fairness, and to enhance the principle of transparency and equality.
- 2-The United Nations Convention on Contracts for the Sale of Goods contains most of these regulating and facilitating rules for contracts for the sale of international goods, in line with Vision 2030 of building a prosperous economy.
- 3- The rules governing contracts for the sale of international goods are based on a strategy of goals and objectives, and adopting initiatives while addressing problems.
- 4- The Kingdom of Saudi Arabia’s interest in Vision 2030 is to sustain legislation that supports and encourages investment, to achieve local and international economic and cultural development.
- 5- Methods of legislative sustainability in international trade law are represented by compiling trade customs and customs, and establishing international agreements and treaties, in addition to general conditions in model contracts.
- 6-The relationship between the Saudi Civil Transactions System and the United Nations Convention on Contracts for the Sale of Goods is complementary. To unify governance and methods for resolving commercial disputes, based on customs, customs, and general or international commercial principles.

The flexibility of the United Nations Convention in choosing the means of terminating and resolving disputes in international sales contracts, with the freedom to choose the method and place of resolving disputes, either national courts or arbitration bodies.

Second: The most important recommendations:

Among the most important recommendations are the following:

⁵¹□□ Ingeborg Schwenzer, Patrick Wittum .European Review of Private Law, Volume 30, Issue 5 (2022) pp. 835 – 870

1. The need for the Kingdom of Saudi Arabia to ratify agreements complementary to the Convention for the International Sale of Contracts for the Sale of Goods, such as the United Nations Convention on Electronic Communications and the United Nations Convention on the Limitation of Limitations for Contracts for the International Sale of Goods.
2. The necessity of creating a body to supervise the mechanism for applying the rules of the Convention to international contracts for goods.
3. The necessity of adequate training for judges, arbitrators, and those working in the field of local dispute resolution.

Acknowledgments

Thanks and appreciation to Prince Sultan University in Saudi Arabia for its commitment to paying financial fees and supporting research.

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